PTC India Financial Services Limited

Enabling the World for Green Energy

14th Annual Report
2019-20

Financing Infrastructure for Sustainability

Contents

Reference Information

Registered Office	:	PTC India Financial Services Limited 7th Floor, Telephone Exchange Building 8 Bhikaji Cama Place New Delhi - 110 066 Tel : (011) 26737300, Fax : (011) 26737373
CIN	:	L65999DL2006PLC153373
Company Secretary	:	Mr. Vishal Goyal
Statutory Auditors	:	M/s. MSKA & Associates
Internal Auditors	:	Grant Thornton India LLP
Shares are listed on	:	National Stock Exchange of India Limited (NSE) BSE Limited (BSE)
Depository	:	National Securities Depository Limited Central Depository Services (India) Limited
Registrar and Share Transfer Agent (for Equity and Bonds)	:	Kfin Technologies Private Limited Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad – 500 032 Tel : (040) 67162222, Fax : (040) 23001153
Bankers	:	Allahabad Bank Andhra Bank Axis Bank Bank of Baroda Bank of India Bank of Maharashtra BNP Paribas Canara Bank Central Bank of India Corporation Bank HDFC Bank IDBI Bank Ltd ICICI Bank Ltd IndusInd Bank Oriental Bank of Commerce Punjab National Bank State Bank of India Syndicate Bank The Jammu & Kashmir Bank Union Bank of India United Bank of India Yes Bank
Debenture Trustee	:	IDBI Trusteeship Services Limited Asian Building, Ground Floor 17 R. Kamani Marg, Ballard Estate Mumbai- 400001 Tel : (022) 40807000, Fax : (022) 66311776
Website	:	www.ptcfinancial.com
E-mail	:	complianceofficer@ptcfinancial.com info@ptcfinancial.com

PTC India Financial Services Limited

CIN: L65999DL2006PLC153373

Registered Office: 7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place New Delhi - 110 066

Tel: +91 11 26737300 / 26737400 Fax: 26737373

Website: www. ptcfinancial.com E-mail: info@ptcfinancial.com

NOTICE OF 14th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 14th (fourteenth) Annual General Meeting (AGM) of the Members of PTC India Financial Services Ltd. will be held on Tuesday, 22nd September 2020 at 11: 00 a.m. by way of Video Conferencing (VC) / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the (a) Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2020, together with Board's Report, and report of Auditor's thereon and (b) Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2020 and report of Auditor's thereon.

2. To consider declaration of dividend for the Financial Year 2019–20

   To consider and if thought fit, to pass with or without modification(s), the following resolution for dividend for the financial year 2019–20 as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 123 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re–enactment thereof for the time being in force), dividend at the rate of 4.5% (Rs. 0.45 per equity share of Rs.10/– each) be and is hereby declared for the financial year 2019–20, out of the profits of the Company on the 64,22,83,335 equity shares of Rs. 10/– each fully paid up to be paid as per the ownership as on closing hours of 15th September 2020."

3. To re–appoint Shri Naveen Kumar (DIN : 00279627) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** Shri Naveen Kumar (DIN : 00279627) who retires by rotation and who is eligible for re–appointment as per his existing terms be and is hereby re–appointed."

SPECIAL BUSINESS

4. **To appoint Shri Thomas Mathew Thumpeparambil (DIN: 00130282) as an Independent Director of the Company**

   To consider and, if thought fit, to pass, with or without modification(s), the resolution for appointment Shri Thomas Mathew Thumpeparambil (DIN: 00130282) as a non–executive Independent Director of the Company as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, Shri Thomas Mathew Thumpeparambil (DIN: 00130282) who was appointed as an additional director in the category of Independent Director w.e.f. 10th October 2019, who has given a declaration of independence under section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 (three) consecutive years commencing from 10th October 2019 i.e. upto 9th October 2022 and whose office shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

5. **To appoint Dr. Ajit Kumar (DIN: 06518591) as a Non– Executive Nominee Director of the Company**

   To consider and, if thought fit, to pass, with or without modification(s), the resolution for appointment Dr. Ajit Kumar (DIN: 06518591) as a non–executive Nominee Director of the Company as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re–enactment thereof for the time being in force), Dr. Ajit Kumar (DIN: 06518591) who was appointed as an additional director in the category of Nominee Director of PTC India Limited (PTC) by the Board of Directors w.e.f. 6th June 2020 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Non– Executive Director as Nominee of PTC whose office shall be liable to retire by rotation.

   RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. **To appoint Shri Rajiv Malhotra (DIN: 02383396) as an Non– Executive Nominee Director of the Company**

   To consider and, if thought fit, to pass, with or without modification(s), the resolution for appointment Shri Rajiv Malhotra (DIN: 02383396) as a non–executive Nominee Director of the Company as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re–enactment thereof for the time being in force), Shri Rajiv Malhotra (DIN: 02383396) who was appointed as an additional director in the category of Nominee Director of PTC India Limited (PTC) by the Board of Directors w.e.f. 6th June 2020 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Non– Executive Director as Nominee of PTC whose office shall be liable to retire by rotation.

   RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

7. **To appoint Shri Rakesh Kacker (DIN: 03620666) as an Independent Director of the Company**

   To consider and, if thought fit, to pass, with or without modification(s), the resolution for appointment Shri Rakesh Kacker (DIN: 03620666) as a non-executive Independent Director of the Company as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, Shri Rakesh Kacker (DIN: 03620666) (who was Nominee Director of PTC India Limited) and appointed as an Independent Director w.e.f. 23rd June 2020, who has given a declaration of independence under section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for period commencing from 23rd June 2020 upto 31st December 2021 and whose office shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By Order of the Board of Directors,
For **PTC India Financial Services Limited**

Sd/-
(Vishal Goyal)
Company Secretary
M.No. A19124

Place: New Delhi
Date: 21st August 2020

Address: 7th Floor, Telephone Exchange Building,
8 Bhikaji Cama Place, New Delhi-110066

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM" or "Meeting") through VC, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC, without the physical presence of the Members at a common venue.

2. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

3. The relevant details, pursuant to Section 102 of the Act and Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM is annexed.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are requested to send a scanned copy (PDF/JPG Format) of its Resolution/Authorization etc., authorizing its representative to attend the AGM and vote on their behalf.

6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.ptcfinancial.com, websites of the Stock Exchanges i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com respectively.

7. The Member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance at the AGM and such Member attending the Meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to the RTA at einward.ris@kfintech.com. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to the Company or its RTA at email address mentioned above.

9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

10. The statement pursuant to section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is Annexed.

11. Relevant documents referred to in the accompanying Notice and the explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturdays, between 11:00 a.m. and 1:00 p.m. upto the date of AGM. The requisite statutory registers shall also be open for inspection through electronic mode during the Meeting.

12. The Register of Members and Share Transfer Books of the Company will be closed from 16th September 2020 to 22nd September 2020 (both days inclusive).

13. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") for participating in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or Registrar and Share Transfer Agent ('RTA"). SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company /RTA for registration of transfer of securities.

14. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 01st April 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

15. The dividend on equity shares as recommended by the Board of Directors, if declared in the AGM, payment of such dividend will be made subject to deduction of tax at source within 30 days from the date of declaration to those members or their mandates whose name stand registered as:

    i) To all beneficial owners in respect of shares held in dematerialized form as per the data made available by National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") as of the close of business hours on 15th September 2020.

    ii) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 15th September 2020.

16. Members desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to Kfin Technologies Private Limited (earlier known as Karvy Fintech Pvt. Limited), RTA of the Company in the nomination form (i.e. Form No. SH. 13). In case, shares held in dematerilised form, the nomination has to be lodged with the respective depository participant. The nomination form can be downloaded from the Company's website www.ptcfinancial.com.

17. The communication address of our RTA is M/s. Kfin Technologies Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli,, Financial District, Nanakramguda, Hyderabad – 500 008.

18. Members are requested to notify immediately any change of address and change in bank details etc.:

    i) to their DP in respect of Shares held in dematerialized from
    ii) to RTA i.e. M/s. Kfin Technologies Private Limited in respect of their physical shares, if any, quoting their folio number.

19. For Electronic Clearing System (ECS) facility for crediting dividend directly to your designated bank accounts, shareholders are requested to give their mandate in the form enclosed.

20. None of the Directors/KMPs of the Company is in anyways related to each other.

21. Members are requested to send all correspondence concerning registration of transmissions, sub-division, consolidation of shares or any other shares related matter and/or change in address and bank account, to Company's RTA.

22. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's RTA, for consolidation into a single folio.

23. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to the Company at the registered office atleast 10 days prior to the date of the meeting, so that the information required can be made readily available at the meeting.

24. The members attending the meeting who have not already caste their voting by e-voting will be able to exercise their voting at the meeting. Moreover, the members who have caste vote through e-voting may attend the meeting but they are not eligible to vote in the meeting.

25. Members who wish to claim dividends, which remain unpaid, are requested to correspond with our RTA. Members are requested to note that dividend not en-cashed/ claimed within seven years will be transferred to Investor Education and Protection Fund of Government of India as per provisions of the Companies Act, 2013. In view of this, members are requested to send all un-cashed dividend warrants pertaining to respective years to Company/RTA for revalidation and en-cash them before due date.

26. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations, and the circulars issued by the MCA dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with its RTA for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by RTA.

27. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

28. (a) This Notice is being sent to all the members whose name appears as on 21st August, 2020 (closing hours) in the Register of members or beneficial owner as received from RTA.

    (b) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 15th September 2020 being cut-off date. Members are eligible to cast vote through remote e-voting or voting in the AGM only if they are holding shares as on that date.

29. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

30. Non-Resident members are requested to inform RTA, immediately of:

    (a) Change in their residential status on return to India for permanent settlement.

    (b) Particulars of their bank account maintained in India with complete name branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
    (c) In terms of notification issued by SEBI, equity shares if the Company are under compulsory demat trading by all investors. Members are therefore, advised to dematerialize their shareholding to avoid inconvenience in trading in shares of the Company.

31. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. September 22nd, 2020.

32. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

33. *Instructions for Members for Attending the AGM through VC/OAVM are as under:*

i. **Attending the AGM:** Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Private Limited. Members are requested to visit http://emeetings.kfintech.com/ after successful Login click on **VIDEO CONFERENCE** to join the Meeting.

ii. Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided herein.

iii. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience.

iv. Members who need assistance before or during the AGM may contact **Mr. Suresh Babu D.**, Deputy Manager - RIS, KFin Technologies Private Limited at Tel: +91 40 6716 2222 or Toll Free No.: 1800-345-4001; or send an email request at the email id: **suresh.d@kfintech.com** or **evoting@kfintech.com**.

34. Procedure for Remote E- voting

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and provisions of Regulation 44 of the Listing Regulations and Circulars issued by the MCA and SEBI, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Kfintech Technologies Private Limited, on the resolutions set forth in this Notice, through remote e-voting.

i. The remote e-voting facility will be available during the following period:

Day, date and time of Commencement of remote e-voting	From :	**Saturday, 19th September 2020 at 9:00 a.m. (IST)**
Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed	To :	**Monday, 21st September 2020 at 5:00 p.m. (IST)**

ii. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by RTA upon expiry of the aforesaid period.

iii. Details of website: : https://evoting.karvy.com/

iv. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

v. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. **15th September 2020**, may obtain the User ID and password in the manner as mentioned below:

a. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD<space> e-voting Event Number + Folio No. or DP ID Client ID to +91-9212993399

Example for NSDL: MYEPWD<SPACE> IN12345612345678
Example for CDSL: MYEPWD<SPACE> 1402345612345678
Example for Physical: MYEPWD<SPACE> XXXX1234567890

b. If email address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of **https://evoting.karvy.com**, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

c. Member may call KFintech's Toll free number 1800-345-4001.

d. Member may send an email request to **evoting@kfintech.com**. However, KFintech shall endeavour to send User ID and Password to those new Members whose email IDs are available.

vi) Details of person(s) to be contacted for issues relating to e-voting:
D.Suresh Babu
KFin Technologies Private Limited
Unit: PTC India Financial Services Limited,
Selenium Building, Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032.
Tel. No.: +91 40 6716 2222; Toll Free No.: 1800-345-4001;
Fax No.: +91 40 2300 1153/ 2342 0814.
E-mail:evoting@kfintech.com

vii) THE INSTRUCTIONS FOR REMOTE E-VOTING ARE AS UNDER:

a. Launch internet browser by typing the URL: : https://evoting.karvy.com/

b. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (e-voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.

c. After entering these details appropriately, click on "LOGIN".

d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

e. You need to login again with the new credentials.

f. On successful login, the system will prompt you to select the EVEN for PTC India Financial Services Limited.

g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. **15th Septemer 2020** under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date.

Pursuant to Clause 16.5.3(e) of Secretarial Standard on General Meetings (SS-2) issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government, in case a Member abstains from voting on a Resolution i.e., the Member neither assents nor dissents to the Resolution, then his/her/its vote will be treated as an invalid vote with respect to that Resolution.

h. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.

i. Voting has to be done for each item of the Notice separately.

j. You may then cast your vote by selecting an appropriate option and click on "Submit".

k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

In case of any query pertaining to e-voting, please visit Help & FAQs section and e-voting User Manual available at the download section of KFintech's website **https://evoting.karvy.com** or contact at D.Suresh Babu or at **evoting@kfintech.com** or on Phone No. +91 40 67162222 or call Toll free No. 1800-345-4001, for any further clarifications.

35. Instructions for Members for Voting during the AGM:

i. The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.

ii. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.

iii. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The Members shall be guided on the process during the AGM.

iv. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

36. Procedure for registering the email addresses and obtaining the AGM Notice and e-voting instructions by the Members whose email addresses are not registered with the Depositories (in case of Members holding shares in Demat form) or with KFintech (in case of Members holding shares in physical form)

I. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

a. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.

b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an email request at the email ID **einward.ris@kfintech.com** along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the e-voting instructions.

II. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangements with KFintech for registration of email addresses of the Members in terms of the MCA Circulars. Eligible Members who have not submitted their email address to the Company or KFintech are required to provide their email address to KFintech.

PROCESS TO BE FOLLOWED FOR REGISTRATION OF E-MAIL ADDRESS:

A. The process for registration of email address with KFintech for receiving the Notice of AGM and login ID and password for e-voting is as under:

i. Visit the link: https://ris.kfintech.com/email_registration/

ii. Select the Company name viz. PTC India Financial Services Limited

iii. Enter the DP ID & Client ID / Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member shall enter one of the Share Certificate numbers.

iv. Upload a self-attested copy of the PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation.

v. Enter your email address and mobile number.

vi. The system will then confirm the email address for receiving this AGM Notice.

B. THE PROCESS FOR REGISTRATION OF EMAIL ADDRESS WITH THE COMPANY FOR RECEIVING THE NOTICE OF AGM AND LOGIN ID AND PASSWORD FOR E-VOTING IS AS UNDER:

Members are requested to visit the website of the Company https://ris.kfintech.com/email_registration/... and select the Company name PTC INDIA FINANCIAL SERVICES LTD form the drop down button and follow the process as mentioned on the landing page to receive the Notice of AGM and Voting Instructions.

I. After successful submission of the email address, KFintech will email a copy of this AGM Notice along with the e-voting user ID and password. In case of any queries, Members are requested to write to KFintech.

II. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs / KFintech to enable servicing of notices / documents / Annual Reports and other communications electronically to their email address in future.

III. A member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a member casts votes through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.

IV. Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares on the cut-off date i.e. 15th September 2020 may obtain the User ID and password as mentioned below:

a) If the mobile number of the member is registered against Folio No./ DPID Client ID, the member may send SMS : MYEPWD E-Voting Even Number+ Folio No. or DPID Client ID to 921993399.

b) If e-mail address or mobile number of the member is registered against folio no. DP ID, Client ID then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter folio no. or DP ID, Client ID and PAN to generate a password.

37. Submission of Questions / Queries prior to AGM:

a. Members desiring any additional information or having any question or query pertaining to the business to be transacted at the AGM are requested to write to the Company Secretary on the Company's investor email-id i.e. **info@ptcfinancial.com** at least 2 days before the date of the AGM so as to enable the Management to keep the information ready. Please note that, Members' questions will be answered only if they continue to hold the shares as on the cut-off date.

b. Alternatively, Members holding shares as on the cut-off date may also visit **https://ris.kfintech.com/email_registration** and click on the tab **"Post Your Queries"** to post their queries/views/questions in the window provided, by mentioning their name, demat account number/ folio number, email ID and mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the AGM

38. Speaker Registration before AGM:

a) In addition to the above, the speaker registration may also be allowed during the remote e-voting period. Members who wish to register as speakers are requested to visit https://emeetings.kfintech.com/ and click on **"Speaker Registration"** during this period. Due to inherent limitation of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Question and Answer Session. Hence, Members are encouraged to send their questions/ queries etc., in advance as provided here in above.

b) Members will be provided with the facility to attend the AGM through VC/OAVM through KFintech's e-voting system and they may access the same at https://emeetings.kfintech.com/ by clicking **"VIDEO CONFERENCE"** and join the Meeting by using the remote e-voting credentials. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice

39. General Instructions/Information for Members for voting on the Resolutions at the AGM:

a. Members who are present at the AGM through VC/OAVM facility and have not cast their votes on the Resolutions through remote e-voting may cast their votes during the AGM through the e-voting system provided by KFintech during the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting; however, these Members are not entitled to cast their vote again in the Meeting.

b. The voting rights of Members shall be in proportion to the paid-up value of their shares in the Equity Share capital of the Company as on the cut-off date i.e. 15th September 2020 Members are eligible to cast their vote either through remote e-voting or in the AGM, only if they are holding Shares as on that date. A person who is not a Member as on the cut-off date is requested to treat this Notice for information purposes only.

c. The Board of Directors has appointed Mr. Ashish Kapoor, Company Secretary in Whole Time Practice, (CP No 7504), as the Scrutinizer to scrutinize the voting and remote E-Voting process in a fair and transparent manner. The Scrutinizer shall, within a period of 48 hours from the conclusion of the Voting at the AGM, unlock the votes in the presence of at least two witnesses, not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

d. The results declared along with the consolidated Scrutinizer's Report will be placed on the website of the Company at www.ptcifinancial.com and the website of KFintech: https://evoting.karvy.com immediately after the results are declared and will simultaneously be forwarded to BSE Limited and NSE, where the Equity Shares of the Company are listed.

e. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 22nd September 2020 subject to receipt of the requisite number of votes in favour of the Resolutions.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

<u>Item no. 4</u>

Appointment of Shri Thomas Mathew Thumpeparambil (DIN: 00130282) as an Independent Director of the Company

Based on the recommendations of Nomination & Remuneration Committee, the Board of Directors on 10th October 2019 has appointed, Shri Thomas Mathew T. as an Additional Director in the category of Independent Director w.e.f. 10th October 2019 for a period of 3 years.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Thomas Mathew T. for the office of Director of the Company. Shri Thomas Mathew T. has declared that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and not debarred from appointment by any order of SEBI or any other authority. He has also provided his consent to act as a Director.

The Company has received a declaration from Shri Thomas Mathew T. that he meets the criteria of independence as prescribed both under sub–section (6) of Section 149 of the Act and under Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("LODR").

In the opinion of the Board and based upon his declaration, Shri Thomas Mathew T. fulfils the conditions for his appointment as an Independent Director as specified in the Act and the LODR. Shri Thomas Mathew T. is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Shri Thomas Mathew T.

Shri Thomas Mathew is Independent Director on the Board of the Company. Shri Mathew has four decades of strategic leadership and operational experience in the Life Insurance and Reinsurance industry in India. He was the Managing Director and Interim Chairman of L.I.C of India.

A profile of Shri Thomas Mathew T. is also annexed to the Notice in accordance with the SEBI LODR and Secretarial Standards.

The resolution seeks approval of the shareholders in terms of provisions of Section 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, for the appointment of Shri Thomas Mathew T. as Independent Director for the tenure as mentioned in the resolutions mentioned in this notice. His office of directorship shall not be liable to retire by rotation.

Shri Thomas Mathew T. does not have any shareholding in the Company. No other Director/KMP or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in appointment of Shri Thomas Mathew T. except him.

All documents referred in this explanatory statement shall be available for the inspections by the members as detailed in notes to the explanatory statement.

The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Shri Thomas Mathew T. as an Independent Director. Accordingly, the Board recommends the resolution in relation of appointment of Shri Thomas Mathew T. as an Independent Director, for a term of 3 (three) consecutive years commencing from 10th October 2019 i.e. upto 9th October 2022, for the approval of members of the Company as an Ordinary Resolution.

<u>Item no. 5</u>

Appointment of Dr. Ajit Kumar (DIN: 06518591) as Non– executive Nominee Director

Dr. Ajit Kumar (DIN: 06518591), aged about 61 years was appointed as an Additional Director on the Board of Company w.e.f. 6th June 2020 as Nominee of PTC India Limited (PTC) and holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing as per Section 160 of the Companies Act, 2013, signifying intention to propose Dr. Ajit Kumar as Non–Executive Director on the Board of the Company.

The above appointment of Dr. Ajit Kumar, as Director being liable to retire by rotation in terms of Section 152 of Companies Act, 2013 requires approval of the Members in the AGM.

Dr. Ajit Kumar has declared that he is not disqualified from being appointed as a Director under Section 164 of the said Act and not debarred from appointment by any order of SEBI or any other authority. He has also provided his consent to act as Director.

Dr. Ajit Kumar does not have any shareholding in the Company. None of the Directors or Key Managerial Personnel and their relatives except Dr. Ajit Kumar is concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

Brief resume of Dr. Ajit Kumar

Dr. Ajit Kumar joined PTC as Director (Commercial & Operations) on 2nd April 2015. Prior to joining PTC, he worked in NTPC for 35 years. During his tenure in NTPC as Executive Director (Commercial), he was responsible for sale and realizations of bills for 235 BU annually. He as head of Business Development also played a key role in finalizing various agreements with Bangladesh Power Development Board for establishing 2×660 MW Thermal Power project in Khulna and with Ceylon Electricity Board for establishing 2×250 MW Thermal Power project in Trincomalee.

As General Manager and at other Management levels, he was responsible for delivering design & engineering inputs, Quality Assurance and Inspection services, procurement & site support for super thermal power projects involving unit sizes of 200 MW, 500 MW, 660 MW & 800 MW. He piloted NTPC foray into nuclear power as Head of Nuclear Power Group & established a JV Company with NPCIL.

A profile of Dr. Ajit Kumar is also annexed to the Notice in accordance with the SEBI LODR and Secretarial Standards.

All documents referred in this explanatory statement shall be available for the inspections by the members as detailed in notes to the explanatory statement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of him as a nominee Director of PTC. Accordingly, the Board recommends the resolution in relation of appointment of Dr. Ajit Kumar as Nominee Director, for the approval of members of the Company as an Ordinary Resolution.

<u>Item no. 6</u>

Appointment of Shri Rajiv Malhotra (DIN: 02383396) as Non– executive Nominee Director

Shri Rajiv Malhotra (DIN: 02383396), aged about 53 years was appointed as an Additional Director on the Board of Company w.e.f. 6th June 2020 as Nominee of PTC India Limited (PTC) and holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing as per Section 160 of the Companies Act, 2013, signifying intention to propose Shri Rajiv Malhotra as Non–Executive Director on the Board of the Company.

The above appointment of Shri Rajiv Malhotra as Director being liable to retire by rotation in terms of Section 152 of Companies Act, 2013 requires approval of the Members in the Annual General Meeting.

Shri Rajiv Malhotra has declared that that he is not disqualified from being appointed as a Director under Section 164 of the said Act and not debarred from appointment by any order of SEBI or any other authority. He has also provided his consent to act as Director.

Shri Rajiv Malhotra does not have any shareholding in the Company. None of the Directors or Key Managerial Personnel and their relatives except Shri Rajiv Malhotra is concerned or interested, financially or otherwise, in the resolution. The Board recommends the resolution for your approval.

Brief resume of Shri Rajiv Malhotra

Sh. Rajiv Malhotra is Executive Director & Group CRO, PTC India Ltd. His previous assignments include COO, Athena Energy Ventures and Vice President, PTC India Limited. He was part of the team that successfully completed PTC's IPO in 2004. As part of these assignments, he has anchored integrative functions like strategy, organizational development and information management. Also handled regulatory and litigation matters impacting trading and development of power markets in the country.

Earlier, Sh. Rajiv Malhotra was also part of NTPC in the Company's Consulting and Corporate HR divisions. He was responsible for performance management system and progression policy review while in NTPC's HR division. He performed various roles as a procurement and commercial resource for the Consulting division's assignments in India and overseas.

A profile of Shri Rajiv Malhotra is also annexed to the Notice in accordance with the SEBI LODR and Secretarial Standards.

All documents referred in this explanatory statement shall be available for the inspections by the members as detailed in notes to the explanatory statement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of him as a nominee Director of PTC. Accordingly, the Board recommends the resolution in relation of appointment of Shri Rajiv Malhotra as Nominee Director, for the approval of members of the Company as an Ordinary Resolution.

Item no. 7

Appointment of Shri Rakesh Kacker (DIN: 03620666) as an Independent Director of the Company

Shri Rakesh Kacker (DIN: 03620666) was appointed as an Additional Director on the Board of Company w.e.f. 10th October 2019 as Nominee of PTC India Limited (PTC). Further, based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors had appointed Shri Rakesh Kacker as Independent Director w.e.f. 23rd June 2020 upto 31st December 2021 and he ceases to be the Nominee Director of PTC w.e.f. 23rd June 2020.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Rakesh Kacker for the office of Director of the Company. Shri Rakesh Kacker has declared that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and not debarred from appointment by any order of SEBI or any other authority. He has also provided his consent to act as a Director.

The Company has received a declaration from Shri Rakesh Kacker that he meets the criteria of independence as prescribed both under sub–section (6) of Section 149 of the Act and under Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("LODR").

In the opinion of the Board and based on his declaration, Shri Rakesh Kacker fulfils the conditions for his appointment as an Independent Director as specified in the Act and the LODR. Shri Rakesh Kacker is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Shri Rakesh Kacker

Shri Rakesh Kacker, IAS (Retd.) is Independent Director on the Board of the Company. He has earlier worked as Secretary to the Government of India and hold various posts at senior level in the Government. He has rich experience of Indian Power Sector.

A profile of Shri Rakesh Kacker is also annexed to the Notice in accordance with the LODR and Secretarial Standards.

The resolution seeks approval of the shareholders in terms of provisions of Section 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, for the appointment of Shri Rakesh Kacker as Independent Director for the tenure as mentioned in the resolutions mentioned in this notice. His office of directorship shall not be liable to retire by rotation.

Shri Rakesh Kacker. does not have any shareholding in the Company. No other Director/KMP or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in appointment of Shri Rakesh Kacker except him.

All documents referred in this explanatory statement shall be available for the inspections by the members as detailed in notes to the explanatory statement.

The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Shri Rakesh Kacker as an Independent Director. Accordingly, the Board recommends the resolution in relation of appointment of Shri Rakesh Kacker as an Independent Director, for the approval of members of the Company as an Ordinary Resolution.

By Order of the Board of Directors,
For PTC India Financial Services Limited

Sd/-
(Vishal Goyal)
Company Secretary
M.No. A19124

Place: New Delhi
Date:21st August 2020

Address: 7th Floor, Telephone Exchange Building,
8 Bhikaji Cama Place,New Delhi–110066

Information about the Directors seeking Appointment/Re–appointment at the 14th Annual General Meeting in pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards–2 as issued by ICSI

Name	Shri Thomas Mathew Thumpeparambil	Dr. Ajit Kumar	Shri Rajiv Malhotra	Shri Rakesh Kacker
Date of birth	03rd June 1953	08th April 1959	07th November 1966	15th April 1953
Age	67 years	61 years	53 years	67 years
DIN No.	00130282	06518591	02383396	03620666
Date of appointment/ re–appointment	10th October 2019	6th June 2020	6th June 2020	23rd June 2020
Qualification	M.A.(Economics), LLB (Hons.), PGDM (Marketing)	B.Sc. Engg. (Electrical), MBA (Finance) and PhD in Management	B.Sc., PDPM, CFA	Retd. (IAS)
Details of remuneration sought to be paid	NA	NA	NA	NA
Nationality	Indian	Indian	Indian	Indian
Experience	Around 40 years	Around 38 years	Around 28 years	Around 40 years
Expertise in specific functional areas	Finance Sector	Power Sector	Power Sector	Power Sector
Date of first appointment on the Board of the Company	10th October 2019	6th June 2020	6th June 2020	10th October 2019
Terms and conditions of appointment or re–appointment along with details of remuneration sought to be paid	Independent Director	Nominee Director	Nominee Director	Independent Director
Last drawn remuneration, if applicable	NA	NA	NA	NA
Details of remuneration sought to be paid	NA	NA	NA	NA
No. of Board meetings attended during the year 2019–20	Details given in CG report	Details given in CG report	Details given in CG report	Details given in CG report
Name(s) of the other Companies in which Directorship held including membership/ chairman of any committee	1. L&T Infra Debt Fund Limited 2. L&T Finance Holdings Limited 3. Canara HSBC Oriental Bank Of Commercelife Insurance Company Limited 4. L&T Infrastructure Finance Company Limited	1. PTC India Limited 2. PTC Energy Limited 3. Teesta Urja Limited 4. Pranurja Solutions Limited	Nil	1. PTC India Limited 2. Planetcast Media Services Limited 3. ONGC Videsh Limited 4. National Institute of Food Technology entrepreneur ship & Management
Membership/ Chairmanship of Committees of PTC India Financial Services Limited	1. IT Strategy Committee– Chairman 2. Stakeholder Relationship Committee– Member	1. Nomination & Remuneration Committee– Member 1. Business Committee– Chairman	1. Audit Committee– Member 2. Risk Management Committee– Member 3. Stakeholder Relationship Committee– Member 4. IT Strategy Committee– Member 5. Business Committee– Member	1. Risk Management Committee– Chairman 2. Business Committee– Member
Number of Shares held in the Company	Nil	Nil	Nil	Nil
Relationship with other directors, Manager, key managerial personnel of the Company	Not related to any Directors and Key Managerial Personnel of the Company	Not related to any Directors and Key Managerial Personnel of the Company	Not related to any Directors and Key Managerial Personnel of the Company	Not related to any Directors and Key Managerial Personnel of the Company

* Based on latest disclosures received from the Directors.

PTC India Financial Services Limited
BOARD'S REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the 14th (fourteenth) Annual Report together with the Audited Financial Statements of your Company ("the Company" or "PTC India Financial Services Limited/ PFS") for the financial year ended 31st March 2020.

1. **Financial Performance**

The summarized standalone financial results of your Company are given in the table below.

(Rs. in millions)

	FY 2019-20	FY 2018-19
Total Income	**13,697.10**	**13,365.12**
Profit/(loss) before Finance Charges, Depreciation & Tax (EBITDA)	11,268.26	12,280.38
Finance Charges	**9,484.46**	**9,443.11**
Depreciation and Amortization	**63.42**	**27.27**
Provision for Income Tax (including for earlier years)	**620.39**	**968.57**
Net Profit/(Loss) After Tax	**1,099.99**	**1,841.43**
Other Comprehensive Profit /(Loss) for the year	(24.31)	(336.12)
Total Comprehensive Profit /(Loss) for the year	**1,075.68**	**1,505.30**

In FY 2019-20 the total income increased by 2.48% from Rs. 13,365.12 million in FY2018-19 to Rs. 13,697.10 million. In FY 2019-20 finance cost also increased, in line with interest income, by 0.44% to Rs. 9,484.46 million as compared to Rs. 9,443.11 million in FY 2018-19. The other expenses decreased by 11.69% to Rs. 288.63 million during FY 2019-20 as compared to Rs. 326.84 million in FY 2018-19. Other income increased by 160.37% to Rs. 54.60 million during FY 2019-20 compared to Rs. 20.97 million in FY 2018-19. Few of the loan accounts were referred for liquidation by NCLT and accordingly provision for Impairment on Financial Instruments has increased to Rs. 1,957.06 million in FY 2019-20 from Rs. 605.83 million in FY 2018-19. In FY 19-20, the Spread has improved to 2.62% from 2.52% on earning portfolio and NIM has improved from 2.99% to 3.31%

In FY 2019-20 PFS focused on diversified sources of borrowings and reduction in cost of borrowings. Our Company has explored funding from various international financial institutions like IFC, JICA, OeEB, OPIC etc. and have received letter of intent (LOI) of USD 115 million and is in discussion for credit lines of another USD100 million. During FY 2019-20, PFS received fresh sanctions of long-term loans of Rs.5,000 million each from existing lenders viz Bank of India and Canara Bank and a sanction of long-term loan of Rs.1,000 million from the new lender United Bank of India. PFS was able to reduce the Debt : Equity ratio during the year to 4.43 from 5.28 in FY 2018-19 The ratio of long term borrowings to short term borrowings has also improved to 91:9 in FY 2019-20 from 76:24 in FY 2018-19 which indicates the strengthening of our asset liability covergence and reduced payment obligations in the short term.

The COVID-19 virus has caused a global pandemic that has affected the world economy including India, leading to significant decline in economic activity and volatility in the financial markets. The Government of India (GOI) announced various relief packages to support all segments. In line with the Govt. initiative, RBI notified guidelines, relating to the COVID-19, Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 for moratorium of interest & principal, LTRO, TLTRO etc. the Company has granted a moratorium of upto six months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to the eligible borrowers, who have applied for moratorium. Company allowed moratorium to borrowers, which constitute approx. 50% of loan book. Even after allowing moratorium, Company has sufficient liquidity in the form of High-Quality Liquid Assets (HQLA) and undrawn lines of credit to meet its financial obligations in the near future. The Company does not foresee any significant concern in the case of borrowers where projects have been commissioned/ completed, considering that 50% of loan book is constituted of renewable energy assets which are commissioned projects and have must run status. However, it would be difficult to assess the impact on borrower's ability to service the debt where projects are under construction and delay in meeting project milestones.

The Company has considered external information (i.e. valuation report, one-time settlement (OTS) proposal, asset value as per their last financials with applicable haircut as per expected credit loss (ECL methodology) to determine the impairment. However, the eventual outcome for non-performing assets (NPA) and stressed assets may be different because of future economic conditions which may emerge due to the outbreak of COVID 19.

During the FY 2019-20, with the focused efforts of the management, Gross NPAs have decreased from Rs. 8,046.80 million to Rs.7,446.20 million and net NPA from Rs. 4,032.23 million to Rs. 3,844.87 million. For FY 2019-20 Gross NPA as a % to gross advances was 6.74% and Net NPA as a % to net advances was 3.59% as compared to 6.04% and 3.12% respectively for FY 2018-19. PFS has resolved stress/ NPA loan accounts of close to Rs. 6,850 million. The company is continuously focusing on resolving the stress assets and deploying them into income generating assets. The efforts may result in better profitability in coming years. Most of the NPA accounts belong to Thermal and Large Hydro projects. Overtime, the Company is shifting its focus on other areas including renewable energy because of which the company exposure to thermal has reduced to 11% in FY 2019-20 in comparison to 14% as at the beginning of the year.

The profit before tax (PBT) for FY 2019-20 stood at Rs. 1,720.38 million compared to Rs. 2,810.00 million in FY 2018-19. The profit after tax (PAT) for FY 2019-20 stood at Rs. 1,099.99 million against Rs. 1,841.43 million in FY 2018-19.

For ensuring robust quality of portfolio, PFS continues to strengthen credit appraisal process and risk management function. PFS has further strengthened the project monitoring function and implemented early warning signal framework for early identification of stress in assisted projects, and, a special team has been set up to deal with and find resolution of stressed assets.

2. **Summary of Operations and State of Company's Affairs**

PFS has been playing a crucial role in the development of the country's core infrastructure. By offering medium/long-term funds and credit, it has been enabling the funding and growth of the infrastructure projects across the country. PFS provides debt assistance to projects in the entire energy value chain i.e. power generation projects, transmission and distribution projects, fuel sources and related/other infrastructure.

The debt assistance sanctioned during FY 2019-20 stands at Rs. 30,408 million and disbursement at Rs. 25,904 million as compared to Rs 51,239 million and Rs. 40,852 million during FY 2018-19.

The gross portfolio stood at Rs. 113,950 million in FY 2019-20 as compared to Rs. 142,370 million in FY 2018-19. The fund-based portfolio stood at Rs. 110,060 million in FY 2019-20 as compared to Rs. 133,210 million in

FY 2018-19 and letters of comfort stood at Rs. 3,890 million in FY 2019-20 as against Rs. 9,160 million in FY 2018-19. The equity investments made by the Company aggregated to another Rs. 2,469.21 million as at the year end. The cumulative gross aggregate debt assistance sanctioned by the Company in FY 2019-20 aggregated to Rs. 508,164 million and net of cancellations/loan closure, the cumulative debt sanctioned aggregated to Rs. 167,116 million.

During FY 2019-20 PFS sanctioned new loans of Rs. 30,408 million and made disbursement of Rs. 25,904 million to various Infrastructure projects. During FY 2019-20, PFS sanctioned Rs 11,600 million to solar projects, Rs. 18,808 million to other projects including road, transmission, distribution and new sustainable area such as water treatment, waste handling and drinking water system. As at 31st March 2020, the renewable portfolio comprises the highest proportion in the outstanding loan book at around 50% and thermal projects constitute about 11%. PFS will continue to focus on reduction of its thermal exposure and in FY 2020-21, its exposure is expected to be not more than 5%. PFS has an exposure of 9% in the transmission sector and 8% in the road sector as at 31st March 2020. Further the outstanding loan portfolio of PFS has a 14% exposure to state power utilities and 5% exposure as structured loans to holding companies of private infrastructure groups.

As at 31st March 2020, the company has Rs 93,064 million of projects which are operational and commissioned and comprises 81% of its total outstanding loans, projects of Rs. 63,456 million have more than one-year of satisfactory conduct post their commissioning. The Company continues to regularly monitor the progress and operations of the assisted projects through its comprehensive project monitoring mechanisms. PFS has implemented an Early Warning Signal (EWS) Framework with an objective to identify stress in the loan portfolio and to avoid slippages of such loan accounts into NPA category and has integrated the EWS Framework with the Internal Credit Grading Models

As at 31st March 2020, the non-performing loans portfolio stood at Rs. 7,446 million. Stress accounts are a drain on any lending company's resources and are thus required to be resolved on a war footing. Considering the negative drag of stress accounts on the financials of PFS, a dedicated unit viz.' Special Asset Resolution Cell'(SARC) has been formed. With a focused approach, PFS in FY 19-20 was able to resolve 5 stress accounts with a principal outstanding of Rs. 6,850 million which was around 38% of the principal outstanding of the total stressed assets at the start of the year. The amount recovered was around 53% of the principal outstanding of the resolved accounts. The accounts were resolved under various resolution platforms like NCLT, One Time Settlement (OTS), SARFAESI, sale to ARC etc. The resolution of the stress accounts has led to a multipronged advantage to PFS, on one hand the absolute figure of NPA has come down and on the other hand the amount received under resolution has been ploughed back in the operations of PFS which adds to its income.

3. **Industry Scenario**

India continues to remain the fastest growing economy in the world and with a nominal GDP of $2.61 trillion and with a GDP growth of 4.2 per cent in 2019. Infrastructure development plays a very crucial and critical role in economic growth of the country. There exists a very high correlation between infrastructure investment and economic growth and therefore massive investment is needed in infrastructure to achieve the targeted economic growth in the country. Promoting growth of the economy has always been the utmost priority of the Government. The Government is continuously taking steps to facilitate production and GDP growth of the economy. The Government aims at creating a conducive environment by streamlining the existing regulations and processes and eliminating unnecessary requirements and procedures.

Power is one of the most important drivers of infrastructure, crucial for the economic growth and welfare of nations. The level of availability and accessibility of affordable and quality power is also one of the main determinants of the quality of life. India has the fifth largest power generation capacity in the world after China, USA, European Union and Japan. India ranks third globally in terms of electricity production as well as electricity consumption only after China and USA. In FY19-20, Electricity production in India reached 1,252.61 Billion Units (BU). Indian Government is continuously giving priority to power sector considering the important role of power generation in nation building. As a result, the installed generation capacity has risen from a mere 1,300 megawatt (MW) at the time of Independence to 370 gigawatt (GW) mark. The power sector in the country has seen transformational growth in the last one decade with addition of generation capacity primarily through solar and wind energy with policy initiatives of the Government, massive investments towards modernization of transmission capacity and distribution networks, electrifying villages and extending power to all households. Between April 2000 and March 2020, the industry attracted US$ 14.98 billion in Foreign Direct Investment (FDI), accounting for three per cent of the total FDI inflow in India.

Keeping in view commitment of a healthy planet and Nationally Determined Contributions as per the Paris Accord on Climate Change, when India made a pledge that by 2030, 40% of installed power generation capacity shall be based on clean sources, it was determined that 175 GW of renewable energy capacity will be installed by 2022. Subsequently Govt. of India has revised the target to 227 GW by year 2022. Therefore, the Government's thrust on Renewable energy has made this sector as the fast-emerging source of power in India. Wind energy is the largest source of renewable energy in India, accounting for 43.21% (37.76 GW) followed by solar power accounting for 39.96% (34.92 GW) of the total installed renewable capacity of 87.38 GW as on 31st May 2020. Ministry of New & Renewable Energy (MNRE) has set the target to increase the wind power generation capacity to 60 GW, solar power capacity to 100 GW and biomass & hydropower at 15 GW.

India has made important progress towards meeting the United Nations Sustainable Development Goals, notably Goal 7 on delivering energy access. Both the energy and emission intensities of India's gross domestic product (GDP) have decreased by more than 20% over the past decade. This represents commendable progress even as the total energy-related carbon dioxide (CO_2) emissions continue to rise. India's per capita emissions today are 1.6 tons of CO_2, well below the global average of 4.4 tons, while its share of global total CO_2 emissions is at 6.4%.

Roads are part of an integrated multimodal system of transport which influences the pace, structure and pattern of economic development. Road provides crucial links to airports, railway stations, ports and other logistical hubs and acts as a catalyst for economic growth by playing a critical role in the supply chain management. India has the world's second largest road network after USA. The Government's policy to increase private sector participation has proved to be a boon for the infrastructure industry with many private players entering the business through the public-private partnership (PPP) model. With the Government permitting 100 per cent Foreign Direct Investment (FDI) in the road sector, several foreign companies have formed partnerships with Indian players to capitalize on the sector's growth. Cumulative FDI in construction development stood at US$ 25.66 billion between April 2000 and March 2020. The Government's move to cut GST rates on construction equipment from 28 per cent to 18 per cent is expected to give boost to the industry. In March 2020, NHAI (National Highways Authority of India) accomplished the highest ever highway construction of 3,979 kms.

In April 2020, the Government set a target of constructing roads worth Rs 15 lakh crore (US$ 212.80 billion) in the next two years. The Introduction of Toll-Operate-Transfer (TOT) model helps the Government to monetize operational road assets by giving tolling rights on operational road projects in return for an upfront amount to the Government. The Infrastructure Investment Trust is also gaining popularity among developers to unlock the capital and de-leverage the balance sheet to explore further investment avenues.

NBFC's have played a crucial role as one of the key contributors to India economy by providing a fillip to infrastructure, employment generation, wealth creation and access to financial services for the rural and weaker sections of society. However, the outbreak of novel Coronavirus (COVID-19) pandemic and consequent lockdown restrictions imposed by Government is causing significant slowdown of economic activities across the world. The growth of PFS's business at the end of FY 20 has been adversely impacted, due to lockdown situation in entire country on account of COVID-19.

The NBFC sector in India is going through a very rough phase which started with the unexpected default of IL&FS in September 2018. It further got aggravated with defaults by NBFCs like DHFL, ILFS & Altico capital. PTC India Financial Services Limited (PFS) has been affected due to NBFC crisis which has resulted in drying up of liquidity for NBFCs and resulted in an increase in the cost of borrowing. However, PFS maintained its credit rating despite liquidity issues with the NBFC sector. PFS's decision to shift its liability mix from short term to long term, has also helped the Company to tide over the cash flow mismatch situation. The Government has also launched a phased program for bank recapitalization entailing infusion of capital to the public sector banks, to the tune of about Rs. 2.11 lakh crores over two financial years, which is expected to encourage banks to enhance lending.

The power sector is witnessing stress particularly in the case of thermal projects. Several thermal projects in the country (both operational and under construction) are facing challenges related to fuel price and availability, power tariff, time and cost overruns along with equity infusion by promoters especially in the case of under construction projects. PFS also faces with challenges in respect of such projects. The stress in power sector has been acknowledged and various efforts/initiatives are being taken by Govt./ Banks/ FIs to resolve the aforementioned stress in the sector.

4. **Outlook**

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower). By 2022, wind energy is estimated to contribute 60 Gigawatt (GW), followed by solar power at 100 GW, and biomass and hydropower at 15 GW. The target for renewable energy has been increased to 175 GW by 2022.

India is the fastest-growing trillion-dollar economy in the world after USA, China, Japan, Germany and United Kingdom, driven by key structural reforms and further reduction in external vulnerabilities. Government of India has retained its focus on fiscal consolidation and implemented structural reforms for further growth in the infrastructure sector in general.

The Government's recent move to allow Public Private Partnership in sectors like Water sanitation, Railways and other sector has opened more avenues to private sector. The mix of Public Private Participation model is continuously increasing, thereby increasing confidence, support and investment in the infrastructure sector. The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US$ 1.4 trillion on infrastructure during 2019-23 for the sustainable development of the country. Indian Infrastructure sector is facing a paradigm shift moving towards timely completion of projects as against the general phenomenon of delay in completion of projects due to delay in obtaining approval and clearances, lack of co-ordination between various departments and the resultant delay in project completion.

Power will remain as one of the most important components of infrastructure, crucial for economic growth and welfare of the country. The total installed capacity in the country crossed the 370 GW mark with an installed capacity of renewable energy of 87.38 MW as at 31st May 2020. The renewable power sector saw moderate capacity addition during FY 20 on account of the Covid impact, tariff renegotiations, weak finances of state power distribution companies and slowdown in tendering. However, with the latest initiatives by the Government including liquidity injection into discoms, implementing the direct benefit transfer (DBT) scheme in the electricity sector for better targeting of subsidies, promoting retail competition and instilling financial discipline at discoms, it is expected that the renewable sector will achieve its target capacity of 227 GW by 2022.

In addition to the renewable power sector, other areas such as power transmission, roads and highways, ports, airports etc. are also witnessing increased activity. Infrastructure sector plays a very crucial role in the economic development and possesses the potential for propelling the overall development of the country. The sector continues to enjoy focus from Government both in terms of policy related initiatives and development of infrastructure in the country. New projects are being undertaken and the Government is poised to ensure the development of the infrastructure sector of the country.

The Government's policy to increase private sector participation has proved to be a boon for the infrastructure industry with many private players entering the business through the public-private partnership (PPP) model. With the Government permitting 100 per cent Foreign Direct Investment (FDI) in the road sector, several foreign companies have formed partnerships with Indian players to capitalise on the sector's growth. Cumulative FDI in construction development stood at US$ 25.66 billion between April 2000 and March 2020. The Government's move to cut GST rates on construction equipment from 28 per cent to 18 per cent is expected to give boost to the industry. In March 2020, NHAI (National Highways Authority of India) accomplished the highest ever highway construction of 3,979 kms. In April 2020, the Government set a target of constructing roads worth Rs 15 lakh crore (US$ 212.80 billion) in the next two years. Road corridor project Bharatmala, port-linked industrialization plan Sagarmala and UDAN, Pradhan Mantri Gram Sadak Yojana will help improving transport infrastructure and bring fresh investment in the sector.

Considering the issues in the thermal sector, PFS as conservative approach, has not taken further exposure in thermal generation projects and has significantly diversified into renewable energy portfolio and in other infrastructure sectors such as roads and ports through calibrated approach. PFS is also diversifying into other infrastructure sector like Power Transmission, Roads and Highways, Water Sewage Treatment, Waste Management Facility, Electric Vehicle Charging Station etc.

PFS believes that with infrastructure sector being the biggest focus area and also the financial support provided to the Infrastructure sector in the same combined with the latest initiatives by the Government including liquidity injection into discoms, implementing the direct benefit transfer (DBT) scheme in the electricity sector for better targeting of subsidies, promoting retail competition and instilling financial discipline at state- discoms will help to boost the investors' confidence in NBFC sector and will also help NBFCs to contribute to the Government's target of achieving its target capacity of 227 GW in renewable sector by 2022.

PFS also believes that public private partnership in infrastructure development offers good potential and company continues to evaluate these business proposals in these areas. The debt commitments and disbursements have been moderated during the year due to the ongoing issues with the NBFC sector and also because of the COVID impact which has impacted the development of new projects/ projects under construction. The power and infrastructure sector are witnessing stress and several projects in the country (both operational and under construction) are facing challenges. The Company is continuously engaged in resolution of such loans and is working proactively with the consortium members. Regular lenders' meetings are conducted, detailed feedback obtained from lenders' independent engineers and financial advisors to assess that project development activities are taken. Discussions are held with promoters' and other stakeholders to work out a financially viable solution. The Company also engages consultants / professional agencies for working out effective solutions / resolution for such cases. The Company continues to partner with credible players in the industry who can help all the stakeholders to benefit mutually PFS believes that the infrastructure development and renewable energy area offers good potential and Company continues to evaluate these business proposals in these areas.

5. **Net Owned Funds and Earnings Per Share (EPS)**

The Net Owned Funds of the Company aggregated to Rs. 18,977 million and the total Capital Funds aggregated to Rs. 19,457 million as at 31st March 2020. The percentage of aggregate risk weighted assets on the balance sheet and the risk adjusted value of off balance sheet items to Net Owned Funds is 23.61% as at 31st March 2020.

EPS of the Company for FY 2019-20 stands at Rs.1.71 per share in comparison to Rs. 2.87 per share for FY 2018-19.

6. **Reserves**

Out of the profits earned during FY 2019-20, the Company has transferred an amount of Rs. 219.99 million to Statutory Reserve in accordance with the requirements of Section 45-IC of the Reserve Bank of India Act, 1934 and Rs. 576.87 million to the Impairment Reserve.

7. **Dividend**

Based on Company's performance, the Board of Directors of your Company are pleased to recommend for your consideration and approval, a dividend at the rate of 4.5% (which is lower than the earlier recommendation of 8% in last year) i.e. Rs. 0.45/- per equity share of face value Rs. 10/- for the financial year 2019-2020.

The dividend on equity shares, if approved by the members at the ensuing Annual General Meeting ("AGM") would involve the cash outflow of Rs.289.03 million.

The dividend will be paid to the members whose names appear in the Register of Members as on a record date and in respect of shares held in dematerialized form whose names are furnished by National Securities Depositories Limited ("NSDL") and Central Depository (India) Limited ("CDSL") as beneficial owners as on record date.

8. **Fixed Deposits/Public Deposits**

Your Company has not accepted any deposits during the year from public in terms of provisions of Companies Act, 2013 ("the Act"). Further, at the end of the financial year, there were no unclaimed, unpaid or overdue deposits.

9. **Capital adequacy ratio**

The Capital Adequacy Ratio as on 31st March 2020 stood at 23.61% compared to 21.92% as on 31st March 2019. No adverse material changes affecting the financial position of the Company have occurred during the financial year.

10. **Material changes and commitments, if any, affecting the financial position of the Company**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate (i.e. 31st March 2020) and the date of the report. No adverse Material changes affecting the financial position of the Company have occurred during the Financial Year.

11. **Particulars of loans, guarantees and investments under Section 186**

The particulars of loans, guarantees and investments forms part to the notes of the financial statements provided in this Annual Report.

12. **Share Capital/ Finance**

During the period under review, no change has taken place with regard to capital structure of the Company.

As on 31st March 2020, PFS has a paid-up share capital aggregates to Rs. 6,422.83 million comprising of 642,283,335 equity shares of Rs. 10/- each fully paid-up. The promoter i.e. PTC India Limited holds 64.99% of the paid up share capital of the Company as on 31st March 2020. The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

13. **Extract of Annual Return**

As provided under section 92(3) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is given in *Annexure - I* in the prescribed Form MGT-9, which forms part of this report.

14. **Directors and Key Managerial Personnel**

In accordance with provisions of the Act and Articles of Association of the Company, Shri Naveen Kumar shall retire by rotation at the ensuing AGM and being eligible offers himself for re-appointment. The Board recommends his re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

During the financial year ended 31st March 2020, Shri Chinmoy Gangopadhyay and Shri Harbans Lal Bajaj ceased to be the Directors with effect from 30th April 2019 and 29th June 2019 respectively. Details of changes in the composition of Board during the period under review have been specifically mentioned in the report on the Corporate Governance which is annexed with this report.

15. **Dividend Distribution Policy**

As per regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has adopted the Dividend Distribution Policy to set out the parameters and circumstances that will be taken in to account by the Board while determining the distribution of dividend to its shareholder. The policy is enclosed as *Annexure-II* to the Board Report and is also available on Company's website, at : http://www.ptcfinancial.com/upload/pdf/Dividend%20Distribution%20Policy-PFS.pdf

16. **Details of Board meetings**

Twelve Board Meetings were held during the financial year ended on 31st March 2020. The intervening gap between any two meetings was within the period prescribed by the Act and SEBI Listing Regulations. The details of which are given below:-

Sl. No.	Date of the meeting	No. of Directors attended the meeting
1	26th April 2019	9
2	04th May 2019	8
3	26th June 2019	8
4	01st August 2019	7
5	27th September 2019	8
6	23rd October 2019	10
7	18th December 2019	9
8	23rd December 2019	10
9	23rd January 2020	10

Sl. No.	Date of the meeting	No. of Directors attended the meeting
10	27th January 2020	10
11	14th February 2020	10
12	24th March 2020	10

Further, the attendance of each director is more specifically mentioned in the report on the Corporate Governance Report, which is a part of this Report.

17. **Committees of Board**

As on 31st March 2020, the Board had all Statutory Committees that are given below:-

1) Audit Committee
2) Nomination and Remuneration Committee
3) Corporate Social Responsibility Committee
4) Stakeholders' Relationship Committee
5) Risk Management Committee
6) IT Strategy Committee

Further, Committees of the Board and Group of Directors are formed from time to time for specific purpose.

The details of the Committees, their meetings and other disclosures are mentioned in the Corporate Governance report, which forms part of this report.

18. **Corporate Social Responsibility**

As a good corporate citizen, the Company is committed to ensuring its contribution to the welfare of the communities in the society where it operates, through its Corporate Social Responsibility ("CSR") initiatives.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board.

The objective of PFS's CSR Policy is to consistently pursue the concept of integrated development of the society in an economically, socially and environmentally sustainable manner and at the same time recognize the interests of all its stakeholders.

To attain its CSR objectives in a professional and integrated manner, PFS shall undertake the CSR activities as specified under the Act. As on 31st March 2020 the composition of the CSR Committee consists of 1. Shri Deepak Amitabh, 2. Dr. Pawan Singh, 3. Mrs. Pravin Tripathi and 4. Dr. Nagesh Singh. The details of meetings and attendance thereof are mentioned in the Corporate Governance report, which forms part of this report.

The CSR Policy is available at the link at website of the Company, at http://www.ptcfinancial.com/upload/pdf/corporate_social_responsibility_policy.pdf

Further, the report on CSR Activities/ Initiatives is annexed with this report at *Annexure- III.*

19. **Vigil mechanism/Whistle Blower Policy**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. In compliance with requirements of the Act and SEBI Listing Regulations, the Company has established a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. 'Whistleblowing' is the confidential disclosure by an individual of any concern encountered in the workplace relating to a perceived wrongdoing. The policy has been framed to enforce controls so as to provide a system of detection, reporting, prevention and appropriate dealing of issues relating to fraud, unethical behavior etc. The policy provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no complaint has been received.

The Whistle Blower policy is available at http://www.ptcfinancial.com/upload/pdf/whistle_blower_policy.pdf

20. **Directors' Responsibility Statement**

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 read with section 134(5) of the Act, your Directors, to the best of their knowledge confirms that:

(a) in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors 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 ended 31st March, 2020 and of the profit and loss of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. **Statutory Auditors, their Report and Notes to Financial Statements**

M/s. MSKA & Associates, Chartered Accountants were appointed as Statutory Auditors of your Company in the 13th AGM of the Company for a period of five years till conclusion of 18th AGM of the Company. Now as per the Companies (Amendment) Act, 2017, the provisions of ratification of appointment of Statutory Auditors have been done away with and there is no requirement of ratification till the expiry of the term of the Statutory Auditors.

The Statutory Auditors have audited the Accounts of the Company for the year ended 31st March, 2020 and the same is being placed before members at the ensuing AGM for their approval. Audited Financial Statements (both standalone and consolidated) comprising Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss and the Cash Flow Statement along with a summary of significant accounting policies & other explanatory information together with Auditor's Report thereon are annexed to this report. The Auditors' Report does not contain any qualification, reservation or adverse mark.

Further, the Auditors of the Company while performing their duties as such has not found any fraud which was required to be reported to the Board of Directors or Central Government.

22. **Secretarial audit**

Pursuant to provisions of Section 204 of the Act and rules mentioned thereunder, the Board of Directors of the Company appointed M/s. Agarwal S. and Associates, Practicing Company Secretary, to conduct the Secretarial Audit of records and documents of the Company for the financial year 2019–2020.

The Secretarial Audit Report for financial year 2019–20 does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed to the Board's Report at *Annexure IV.*

23. **Related party transactions**

During the financial year 2019–2020, the Company has given a term debt of Rs. 100 crores to PTC Energy Limited (Group Company) for which the approval of the Audit Committee and the Board as per provisions of Section 188 of the Act and SEBI Listing Regulations has been taken. Apart from this, the Company has not entered into any other related party transactions which attracts the provision of Section 188 of the Act and SEBI Listing Regulations except as per details given in schedule of the Audited Accounts of the Company. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions as approved by the Board is available on the Company's website at the link:

http://ptcfinancial.com/statutory_policies/20150629_Policy_materiality_of_Related_Party_Transactions.pdf

Further, all the transactions are made in the ordinary course of business and on an arm's length basis.

Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in *Annexure – V* in Form AOC–2 and the same forms part of this report.

24. **Human Resources**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A holistic assessment of manpower needs led to fresh recruitment at various level. A number of individual employee specific, group of employee specific and organizational wise programs that provide focused people attention are currently underway.

Your Company's thrust is on the development of talent internally through job enlargement, rotation and development.

Your Company's thrust on development of all levels of the employees has helped your organization achieve employee's loyalty and attachment to the Company. There is a huge opportunity for all of us to learn, practice and perform. Though the expectation from the employees are realistic, each employee get to work on challenging assignments, and a chance to learn, innovate and perform. Handholding, guidance & mentoring has a special place for a young team and organization. Sharing of knowledge and learning from the experience of seniors has helped us grow steadily.

Your Company's focus of human resource development is at all levels of organization including non–executive and support staff. The human resource development is critical to implementation organizational strategy and to make organization humble and responsive to the customers need. Employees are encouraged to participate and be part of the organizational growth and development strategy. Lateral entry at different levels keeps the organization vibrant.

25. **Industrial Relations**

Your Company has always maintained healthy, cordial and harmonious industrial relations at all levels. Despite competition, the enthusiastic efforts of the employees have enabled the Company to grow at a steady pace.

26. **Risk Management Policy**

PFS has put in place a comprehensive policy framework for management of risks, which includes the following:–

- Risk Management Policy:– The Risk Management Framework of PFS encompasses credit risk, market risk, as well as operational risk management. The Risk Management Policy, evolved under the guidance of Risk Management Committee and duly approved by the Board of Directors, is refined periodically based on emerging market trends and own experience. The Risk Management Committee is headed by an Independent Director.

- Asset Liability Management Policy:– The objectives of Asset Liability Management Policy are to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The Asset Liability Management Policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.

- Foreign Exchange Risk Management Policy:– The policy covers the management of foreign exchange risk related to existing and future foreign currency loans or any other foreign exchange risks derived from borrowing and lending. The objective of the policy is to serve as a guideline for transactions to be undertaken for hedging of foreign exchange related risks. It also provides guiding parameters within which the Asset Liability Management Committee can take decisions for managing the above mentioned risks.

- Interest Rate Policy: – Interest rate policy provides for risk based pricing of the debt financing by the Company. It provides the basis of pricing the debt and the manner in which it can be structured to manage credit risk, interest rate risk and liquidity risk, while remaining competitive.

- Policy for Investment of Surplus Funds:– The policy of investment of surplus funds i.e. treasury policy provides the framework for managing investment of surplus funds. Realizing that the purpose of mobilization of resources in the Company is to finance equity as well as loans to power sector projects, the prime focus is to deploy surplus funds with a view to ensure that the capital is not eroded and that surplus funds earn optimal returns.

- Operational Risk Management Policy:– The Operational Risk Management Policy recognizes the need to understand the operational risks in general and those in specific activities of the Company. Operational risk management is not understood as a process of eliminating such risks but as a systematic approach to manage such risk. It seeks to standardize the process of identifying new risks and designing appropriate controls for these risks, minimize losses and customer dissatisfaction due to possible failure in processes.

27. **Employees' Stock Option Scheme**

The Shareholders' approval was obtained at the AGM held on 27th October 2008 for introduction of Employee Stock Option Plan at PTC India Financial Services Limited. All the ESOPs made under the Employees' Stock Option Scheme–2008, have been surrendered and as on date no claim is outstanding.

28. **Declaration given by Independent Directors**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Act, that he/she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 25 of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct for Directors and Senior Management Personnel.

All the Independent Directors of the Company have registered themselves in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. The Independent Directors, whosoever is required, shall undertake the said proficiency test.

In the opinion of the Board all Independent Directors possess strong sense of integrity and having requisite experience, qualification and expertise. For further details, please refer the Corporate Governance report.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

29. **Company's policy on appointment and remuneration of Senior Management and KMPs**

As per the requirements of the Act, the Board of Directors of your Company has constituted a 'Nomination and Remuneration Committee'. The Committee's role is to be supported by a policy for nomination of Directors and Senior Management Personnel including Key Managerial Personnel as also for remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

The Policy of the Company on Nomination and Remuneration & Board Diversity is also placed on the website of the Company i.e. www.ptcfinancial.com and is also annexed to this report at *Annexure– VI*.

30. **Formal Annual Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI Listing Regulations.

The Company pays performance linked remuneration to its WTDs/MD. It is ensured that the remuneration is determined in a way that there exists a fine balance between fixed and incentive pay. On the basis of Policy for Performance Evaluation of Independent Directors, a process of evaluation is being followed by the Board for its own performance and that of its Committees and individual Directors. The performance evaluation process and related tools are reviewed by the "Nomination & Remuneration Committee" on a need basis, and the Committee may periodically seek independent external advice in relation to the process. The Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc. The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

31. **Disclosure under the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013**

An Internal Complaints Committee has been constituted to look into grievance/complaints of sexual harassment lodged by employees as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, no complaints were received during the year and no complaint is pending on 31st March 2020.

32. **Internal financial controls and Internal Auditor**

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. The Company has appointed M/s Grant Thornton India LLP as Internal Auditors of the Company. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee. The Audit Committee has the responsibility for establishing the audit objectives and determines the nature, timing and extent of audit procedures as well as the locations where the work needs to be carried out.

The Internal Auditor monitors and evaluates the efficacy & adequacy of internal financial controls & internal control system in the Company that has been put in place to mitigate the risks faced by the organization and thereby achieves its business objectives. Broadly the objectives of the project assigned are:-

- Review the adequacy and effectiveness of the transaction controls;
- Review the operation of the Control Supervisory Mechanisms;
- Recommend improvements in process management;
- Review the compliance with operating systems, accounting procedures and policies

The internal control and compliance are ongoing processes. Based on the findings and report of the internal auditor, process owners undertake corrective action that may be required in their respective areas for further strengthening the controls and control environment. Significant audit observations and corrective actions thereon are presented to the Audit Committee. The internal auditors also independently carry out the design evaluation and testing of controls related to requirements of Internal Financial Controls. The evaluation of design effectiveness and testing of controls for various business activities, processes and sub processes was carried out and found satisfactory.

33. **Cost Auditors**

Cost Audit is not applicable to the Company.

34. **Details of Holding, Subsidiaries, Associates and Joint Ventures**

Your Company continues to be the subsidiary of PTC India Limited. Further, the Company has two associate companies namely M/s. R.S. India Wind Energy Private Limited and M/s. Varam Bio Energy Private Limited.

The statement of performance and financial position of each of the associate companies is given in Form AOC-1 as *Annexure – VII.*

The policy for determining material subsidiaries as approved may be accessed on the Company's website following link:

link:http://www.ptcfinancial.com/upload/pdf/20150629_Policy_on_determining_Material_Subsidiaries.pdf

35. **Corporate Governance Report**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India ("SEBI"). A separate report on Corporate Governance along with certificate from M/s. MSKA & Associates, Statutory Auditors on compliance with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations is provided as part of this Annual Report.

36. **Management Discussion and Analysis**

The Management Discussion and Analysis comprising an overview of the financial results, operations / performance and the future prospects of the Company form part of this Annual Report.

37. **Business Responsibility Report**

Pursuant to the Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective in the format as specified by the SEBI is given as *Annexure– VIII.*

38. **Particulars of Employees**

The information pertaining to the remuneration and other details as required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20; (Rs in lakhs)

Name of Director	Director's Remuneration	Median Remuneration of employees	Ratio
Dr Pawan Singh	96.87	22.31	4.34 times
Shri Naveen Kumar	80.58	22.31	3.61 times

Note: In addition to the above, Dr Ashok Haldia, Ex-MD&CEO (retired on 18.09.2018) was paid Rs 9,21,057/- towards Performance Related Pay (PRP) for the FY 2018-19 paid in FY 2019-20.

b. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name	%age Increase
Dr Pawan Singh	13.94%
Shri Naveen Kumar #	23.10%
Shri Sanjay Rustagi	10.58%
Shri Vishal Goyal ##	27.95%

\# Performance Related Pay (PRP) was paid in full in FY2019-20 & on prorate basis in FY2018-19 (joined on 25.09.2017).

\## % increase in compensation also includes increase due to Earned Leave Encashment as per policy of the Company

c. The median remuneration of the employees has increased to Rs.22.31 lakhs during FY2019-20 from Rs.19.26 lakhs during FY2018-19.

d. 47 permanent employees are on the rolls of company as at 31st March 2020;

e. The average remuneration increased to Rs 27.78 lakhs in FY 2019-20 from Rs. 25.41 lakhs in FY 2018-19.

f. The average remuneration of Key Managerial Personnel decreased to Rs 58.93 lakhs in FY2019-20 from Rs. 67.99 lakhs in FY2018-19. This decrease is because there were three WTD in FY 2018-19 as against two WTD in FY 2019-20.

A. **Particulars of Top 10 employees in terms of remuneration**

Sl. No.	Name & Designation	Nature of Employment	Remuneration Received (amount in Rs)	Qualification and Experience	Date of Commencement of Employment in the Company	Age	Last Employment	% of Quantity of shares held in the Company	If relative of any director or manager, name of such director or manager
1	Pawan Singh	Fixed Term	96,86,851	MBA, Ph D/ 37 years	01.02.2012	58 yrs 6 months	Dir-F in PTC India Financial Services Limited	Nil	NA
2	Naveen Kumar	Fixed Term	80,58,180	BSc (Engg); MBA; LLB/ 39 years	25.09.2017	60 years 9 months	Executive Director (Projects) in Power Finance Corporation Limited	Nil	NA
3	Vijay Singh Bisht	Regular	77,12,021	BE & MBA/ 35 years	01.08.2008	57 years 1 month	DGM in PFC	Nil	NA
4	Sitesh Kumar Sinha	Regular	71,51,799	B.E & PGDBM/ 21 years	22.03.2011	44 years 3 months	DGM in Lahmeyer International (India) Pvt Ltd	Nil	NA
5	Vishal Goyal #	Regular	57,69,192	CS, LLB & MBA/ 15 years	01.08.2008	39 yrs 8 months	Co Secy cum Fin Manager in International Print-O-Pac Ltd	Nil	NA
6	Sanjay Rustagi	Regular	50,34,361	B.Com (Hons.), CA & CWA/20 years 7 months	24.06.2016	45 yrs 6 months	AVP in GE Capital Services India	Nil	NA
7	Devesh Singh	Regular	48,85,379	B.Com, Dip in Business Finance & MBA/ 15 years	03.10.2011	41 years 2 months	Manager in PTC India	Nil	NA
8	Rohit Gupta ##	Regular	41,79,667	B.Com & MBA/ 13 years	01.04.2010	35 years 4 months	Junior Manager- PTC India Ltd	Nil	NA
9	Shray Shikhar	Regular	40,33,097	BE & MBA/ 15 years	15.10.2015	39 years 11 months	Senior Associate, Sembcorp Green Infra Ltd	Nil	NA
10	Ankur Bansal	Regular	38,36,544	BE & MBA / 15 years	13.07.2018	38 years 5 months	Associate Director, KPMG	Nil	NA

\# Remuneration includes Rs. 575,772 towards Earned Leave Encashment during the year as per policy of the Company

\## Remuneration includes Rs. 372,643 towards Earned Leave Encashment during the year as per policy of the Company

B. No employee was in receipt of remuneration of not less than one crore and two lakh rupees if employed throughout the year or eight lakh and fifty thousand per month in case employed for part of the year.

C. It is affirmed that:-

I. The remuneration is as per the remuneration policy of the Company; and

II. There was no employee in the Company who was in receipt of the remuneration more than that of its managing director/ whole time director and holds by himself or through his/ her relatives not less than two percent of equity shares.

39. **Details of conservation of energy, technology absorption**

Since PFS is engaged in business of investment and lending activities, particulars relating to conservation of energy and technology absorption are not applicable to it.

40. **Foreign Exchange earnings & outgo**

The Company has incurred expenditure of Rs. 986.01 million (previous year Rs. 1,009.69 million) in foreign exchange during the financial year ended 31st March 2020.

41. **Significant and material orders**

There were no significant or material orders passed by Regulators or Courts or Tribunals which impacts the going concern status and Company's future operations.

42. **Transfer of Amounts to Investor Education and Protection Fund (IEPF)**

Pursuant to the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 30th September 2019), with the Ministry of Corporate Affairs.

43. **General**

Your Directors state that no disclosure or reporting in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme; and
- Neither Managing Director nor the Whole time Directors of the Company receive any remuneration or commission from any of other Company.
- No change in the nature of the business of the Company happened during the financial year under review.

44. **Compliance with Applicable Secretarial Standards**

During the period under review, the Company has complied with the provisions of the SS – 1 (Secretarial Standard on meeting of the Board of Directors) & SS – 2 (Secretarial Standard on General Meeting) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

45. **Acknowledgement**

The Board of Directors acknowledge with deep appreciation the cooperation received from its Directors, Ministry of Power (MoP), Ministry of Finance (MoF), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), National Stock Exchange of India Limited (NSE), BSE Limited (BSE), PTC India Limited (PTC) and other stakeholders, International Finance Corporation (IFC), DEG, FMO and OeEB, various Banks/FIs, Consortium partners and Officials of the Company.

The Board also acknowledge with deep appreciation the cooperation received from its Directors who retire as Director during the year.

The Board also conveys its gratitude to the shareholders, credit rating agencies for the continued trust and confidence reposed by them in the Company. Your Directors would also like to convey their gratitude to the clients and customers for their unwavering trust and support.

The Company is also thankful to the Statutory Auditor, Internal Auditor and Secretarial Auditor for their constructive suggestions and co-operation.

We would also like to place on record our appreciation for the untiring efforts and contributions made by the employees to ensure all round performance of your Company.

For and on behalf of the Board
PTC India Financial Services Limited

Sd/-
Deepak Amitabh
Chairman
DIN: 01061535

Date : 04th August 2020
Place : New Delhi

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

Corporate Governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. Good governance practices stem from the culture and mindset of the organization and at PTC India Financial Services Limited ("PFS" or "the Company") we are committed to meet the aspirations of all our stakeholders and believes in adopting best corporate practices for ethical conduct of business. This is demonstrated in shareholder returns, high credit ratings, governance processes and focused work environment. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

The Company has adopted a Code of Conduct for its employees including Directors. Apart from the performance evaluation of regular employees, PFS has formed the Performance evaluation mechanism for its Executive and Non– Executive Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act"). These codes are available on the Company's website. PFS has also established a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

The spirit of governance of the Company is derived from this philosophy and has been articulated through the Company's various policies. At PFS, we are committed to meet the aspirations of all our stakeholders. As a financial institution, PFS has to regularly pursue businesses that maximize returns while effectively managing the inherent risks. Decision making and execution is driven by its governance structure, ethics and value systems. Corporate Governance ensures transparency and accountability. Corporate Governance also has broader social and institutional dimensions. Properly designed rules of governance focus on implementing the values of fairness, transparency, accountability and responsibility to all the stakeholders.

The Company is in compliance with the requirements stipulated under regulation 17 to 27 read with para C and D of Schedule V and clauses (b) to (i) to Sub–Regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") with regard to Corporate Governance. PFS is committed to achieve the best standards of Corporate Governance. The Company has built up a strong foundation for making Corporate Governance a way of life by having an independent Board with experts of eminence, forming a core team of top-level executives, inducting competent professionals across the organization and putting in place best systems and processes. PFS has endeavoured to not only meet regulatory and legal compliances and but adopt practices of high level of business ethics.

2. Board of Directors

The Board of Directors of PFS provide leadership and strategic guidance, objective judgement and exercises control over the Company, while remaining at all times accountable to the stakeholders. The Board has adopted a Policy which sets out the approach to diversity of the Board of Directors. The Board functions either as a full Board or through various committees constituted to oversee specific areas. Policy formulation, setting up of goals, evaluation of performance and control functions vest with the Board. The Board also provides directions and exercises appropriate control to ensure that the Company fulfills stakeholders' aspirations and societal expectations.

a) Composition and Category of Directors

As on 31st March 2020, the Company's Board comprised of ten Directors. Out of which, 2 are Whole–Time Directors and 8 are Non–Executive Directors which constitutes 3 Non–Executive Nominee Directors, 5 Independent Directors. The Company's Board has an optimum combination of Executive, Non–Executive and Independent Directors with one Woman Director, as per the requirements of Regulation 17 of SEBI Listing Regulations. The Composition of the Board of the Company meets the criteria mandated by SEBI Listing Regulations and the Act.

As on 31st March, 2020, the Board strength comprises of the following:

S. No.	Name of Director	Category	Remarks
1	Shri Deepak Amitabh	Chairperson and Non–Executive Director	Nominee of PTC India Limited
2	Dr. Pawan Singh	Managing Director & Chief Executive Officer	–
3	Shri Naveen Kumar	Whole Time Director	–
4	Mrs. Pravin Tripathi	Non– Executive Independent Director	–
5	Dr. Rajib Kumar Mishra	Non– Executive Director	Nominee of PTC India Limited
6	Shri Kamlesh Shivji Vikamsey	Non– Executive Independent Director	–
7	Shri Santosh Balachandran Nayar	Non– Executive Independent Director	–
8	Dr. Nagesh Singh*	Non– Executive Independent Director^	–
9	Shri Rakesh Kacker	Non– Executive Director (Nominee Director$)	Nominee of PTC India Limited
10	Shri Thomas Mathew T.	Non– Executive Independent Director$	–

^ Appointed w.e.f. 30th August 2019;

$ Appointed w.e.f. 10th October 2019

* Dr. Nagesh Singh expired on 02nd July 2020 and ceased to be the Director of the Company.

b) Key skills/expertise/competence of the Directors

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the Board is in compliance with the highest standards of corporate governance.

Core skills/expertise/competencies as identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively such as leadership, management, financial expertise, governance, strategy development and implementation, knowledge of media sector, information technology, risk management, human recourses.

c) **Practicing Company Secretary Certificate as to none of the Directors are being debarred / disqualified** Shri Ashish Kapoor of M/s. Ashish Kapoor & Associates, Practicing Company Secretary, has issued a certificate as required under SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed herewith as Annexure to the Annual Report.

d) **Appointment of Directors**

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and terms and conditions of appointment as approved by the Board of Directors or shareholders, as the case may be. The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website www.ptcfinancial.com.

e) **Reasons for the resignation of an Independent Director (ID)**

During the period under review, no Independent Director has resigned.

f) **Board Meeting**

The Board meets at least once in every quarter to discuss and decide on, inter-alia, business strategies/policies and review the financial performance of the Company.

Twelve Board Meetings were held during the financial year ended on 31st March 2020 i.e. on 26th April 2019, 04th May 2019, 26th June 2019, 01st August 2019, 27th September 2019, 23rd October 2019, 18th December 2019, 23rd December 2019, 23rd January 2020, 27th January 2020, 14th February 2020 and 24th March 2020. The intervening gap between any two meetings was within the period prescribed by the Act and SEBI Listing Regulations.

g) **Attendance of Directors and Directors' Directorships/Committee memberships**

Relevant details of the Board of Directors and their Directorship(s)/ Committee Membership(s)/Chairmanship(s), as on 31st March 2020 and attendance of Directors at Board Meetings and at Annual General Meeting held during FY 19-20 are provided below:

S. No.	Name of Director	Category of Director	Board Meetings in FY 2019-2020		Attendance at last AGM (held on 30th September 2019)	No. of Directorships in other public companies held as on 31st March 2020	No. of Committee Chairmanship/ Membership as on 31st March 2020
			Held during the tenure	Attended			
1	Shri Deepak Amitabh	Chairman (Non-Executive - Nominee Director)	12	12	Y	2	-
2	Dr. Pawan Singh	Managing Director & CEO	12	12	Y	1	-
3	Shri Naveen Kumar	Whole- Time Director	12	12	Y	-	-
4	Mrs. Pravin Tripathi	Non-Executive - Independent Director	12	12	Y	6	
5	Dr. Rajib Kumar Mishra	Non-Executive - Nominee Director	12	12	Y	2	2
6	Shri Kamlesh Shivji Vikamsey	Non-Executive - Independent Director	12	11	Y	5	6
7	Shri Santosh Balachandran Nayar	Non-Executive - Independent Director	12	12	-	2	2
8	Dr. Nagesh Singh*	Non-Executive - Independent Director	8	8	-	-	1
9	Shri Rakesh Kacker^	Non-Executive - Nominee Director	7	7	NA	3	4
10	Shri Thomas Mathew T.^	Non-Executive - Independent Director	7	7	NA	5	4
11	Shri Harbans Lal Bajaj#	Non-Executive - Independent Director	3	3	NA	-	NA
12	Shri Chinmoy Gangopadhyay$	Non-Executive - Nominee Director	1	1	NA	-	NA

In line with SEBI Listing Regulations, only the Chairmanship and Membership of Audit Committee and Stakeholder Relationship Committee have been taken in to consideration in reckoning the membership/ chairmanship of committees in all other public Companies. Excluding Directorship, Membership and Chairmanship in PFS.

* Appointed w.e.f. 30th August 2019
^ Appointed w.e.f. 10th October 2019
# Ceased w.e.f. 29th June 2019
$ Ceased w.e.f. 30th April 2019

Notes:

None of the Directors are members in more than 10 (ten) committees excluding private limited companies, foreign companies and companies under Section 8 of the Act or act as Chairperson of more than 5 (five) committees across all listed entities in which he/she is a Director. For the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered and companies including private limited companies, foreign companies and companies under Section 8 of the Act have not been considered.

h) Name of other listed entities in which our Directors are Director as on 31st March 2020

S. No.	Name of Director	Directorships in other listed entities
1	Shri Deepak Amitabh	PTC India Limited
2	Dr. Pawan Singh	-
3	Shri Naveen Kumar	-
4	Mrs. Pravin Tripathi	1. JBM Auto Limited 2. Minda Industries Limited 3. Multi Commodity Exchange of India Limited 4. Jay Bharat Maruti Limited
5	Dr. Rajib Kumar Mishra	PTC India Limited
6	Shri Kamlesh Shivji Vikamsey	1. Navneet Education Limited 2. Tribhovandas Bhimji Zaveri Limited 3. GIC Housing Finance Limited 4. Man Infraconstruction Limited 5. Apcotex Industries Limited
7	Shri Santosh Balachandran Nayar	-
8	Dr. Nagesh Singh	-
9	Shri Rakesh Kacker	PTC India Limited
10	Shri Thomas Mathew T.	1. L & T Infra Debt Fund Limited 2. L & T Finance Holdings Limited

i) Changes in Directorship of the Company during the financial year 2019-20

During the financial year 2019-20, there are following changes in the composition of Board of Directors of the Company:

S. No.	Name of Director	Appointment/ Cessation	Date of Joining/ Cessation
1	Shri Chinmoy Gangopadhyay	Cessation	30th April 2019
2	Shri Harbans Lal Bajaj	Cessation	29th June 2019
3	Dr. Nagesh Singh	Appointment	30th August 2019
4	Shri Rakesh Kacker	Appointment	10th October 2019
5	Shri Thomas Mathew T.	Appointment	10th October 2019

j) None of the Directors of the Company are in any way related to each other.

k) Detail of shareholding of Non- Executive Directors and their relatives in the Company as on 31st March 2020 are as under:

S. No.	Name of the Director	No. of Shares
1	Shri Deepak Amitabh	3,500

As on 31st March 2020 except Shri Deepak Amitabh, none of the Non - Executive Directors holds any shares/ convertible instruments of the Company.

l) Independent Directors

The Company has received necessary declaration from each independent Director under Section 149 of the Act, that he/she meets the criteria of independence laid down in Section 149(6) of the Act along with rules framed thereunder and Regulation 16(b) & 25 of the SEBI Listing Regulations and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective Independent judgment and without any external influence.

All the Independent Directors of the Company have registered themselves in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. The Independent Directors, whosoever is required, shall undertake the said proficiency test. The Board is also of the opinion that the independent directors fulfil the conditions specified in SEBI Listing Regulations and are independent of the management.

m) Familiarisation programme for independent directors

The Familiarization Programme for Independent Directors aims to help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively discharge his / her role as a Director of the Company. The Independent Directors have complete access to the information within the Company.

Web link to the program is given below:

http://www.ptcfinancial.com/upload/pdf/2015062_FAMILIARISATION_PROGRAMME_MODULE.pdf.

All independent directors inducted into the Board attended an orientation program organised by the Company from time to time. Further, at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The terms and conditions of appointment of Independent Directors is available on the Company's website www.ptcfinancial.com.

n) Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Act and the SEBI Listing Regulations, one separate meeting of the Independent Directors of the Company were held on 17th March 2019 during the year 2019-20 without the attendance of non-independent directors and members of management to:

i. review the performance of non-independent directors and the Board as a whole;
ii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
iii. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

o) Availability of information to Board Members

The required information, including information as enumerated in regulation 17(7) read with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussion and consideration at the Board Meetings. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the meetings.

p) Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI Listing Regulations.

The Company pays performance linked remuneration to its Whole Time Directors/Managing Director. It is ensured that the remuneration is determined in a way that there exists a fine balance between fixed and incentive pay. On the basis of Policy for Performance Evaluation of Independent Directors, a process of evaluation is being followed by the Board for its own performance and that of its Committees and individual Directors. The performance evaluation process and related tools are reviewed by the "Nomination & Remuneration Committee" on a need basis, and the Committee may periodically seek independent external advice in relation to the process. The Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc. The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors including Independent Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

q) The Board annually reviews compliance reports of all laws applicable to the Company, prepared by the Company.

r) Code of Conduct

In compliance with the SEBI Listing Regulations and the Act, a code of conduct for Board Members and Senior Officials is in place. It is a comprehensive code applicable to all Directors and Members of Senior Management of the Company. It is in alignment with Company's vision and values to achieve the Mission and Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code is available on the website of the Company *i.e.* *www.ptcfinancial.com*.

Based on affirmation received from Board members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by the Managing Director and CEO is given below:

Declaration

All the Board members and Senior Management Personnel have affirmed compliance of Code of Conduct for financial year ended on 31st March 2020.

The declaration by the Managing Director & Chief Executive Officer of the Company, under the Schedule V of the SEBI Listing Regulations, affirming compliance with the Code of Conduct by all the Board members and senior managerial personnel for the year ended 31st March 2020 is published in this report.

s) Code for Prevention of Insider Trading

In terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a comprehensive Code for Prevention of Insider Trading to preserve the confidentiality and to prevent misuse of unpublished price sensitive information. Every Director, officer and designated employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company and not to misuse his or her position or information regarding the Company to gain personal benefit or to provide benefit to any third party. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and the consequences of non-compliance. In line with the requirement of Code for Prevention of Insider Trading, trading window was closed from time to time, whenever some price sensitive information was submitted to the Board and other Committees of Directors. Notice of closure of trading window was issued to all the employees well in advance to concerned designated persons/insiders and their immediate relatives, restraining them not to deal in the shares of the Company when the window is closed.

The code has been intimated to Stock Exchanges where the shares of the Company are listed and has also been duly published on the website of the Company (www.ptcfinancial.com) as prescribed by SEBI.

3. Committees of the Board of Directors

The Board has constituted many functional Committees depending on the business needs and legal requirements. As on 31st March 2020, the committees constituted by the Board are as follows:

A. Audit Committee
B. Nomination and Remuneration Committee
C. Corporate Social Responsibility Committee
D. Stakeholder Relationship Committee
E. Risk Management Committee
F. IT Strategy Committee

In addition to above committees, Board, from time to time, for specific purposes constitute Group of Directors as may be required.

The Board functions either as a full Board or through various Committees constituted to oversee specific areas. The Board of Directors and its Committees meet at regular intervals.

A. Audit Committee

The constitution, role and terms of reference of the Audit Committee of Directors of the Company are in conformity with the provisions of Section 177 of the Act and Regulation 18 of SEBI Listing Regulations, with all members being financially literate and most having accounting or related financial management expertise.

Terms of Reference

The broad terms of reference of Audit Committee are as follows:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    I. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub–section 3 of section 134 of the Companies Act, 2013;
    II. Changes, if any, in accounting policies and practices and reasons for the same;
    III. Major accounting entries involving estimates based on the exercise of judgment by management;
    IV. Significant adjustments made in the financial statements arising out of audit findings;
    V. Compliance with listing and other legal requirements relating to financial statements;
    VI. Disclosure of any related party transactions;
    VII. Modified opinions in the draft audit report;

e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
h) Approval or any subsequent modification of transactions of the Company with related parties;
i) Scrutiny of inter–corporate loans and investments;
j) Valuation of undertakings or assets of the Company, wherever it is necessary;
k) Evaluation of internal financial controls and risk management systems;
l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
n) Discussion with internal auditors of any significant findings and follow up there on;
o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post–audit discussion to ascertain any area of concern;
q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non–payment of declared dividends) and creditors;
r) To review the functioning of the Whistle Blower mechanism;
s) Approval of appointment of CFO (i.e., the whole–time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
u) Reviewing the utilization of loans/advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and results of operations;
b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
d) Internal audit reports relating to internal control weaknesses; and
e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
f) Statement of deviations:
    a. quarterly statement of deviation (s) including report of monitoring agency, if applicable, submitted to stock exchange (s) in terms of Regulation 32 (1).
    b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32 (7).

Composition

Presently, the Committee is chaired by Shri Kamlesh Shivji Vikamsey, Non–Executive Independent Director. The composition of Audit Committee during the financial year ended 31st March 2020 and meeting attended by the members are as follows:

Sr. No.	Name of Member	Designation	Status	No. of meetings held	No. of meetings attended
1	Shri Kamlesh Shivji Vikamsey	Independent Director	Chairperson	7	7
2	Mrs. Pravin Tripathi	Independent Director	Member	7	7
3	Dr. Rajib K. Mishra	Nominee Director	Member	7	7
4	Dr. Nagesh Singh*	Independent Director	Member	3	3
5	Shri Harbans Lal Bajaj^	Independent Director	Member	2	2
6	Shri Chinmoy Gangopadhyay^	Nominee Director	Member	–	–

*Appointed as the members w.e.f. 27th September 2019
^ Ceased to be the member w.e.f. 29th June 2019 and 30th April 2019 respectively.

The meetings of the Audit Committee are also attended by the Managing Director & Chief Executive Officer (CEO), Director (Operations), Chief Financial Officer (CFO), Internal Auditors and Statutory Auditors as special invitees as required. The Company Secretary acts as Secretary to the Committee. The minutes of each Audit Committee are placed in the next Meeting of the Board.

Number of Committee Meetings held during the Financial Year

During the financial year ended 31st March 2020, Audit Committee met seven (7) times i.e. 04th May 2019, 11th June 2019, 01st August 2019, 27th September 2019, 23rd October 2019, 28th December 2019 and 27th January 2020. The necessary quorum was present for all the meetings. The maximum interval between any two meetings was within the maximum allowed gap of 120 days.

The Chairperson of the Audit Committee was present at the last Annual General Meeting held on 30th September 2019 to answer the queries of the shareholders.

B. Nomination and Remuneration Committee

The Board originally constituted Nomination cum Remuneration Committee on 5th August 2008 and subsequently renamed it to its present name on 30th April 2014 Pursuant to the provisions of Section 178 of the Act and the provisions of the SEBI Listing Regulations. It has been constituted for the purpose of ensuring 'fit and proper' status of proposed/ existing Directors of the Company in terms of RBI guidelines, the Act and SEBI Listing Regulations.

Terms of reference

The broad terms of reference of the nomination and remuneration committee are as under:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ormulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the Board, all remuneration, in whatever form, payable to senior management.

Composition

The composition of the Nomination and Remuneration is as per Section 178 of the Act and Regulation 19 of SEBI Listing Regulations. The composition of Nomination and Remuneration Committee during the financial year ended 31st March 2020 and meeting attended by the members are as follows:

Sr. No.	Name of Committee Member	Designation	Status	No. of meetings held	No. of meetings attended
1	Shri Santosh Balachandran Nayar	Independent Director	Chairperson	4	4
2	Shri Deepak Amitabh	Nominee Director	Member	4	4
3	Mrs. Pravin Tripathi	Independent Director	Member	4	4
4	Dr. Rajib Kumar Mishra	Nominee Director	Member	4	4
5	Shri Kamlesh Shivji Vikamsey	Independent Director	Member	4	4
6	Shri Rakesh Kacker*	Nominee Director	Member	1	1
7	Shri Harbans Lal Bajaj^	Independent Director	Member	1	1

* Appointed as the member w.e.f. 23rd January 2020

^ Ceased to be member w.e.f. 29th June 2019

Shri Vishal Goyal, Company Secretary acts as the Secretary to the Committee. The Committee meets as per the requirement.

Number of Committee Meetings held during the Financial Year

During the financial year ended 31st March 2020, the Nomination and Remuneration Committee met four (4) times i.e. on 20th June 2019, 30th August 2019, 23rd December 2019 and 27th January 2020.

Performance Evaluation Criteria for all the Directors

The performance evaluation criteria for all directors (including Independent Directors) are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

Remuneration of Directors

The Chairman is not paid any remuneration by the Company and the remuneration of Whole Time Directors (WTD) is fixed component. Notice period of Whole Time Directors is three (3) months.

The non-executive Directors in PFS are entitled/ paid sitting fee of an amount of Rs. 40,000/- per Board and Committee meeting(s) during the financial year ended 31st March 2020 as decided by the Board of Directors in their meeting held on 31st January 2015.

Scope and terms of reference

The scope and terms of reference of the Nomination and Remuneration Committee are in line with the listing agreement, provisions of the Act and any guidelines / circulars issued by the Reserve Bank of India and include determining on behalf of the Board and the shareholders of the Company, the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.

The remuneration paid to Managing Director & CEO and Whole- Time Directors during the financial year ended 31st March 2020 is as under:

i. Executive Directors

Sr. No.	Director	Designation	Remuneration (figures in Rs. million)- FY 2019-20
1.	Dr. Pawan Singh	Managing Director & CEO	9.67
2.	Shri Naveen Kumar	Whole- Time Director	8.01

Presently, the Company does not have a scheme for grant of stock options to any director. The CTC structure of PFS including for management is mix of fixed and performance linked. As per the contract entered into with the executive directors, there is a notice period of 3 months and there is no severance fee to be paid to the directors. No sitting fee has been paid to the Executive Directors during the financial year ended 31st March 2020.

ii. Details of payments made towards sitting fee to the Non– Executive Directors for Board/Committee Meetings during FY 2019–2020

The Independent Directors and Non– Executive Directors are paid remuneration by way of sitting fees for each meeting of the Board and Committee of directors attended by them.

The Independent Directors do not have any pecuniary relationship or transactions with the Company. The criteria of making payment to non – executive directors is disclosed in the Nomination and Remuneration Policy of the Company which is given at one of the Annexure to the Board's Report and is also disclosed on the website of the Company *http://www.ptcfinancial.com/upload/pdf/nomination_and_remuneratin_board_diversity_policy.pdf*

The details of payments made to non–executive directors during the financial year ended 31st March 2020 are as under:

S.No.	Name of Director	Sitting Fee (excluding TDS) (Rs. In millions)
1	Shri. Deepak Amitabh*	0.80
2	Dr. Rajib Kumar Mishra*	1.20
3	Mrs. Pravin Tripathi	1.44
4	Shri Kamlesh S. Vikamsey	1.20
5	Shri Santosh B. Nayar	0.96
6	Dr. Nagesh Singh	0.84
7	Shri Rakesh Kacker	0.72
8	Shri Thomas Mathew T.	0.48
9	Shri. Chinmoy Gangopadhyay^	0.08
10	Shri. Harbans Lal Bajaj	0.28

* Sitting Fee has been paid to PTC India Limited (the holding company)

^ Sitting Fee has been paid to Power Finance Corporation Limited

C. Corporate Social Responsibility (CSR) Committee

In compliance with the provisions of Section 135 of the Act, a Corporate Social Responsibility Committee has been constituted by the Company.

Terms of reference

The Corporate Social Responsibility Committee shall

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013;
b. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
c. Monitor the Corporate Social Responsibility Policy of the company from time–to–time.

Composition

The composition of CSR Committee during the financial year ended 31st March 2020 and meeting attended by the members are as follows:

Sl. No.	Name of Director	Designation	Status	No. of meetings held	No of meetings attended
1	Shri Deepak Amitabh	Non– Executive Nominee Director	Chairman	2	2
2	Dr. Pawan Singh	Managing Director & CEO	Member	2	2
3	Mrs. Pravin Tripathi	Independent Director	Member	2	2
4	Dr. Nagesh Singh*	Independent Director	Member	1	1

*Appointed as member of the w.e.f. 23rd October 2019.

Number of Committee Meetings held during the Financial Year

During the financial year ended 31st March 2020, the CSR Committee met two (2) times i.e. on 09th October 2019 and 16th March 2020.

To attain its CSR objectives in a professional and integrated manner, the Company shall undertake the CSR activities as specified under the Act. The CSR Committee has approved a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company presently, which has also been approved by the Board and the same has been disclosed on the website of the Company *i.e.* *www.ptcfinancial.com*.

D. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee of the Board consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non–receipt of annual report, and non–receipt of declared dividends.

Terms of Reference

The Committee looks into redressing of investors complaint like delay in transfer of shares, demat, remat, non– receipt of declared dividends, non– receipt of Annual Reports etc. and such other related work as may be assigned by the Board from time to time. The Committee oversees the performance of Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

Composition

The composition of the Committee during the financial year ended 31st March 2020 and meetings attended by the members are as follows:

Sl. No.	Name of Member	Designation	Status	No. of meetings held	No. of meetings attended
1	Mrs. Pravin Tripathi	Independent Director	Chairperson	1	1
2	Dr. Rajib Kumar Mishra	Nominee Director	Member	1	0
3	Shri Kamlesh Shivji Vikamsey	Independent Director	Member	1	1
4	Shri Thomas Mathew T.	Independent Director	Member	1	1

Number of Committee Meetings held during the Financial Year

During the financial year ended 31st March 2020, the Stakeholder Relationship Committee met once on 02nd March 2020.

The Committee is chaired by Mrs. Pravin Tripathi, Non – Executive Independent Director and meets as per the requirement. The Chairman of the Committee also attended the last Annual General Meeting of the Company held on 30th September 2019.

Name & Designation of Compliance Officer

Shri Vishal Goyal, Company Secretary is designated and act as the Compliance Officer of the Committee.

Details of Investor Complaints received and resolved during the year

Status of complaints from investors for the financial year ended 31st March 2020 are as follows:–

Sl. No.	Type of Investor	No. of complaints pending at the beginning of the year	No. of Complaints received during year	No. of Complaints pending as at the end of year
1.	Equity shareholders	–	177	–
2.	Bondholders	–	792	–

All the complaints have been resolved to the satisfaction of the shareholders/bondholders.

E. Risk Management Committee

The Risk Management Committee was constituted by Board on 7th July 2009.

Terms of reference

The Risk Management Committee has been constituted under Risk Management Policy of the Company for the purpose of reviewing risk management in relation to various risks, namely, market risk, credit risk and operational risk.

Composition

The composition of Risk Management Committee during the financial year ended 31st March 2020 and meeting attended by the members are as follows:

Sl. No.	Name of Director	Designation	Status	No. of meetings held	No of meetings attended
1	Shri Santosh Balachandran Nayar	Independent Director	Chairperson	3	3
2	Dr. Pawan Singh	Managing Director & CEO	Member	3	3
3	Shri Naveen Kumar	Whole Time Director	Member	3	3
4	Shri Kamlesh S. Vikamsey	Independent Director	Member	3	3
5	Shri Rakesh Kacker*	Nominee Director	Member	1	1
6	Dr. Nagesh Singh^	Independent Director	Member	1	1
7	Shri Thomas Mathew T.$	Independent Director	Member	–	–
8	Dr. Rajib K. Mishra@	Nominee Director	Member	2	2

* Appointed as the member w.e.f. 27th September 2019
^ Appointed as the member w.e.f. 23rd October 2019
$ Appointed as the member w.e.f 24th March 2020
@ ceased to be the member w.e.f. 23rd October 2019

Number of Committee Meetings held during the Financial Year

During the financial year ended 31st March 2020 Risk Management Committee met three (3) times i.e. on 14th June 2019, 13th September 2019 and 23rd January 2020.

F. IT Strategy Committee

The IT Strategy Committee was constituted by Board on 25th June 2018.

Terms of reference

The IT Strategy Committee is constituted in accordance with the RBI issued Master Direction – Information Technology Framework for the NBFC Sector on 8th June 2017.

Composition

The composition of IT Strategy Committee during the financial year ended 31st March 2020 and meeting attended by the members are as follows:

Sl. No.	Name of the Director	Designation	Status	No. of meetings held	No. of meetings attended
1	Shri Kamlesh Shivji Vikamsey	Independent Director	Chairperson	2	2
2	Dr. Pawan Singh	Managing Director & CEO	Member	2	2
3	Shri Naveen Kumar	Whole Time Director	Member	2	2
4	Shri Thomas Mathew T.*	Independent Director	Member	1	1

*Appointed as the member of IT Strategy Committee w.e.f.23rd October 2019

Number of Committee Meetings held during the Financial Year

During the financial year ended 31st March 2020, the IT Strategy Committee met two (2) times on 19th June 2019 and 02nd March 2020.

4. General Body Meeting (s)

a) Details of last three Annual General Meetings ("AGM") are as under

Year ended	AGM	Date	Day	Time	Location	Special Resolution
31st March 2019	13th AGM	30th September 2019	Monday	10 : 30 A.M.	Dr. SRKV Auditorium, Kendriya Vidyalaya No.2, APS Colony, Gurgaon Road, Delhi Cantt., New Delhi–110010	Two

Year ended	AGM	Date	Day	Time	Location	Special Resolution
31st March 2018	12th AGM	20th September 2018	Thursday	10 : 30 A.M.	Dr. SRKV Auditorium, Kendriya Vidyalaya No.2, APS Colony, Gurgaon Road, Delhi Cantt., New Delhi-110010	One
31st March 2017	11th AGM	25th September 2017	Monday	11 : 00 A.M.	Dr. SRKV Auditorium, Kendriya Vidyalaya No.2, APS Colony, Gurgaon Road, Delhi Cantt., New Delhi-110010	Three

No Extra-Ordinary General Meeting(s) were held during last three years.

b) **Special Resolutions passed last year through Postal Ballot - details of voting pattern**

During the year ended 31st March 2020, no Special Resolutions were passed through Postal Ballot.

c) **Special Resolution proposed to be conducted through Postal Ballot**

As on the date of this report, no special resolutions proposed to be conducted through Postal Ballot

5. Subsidiary Companies

The Company does not have any subsidiary company.

6. Holding Company

PTC India Limited holding 64.99% of the paid-up equity share capital of the Company, is the holding company of PFS.

7. Means of Communication & Website

PFS recognizes communication as a key element of the overall Corporate Governance framework and therefore emphasizes continuous, efficient and relevant communication to all external constituencies. Quarterly/annual financial results are usually published in financial and national newspapers like Financial Express / Business Standard in English and Jansatta in Hindi.

The same are also available on the website of the Company, viz. www.ptcfinancial.com and have also been submitted to stock exchanges as per requirement of the SEBI Listing Regulations. The Company also communicates with its institutional shareholders through investor conferences.

All important information pertaining to the Company is also mentioned in the Annual Report of the Company containing inter-alia audited financial statements, Directors' report, Auditors' report, report on Corporate Governance which is circulated to the members and others entitled thereto for each financial year and is displayed on the Company's *website: www.ptcfinancial.com.* Further, official news releases have also been posted on the website of the Company and presentations are made to institutional investors and analysts on the Company's audited annual financial results.

8. General Shareholder information

i. Annual General Meeting

Date	Time	Venue
Tuesday, 22nd September 2020	11: 00 A.M.	Through Video-Conferencing

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards 2, particulars of Director seeking re-appointment at the ensuing AGM are given in the Explanatory Statement annexed to the Notice of the AGM .

ii. Financial calendar

A. Financial year ended on 31st March 2020

Particulars	Date
Financial year	1st April 2019 to 31st March 2020
Un-audited financial results for the first three quarters	Un-audited financial results for the first quarter were announced on 1st August 2019. Un-audited financial results for the second and third quarter were announced on 23rd October 2019 and 27th January 2020 respectively.
Annual Financial Results	Audited financial results for quarter and financial year ended 31st March 2020 were announced on 13th June 2020.

B. Tentative Financial calendar for year ending on 31st March 2021

Particulars	Date
Un-audited financial results for the first three quarters	Un-audited financial results for the first, second and third quarter will be announced and published within 45 days from the end of respective quarter.
Annual Financial Results	Audited financial results Will be announced and published within 60 days from the end of the Financial Year

iii. Payment of Dividend

a. Dividend Distribution Policy

The Company has adopted Dividend Distribution Policy to set out the parameters and circumstances that will be taken into account by the Board while determining the distribution of dividend to its shareholder. The Dividend Distribution Policy is enclosed to the Board Report and is also available on Company's website at:

http://www.ptcfinancial.com/upload/pdf/Dividend%20Distribution%20Policy-PFS.pdf

b. Final Dividend details for financial year 2019-2020

The Board of Directors in their meeting held on 13th June 2020 has recommended a dividend @ 4.5% i.e. Rs. 0.45 per equity share (on the face value of Rs. 10/- per share) for the financial year ended on 31st March 2020, subject to the approval of the members in the ensuing AGM of the Company.

c. Dividend History for the last five years

Sr. No.	Financial Year	Total Paid up Capital in Rs.	Rate of Dividend (%)
1	2018-19	6,422,833,350	8%
2	2017-18	6,422,833,350	2%
3	2016-17	6,422,833,350	15%
4	2015-16	5,620,833,350	12%
5	2014-15	5,620,833,350	10%

d. Date of Book Closure

The book closures dates of the Company are from 16th September 2020 to 22nd September 2020 (both days inclusive) for the purpose of payment of dividend for financial year 2019-20.

e. **Pay–out date for payment of Final Dividend**

The final dividend on equity shares, as recommended by the Board of Directors, subject to provisions of Section 123 of the Act, if approved by the members at ensuing AGM of the Company, shall be paid to those shareholders whose name appears in the Register of Members as on the first date of book closure or in the list of beneficial holders provided by National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") on the closing hours of 15th September 2020.

f. **Unclaimed Dividend**

Section 124 of Companies Act, 2013 mandates that companies transfer Dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection fund ("IEPF"). In accordance with the following schedule, the dividend for the years mentioned as under, if unclaimed within a period of seven years will be transferred to IEPF. As on 31st March 2020, the following dividend amount was remained unpaid:

Year	Type of dividend	Dividend per share (Rs.)	Date of declaration	Amount remain unpaid(Rs.)
2018–2019	Final	Rs. 0.80 per share	30th September 2019	11,70,532.80
2017–2018	Final	Rs. 0.20 per share	20th September 2018	4,03,279.00
2016–2017	Final	Rs. 1.50 per share	25th September 2017	16,18,345.00
2015–2016	Final	Rs. 1.20 per share	28th September 2016	13,09,704.00
2014–2015	Final	Rs. 1 per share	24th September 2015	7,20,616.00
2013–2014	Final	Rs. 1 per share	26th September 2014	6,77,811.80
2012–2013	Final	Rs. 0.40 per share	19th August 2013	2,94,618.80

iv. **Listing of Stock Exchanges and Stock Codes**

PFS equity shares are listed on the following stock exchanges:

Sl. No.	Name of the Stock Exchange	Address of the Stock Exchange	Stock Code	ISIN No.
1	National Stock Exchange of India Limited ("NSE")	Exchange Plaza, C–1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	PFS	INE560K01014
2	BSE Limited ("BSE")	Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001	533344	

v. **Listing Fee**

The annual listing fee for the Financial Year 2020 – 21 has been paid by the Company to NSE and BSE. Further the Company has also paid the Annual Custody Fee to NSDL and CDSL.

vi. **Infrastructure Bonds**

PFS has also issued Non– Convertible Debenture ("NCD"), Infrastructure Bonds and Commercial Papers carrying the following ISIN codes as on 31st March 2020:

Sr. No.	Name	ISIN Code
1	NCD Series 3	INE560K07037
2	NCD Series 4	INE560K07128
3	NCD Series 5	INE560K07136
4	Infra Bond series 1 (option I)	INE560K07045
5	Infra Bond series 1 (option II)	INE560K07052
6	Infra Bond series 1 (option III)	INE560K07060
7	Infra Bond series 1 (option IV)	INE560K07078
8	Infra Bond series 2 (option I)	INE560K07086
9	Infra Bond series 2 (option II)	INE560K07094
10	Infra Bond series 2 (option III)	INE560K07102
11	Infra Bond series 2 (option IV)	INE560K07110

vii. Market Price Data

a. Market price of PFS's shares for the year ended 31st March 2020 on NSE

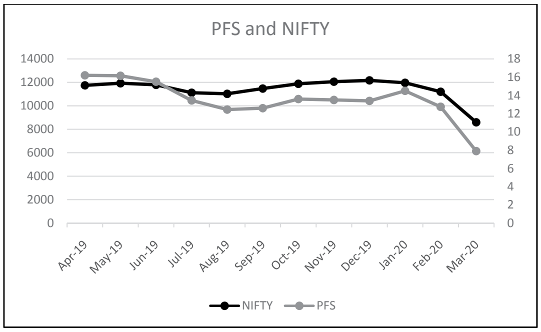
Month	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
Apr–19	16.00	17.80	15.90	16.20
May–19	16.10	17.30	14.85	16.15
Jun–19	16.20	16.55	14.55	15.50
Jul–19	15.55	15.75	13.20	13.45
Aug–19	13.50	13.70	10.45	12.45
Sep–19	12.35	15.10	12.10	12.60
Oct–19	12.60	14.00	11.60	13.60
Nov–19	13.60	14.60	12.40	13.50
Dec–19	13.30	13.50	12.60	13.40
Jan–20	13.40	17.60	12.80	14.50
Feb–20	14.45	15.25	12.40	12.75
March–20	13.00	13.05	6.70	7.90

c. Market price of PFS's shares for the year ended 31st March 2020 on BSE

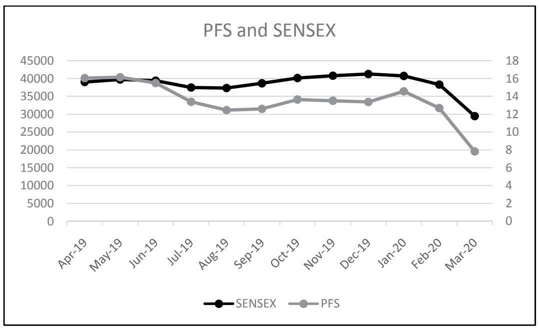
Month	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
Apr–19	16.00	17.80	15.90	16.05
May–19	16.15	17.35	14.90	16.15
Jun–19	16.20	17.00	14.60	15.50
Jul–19	15.60	15.70	13.25	13.40
Aug–19	13.50	13.70	10.85	12.46
Sep–19	12.30	15.15	12.10	12.60
Oct–19	12.56	13.88	10.80	13.65
Nov–19	13.63	14.54	12.48	13.51
Dec–19	13.37	13.50	12.60	13.38
Jan–20	13.20	17.58	12.91	14.57
Feb–20	14.50	15.24	12.45	12.69
March–20	12.93	13.00	6.78	7.83

viii. Performance in comparison to indices

a. PFS and Nifty Comparison



b. PFS and SENSEX Comparison



ix. Registrar and Transfer Agents

For Equity and Infrastructure Bonds

Name	Kfin Technologies Private Limited (earlier known as Karvy Fintech Private Limited)
Registered Office Address	Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad 500034, India, Tel: +91 40 23312454
Communication Address	Kfin Technologies Private Limited (earlier known as Karvy Fintech Private Limited) Karvy Selenium, Tower-B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032 Tel: +91 40 67162222, Fax: +91 40 23001153, Toll Free No : 1800-345-4001
E-mail	einward.ris@karvy.com
Website	www.kfintech.com

x. Share Transfer System

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 01st April 2019 unless the securities are held in dematerialized form with the depositories. All such requests are handled and disposed off by Company's Registrar & Share Transfer Agent i.e. Kfin Technologies Private Limited within fifteen days from the date of receipt of request, provided the documents are found to be in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

Further pursuant to Regulation 40(9) of SEBI Listing Regulations, certificate on half yearly basis confirming the due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchanges within stipulated time.

Reconciliation of Share Capital Audit Report for the Quarter ended 31st March 2020, confirming that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL as on 31st March 2020, was obtained from practicing company secretary and submitted to the stock exchanges with in stipulated time.

xi. Distribution of shareholding

- **Distribution by size**

Distribution Schedule - Consolidated as on 31st March, 2020					
Category (Amount)	**No. of Cases**	**% of Cases**	**Total Shares**	**Amount**	**% of Amount**
20001- 30000	4,471	3.659714	11,743,144	117,431,440	1.828343
5001- 10000	17,310	14.169013	14,908,162	149,081,620	2.321119
40001- 50000	2,060	1.686203	9,867,309	98,673,090	1.536286
50001- 100000	3,440	2.815795	25,698,363	256,983,630	4.001094
100001& Above	2,681	2.194519	539,747,782	5,397,477,820	84.035776
10001- 20000	10,928	8.945059	17,414,935	174,149,350	2.711410
30001- 40000	2,360	1.931766	8,592,647	85,926,470	1.337828
1-5000	78,918	64.597931	14,310,993	143,109,930	2.228143
Total	122,168	100.00	642,283,335	6,422,833,350	100.00

Nominal Value of each Share is Rs.10/-

- **Distribution by Category**

S.No	Description	No. of Cases	Total Shares	% Equity
1	FOREIGN PORTFOLIO - CORP	21	9438113	1.47
2	TRUSTS	8	29371	0.00
3	RESIDENT INDIVIDUALS	116133	164822102	25.66
4	PROMOTERS	1	417450001	64.99
5	INSURANCE COMPANIES	2	14682595	2.29
6	NON RESIDENT INDIANS	1325	9349425	1.46
7	CLEARING MEMBERS	112	1144406	0.18
8	BANKS	1	705003	0.11
9	NON -RESIDENT INDIAN NON REPATRIABLE	551	2028710	0.32
10	BODIES CORPORATES	648	13145041	2.05
11	NBFC	1	3500	0.00
12	H U F	3365	9485068	1.48
	Total:	21	642283335	100.00

- **Graphical Representation of Shareholding Pattern of the company on the basis of distribution by category as on 31st March 2020**

xii. Dematerialization of shares

Through Kfin Technologies Private Limited (earlier known as Karvy Fintech Private Limited), Registrar and Share Transfer Agent, the Company has established connectivity with both NSDL and CDSL. The ISIN allotted to our shares under the Depository System is INE560K01014.

As on 31st March 2020, 99.99% of our shares were held in dematerialized form and the rest in physical form. Details of shares held in dematerialised and physical mode as on 31st March 2020 are as under:

Category	Number of		% of total equity
	Shareholders	Shares	
Dematerialised mode			
• NSDL	66,787	57,33,01,638	**89.26**
• CDSL	48,352	6,89,51,168	10.74
Total	**1,15,139**	**64,22,52,8061**	**100.00**
Physical	7,029	30,529	0.00
Grand Total	**12,2,168**	**64,22,83,335**	**100.00**

xiii. Shares Liquidity

The trading volumes at the Stock Exchanges (i.e. NSE and BSE), during the financial year 2019–20, are given below:

Months	NSE	BSE
	Number of Shares Traded	Number of Shares Traded
April, 2019	1,71,43,355	20,98,178
May, 2019	1,37,12,423	17,92,140
June, 2019	61,07,249	11,44,857
July, 2019	69,15,485	1,09,6094
August, 2019	84,50,024	15,12,693
September, 2019	1,13,85,915	17,88,179
October, 2019	84,86,745	14,85,527
November, 2019	1,04,22,906	15,48,913
December, 2019	54,77,932	9,23,336
January, 2020	3,02,87,104	27,94,480
February, 2020	98,90,760	10,05,631
March, 2020	1,48,28,692	21,73,325

xiv. Outstanding GDRs or ADRs or Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs, ADRs, Warrants or any convertible instruments.

xv. Commodity price risk or Foreign Exchange risk and hedging activities

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company uses forward exchange contract to hedge against its foreign currency exposures relating to firm commitment. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially uncovered exchange rate risks. The Company does not enter into any derivative instruments for trading or speculative purposes.

xvi. Address and Details for correspondence

Mr. Vishal Goyal
Company Secretary and Compliance Officer
PTC India Financial Services Limited
7th Floor, Telephone Exchange Building
8, Bhikaji Cama Place, New Delhi – 110066
Tel. : +91 11– 26737300
Fax: + 91 11– 26737373
Email: complianceofficer@ptcfinancial.com
Website: www.ptcfinancial.com

xvii. Credit Ratings

List of credit ratings obtained along with revisions during the FY 19–20

	CRISIL	**ICRA**	**CARE**	**Brickwork***
NCD/Bonds	CRISIL A+ / Stable	ICRA A+/ Stable	CARE A+/ Stable	AA+/Stable
Long Term Loan	CRISIL A+ / Stable	ICRA A+/ Stable	CARE A+/ Stable	–
Short Term Loan	–	ICRA A1+	CARE A1+	–
Commercial Paper	CRISIL A1+	ICRA A1+	–	–

* Brickwork modified the credit rating to AA– (Stable) vide its letter dated 2 April 2020 and further vide letter dated 11 June 2020, the rating was withdrawn on the request of Company.

9. Corporate Identity Number

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L65999DL2006PLC153373.

10. CEO and CFO Certification

The certificate required under Regulation 17(8) of the SEBI Listing Regulations, duly signed by Managing Director & CEO and CFO was placed before the Board. The same is annexed as **Annexure XI** to this annual report.

11. **Compliance Certificate on Corporate Governance**

In terms of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Certificate on Corporate Governance issued by Statutory Auditors is annexed to this report.

12. **Other Disclosures**

A. **Materially Significant Related Party Transactions and Policy thereto**

All transactions entered into by the Company during the financial year with the related parties are in compliance with the applicable provisions of the Act and SEBI Listing Regulations and do not have potential conflicts with the interest of the Company. Further, the details of related party transactions are presented in Note number 29 forming part of the financial statements. In line with requirement of the Act and SEBI Listing Regulations, the Company has formulated a policy for determining Materially Significant Related Party Transactions and the same is disclosed on website of the Company at the link:

https://www.ptcfinancial.com/upload/pdf/20150629_Policy_materiality_of_Related_Party_Transactions.pdf

B. **Details of non–compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority during last three years**

There were no instances of non–compliance on any matter related to the capital markets during the last three years. There were no penalties imposed or strictures passed against the Company by the statutory authorities on any matter related to capital markets, during the last three years.

C. **Vigil Mechanism/Whistle Blower Policy**

The Company's Whistle Blower policy is an inbuilt system of Grievance Redressal which deals with grievances of employees. Under this system grievances of the employees are redressed effectively. The Company affirms that no personnel have been denied access to the audit committee. The policy on vigil mechanism is attached with this report as Annexure– X.

D. **Details of Compliance with Mandatory requirements and adoption of the Non – Mandatory Requirements**

During the year, the Company has complied with all applicable mandatory corporate governance requirements prescribed under regulation 72 of SEBI Listing Regulations.

E. **Policy on determining Material Subsidiary**

The Company has adopted a policy on material subsidiaries .The policy for determining 'material' subsidiaries is disclosed on website of the Company at the link: http://www.ptcfinancial.com/upload/pdf/20150629_Policy_on_determining_Material_Subsidiaries.pdf. However, the Company is not having any subsidiary company.

F. **Accounting treatment in the preparation of the Financial Statements**

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 applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013.

13. **Non– Compliance of any requirement of Corporate Governance report with reasons thereof**

There is no such instance of non–compliance. The Company has complied with the requirements of the Schedule V of SEBI Listing Regulations. Further, the Company is also in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub–regulation (2) of Regulation 46 of the SEBI Listing Regulations.

A. **Details of utilization of funds raised through preferential allotment or qualified institutions placement**

During the period under review, Company has not raised any funds through preferential allotment or qualified institutions placement.

B. **Whether the Board has where the board had not accepted any recommendation of any Committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:** Not Applicable

C. **Detail of total fees paid by the Company along with subsidiaries to the Statutory Auditors and their network firms**

The details of total fees for all services incurred by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

Particulars	**Amount in Rs. In millions**
Services as statutory auditors (incl. quarterly limited reviews)	3.55
Tax audit	0.19
Other matters (certification and reporting)	0.77
Re–imbursement of out of pocket expenses	0.37
Total	**4.89**

D. **Related Party Disclosure**

The details of related party disclosures with respect to loans/advances/investments at the year end and maximum outstanding amount thereof during the year, as required under Part A of Schedule V of the SEBI Listing Regulations have been mentioned in the of the Standalone Financial Statements for the financial year ended on 31st March 2020.

Disclosure of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company is annexed herewith and forming part of this report.

E. **Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

An Internal Complaints Committee has been constituted to look into grievance/complaints of sexual harassment lodged by employees as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, no complaints were received during the year and no complaint is pending on 31st March 2020.

No. of Complaints received during the year 2019–20	**No. of Complaints disposed off during the year 2019–20**	**No. of Complaints pending at the end of FY 2020**
Nil	Nil	Nil

14. Discretionary Requirements

The status of discretionary requirements as per regulation 27(1) of SEBI Listing Regulations is as follows:–

A. The Board: The Board is headed by a non–executive Chairperson. However, no expenditure are claimed by Chairperson for reimbursement.

B. Shareholder Rights: The quarterly/half–yearly/annual financial results of the Company are published in leading newspapers as mentioned under the heading “Means of Communication” of the Corporate Governance Report and also displayed on the website of the Company. The annual financial statements are separately circulated to the shareholders.

C. Modified Opinion (s) in audit report: The audit report on the financial statements have been issued with an unmodified audit opinion.

D. Separate post of Chairman and CEO: Shri Deepak Amitabh is the Chairman of the Company and Dr. Pawan Singh is the Managing Director and CEO of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director & CEO.

E. Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.

15. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

S.No.	Particulars	No. of Shares
1	Aggregate number of Shareholders and the outstanding shares in the suspense account lying at beginning of the year	1000 shares held by 1 shareholder
2	Number of Shareholders who approached issuer for transfer of shares from suspense account during the year	–
3	Number of shareholders to whom shares were transferred from suspense account during the year	–
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	1000 shares held by 1 shareholder

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the share.

CERTIFICATE OF NON–DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
PTC India Financial Services Limited
7th Floor, Telephone Exchange Building,
8, Bhikaji Cama Place, New Delhi–110066

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PTC India Financial Services Limited** having **CIN L65999DL2006PLC153373** and having registered office at **7th Floor, Telephone Exchange Building, 8,Bhikaji Cama Place, New Delhi–110066** (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para–C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on **March 31, 2020** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment in Company
1	Sh. Deepak Amitabh	01061535	16/10/2012
2	Dr. Pawan Singh*	00044987	03/10/2018
3	Sh. Naveen Kumar	00279627	25/09/2017
4	Mrs. Pravin Tripathi	06913463	15/10/2015
5	Dr. Rajib Kumar Mishra	06836268	23/06/2017
6	Sh. Kamlesh Shivji Vikamsey	00059620	12/05/18
7	Sh. Santosh Balachandran Nayar	02175871	25/06/2018
8	Dr. Nagesh Singh	08550944	30/08/2019
9	Sh. Rakesh Kacker	03620666	10/10/2019
10.	Sh. Thomas Mathew Thumpeparambil	00130282	10/10/2019

**Appointed as Managing Director & CEO w.e.f. October 3, 2018, Whole Time Director since 01st Feb. 2012;*

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

For Ashish Kapoor & Associates
Company Secretaries
ICSI Unique Code: S2007DE093800

Sd/–
Ashish Kapoor
Proprietor
C.P. No.: 7504
UDIN: F008002B000498778

Place: New Delhi
Date: 24.07.2020

Independent Auditor's Certificate on Corporate Governance

To the Members of PTC India Financial Services Limited

We the Statutory Auditors of PTC India Financial Services Limited (the 'Company') have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2020 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') and as amended from time to time.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2020, as applicable.

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

MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Sd/-
Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 20505676AAAACB1642

Place: Gurugram
Date: August 04, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Scenario

India continues to remain the fastest growing economy in the world with a nominal GDP of $2.61 trillion with a GDP growth of 4.2 per cent in 2019. Infrastructure development plays a very crucial and critical role in economic growth of the country. There exists a very high correlation between infrastructure investment and economic growth and therefore massive investment is needed in infrastructure to achieve targeted economic growth in the country. Promoting growth of the economy has always been the utmost priority of the Government. The Government is continuously taking steps to facilitate production and GDP growth of the economy. The Government aims at creating a conducive environment by streamlining the existing regulations and processes and eliminating unnecessary requirements and procedures.

Power is one of the most important drivers of infrastructure, crucial for the economic growth and welfare of nations. The level of availability and accessibility of affordable and quality power is also one of the main determinants of the quality of life. India has the fifth largest power generation capacity in the world after China, USA, European Union and Japan. India ranks third globally in terms of electricity production as well as electricity consumption only after China and USA. Electricity production in India reached 1,252.61 Billion Units (BU) as of April 2020. Indian Government is continuously giving priority to power sector considering the important role of power generation in nation building. As a result, the installed generation capacity has risen from a mere 1,300 megawatt (MW) at the time of Independence to 370 gigawatt (GW) mark. The power sector in the country has seen transformational growth in the last one decade with addition of generation capacity primarily through focus on solar and wind energy with policy initiatives of the Government, massive investments towards modernization of transmission capacity and distribution networks, electrifying villages and extending power to all households. Between April 2000 and March 2020, the industry attracted US$ 14.98 billion in Foreign Direct Investment (FDI), accounting for three per cent of total FDI inflow in India.

Keeping in view the commitment to a healthy planet and Nationally Determined Contributions as per the Paris Accord on Climate Change, when India made a pledge that by 2030, 40% of installed power generation capacity shall be based on clean sources, it was determined that 175 GW of renewable energy capacity will be installed by 2022. Subsequently Govt of India has revised the target to 227 MW by year 2022. Therefore, Government thrust on Renewable energy made this sector as fast emerging major source of power in India. Wind energy is the largest source of renewable energy in India, accounting for 43.21% (37.76 GW) followed by solar power accounting for 39.96% (34.92 GW) of total installed renewable capacity of 87.38 GW as on 31st May 2020. Ministry of New & Renewable Energy (MNRE) has set the target to increase the wind power generation capacity to 60 GW and taking solar power capacity to 100 GW and biomass and hydropower at 15 GW.

India has made important progress towards meeting the United Nations Sustainable Development Goals, notably Goal 7 on delivering energy access. Both the energy and emission intensities of India’s gross domestic product (GDP) have decreased by more than 20% over the past decade. This represents commendable progress even as total energy-related carbon dioxide (CO_2) emissions continue to rise. India’s per capita emissions today are 1.6 tonnes of CO_2, well below the global average of 4.4 tonnes, while its share of global total CO_2 emissions is 6.4%.

Roads are part of an integrated multimodal system of transport which influences the pace, structure and pattern of economic development. Roads provide crucial links to airports, railway stations, ports and other logistical hubs and acts as a catalyst for economic growth by playing a critical role in the supply chain management. India has the world's second largest road network after USA, with a road network of 58.9 lakh kilometres. The Government’s policy to increase private sector participation has proved to be a boon for the infrastructure industry with many private players entering the business through the public-private partnership (PPP) model. With the Government permitting 100 per cent Foreign Direct Investment (FDI) in the road sector, several foreign companies have formed partnerships with Indian players to capitalise on the sector’s growth. Cumulative FDI in construction development stood at US$ 25.66 billion between April 2000 and March 2020. The Government’s move to cut GST rates on construction equipment from 28 per cent to 18 per cent is expected to give boost to the industry. In March 2020, NHAI (National Highways Authority of India) accomplished the highest ever highway construction of 3,979 kms.

In April 2020, the Government set a target of constructing roads worth Rs 15 lakh crore (US$ 212.80 billion) in the next two years. The Introduction of Toll-Operate-Transfer (TOT) model helps the Government to monetize operational road assets by giving tolling rights on operational road projects in return for an upfront amount to the Government. The Infrastructure Investment Trust also gaining popularity among developers to unlock the capital and de-leverage the balance sheet to explore further investment avenues.

NBFCs have played a crucial role as one of the key contributors to the Indian economy by providing a fillip to infrastructure, employment generation, wealth creation and access to financial services for the rural and weaker sections of society. However, the outbreak of novel Coronavirus (COVID-19) pandemic globally and in India and the consequent lockdown restriction imposed by Government is causing significant slowdown of economic activities across the world. The growth of PFS's business at the end of FY 20 has been adversely impacted due to the lockdown situation in the entire country on account of the COVID-19 pandemic where no progress was made for activities related to clearances, land acquisition for under construction projects specifically in renewable, transmission and road sectors.

Govt. announced various relief packages to support all segments. In line with Govt. initiative, RBI issued guidelines relating to COVID-19 Regulatory Package and PFS has granted a moratorium of six months on the payment of all instalments and / or interest, as applicable, falling due between March 1 2020 and August 31, 2020 to the eligible borrowers and those who applied for moratorium. These borrowers are classified as Standard. PFS allowed moratorium to borrowers which comprise 50% of loan book. Even after allowing moratorium, the Company has sufficient liquidity in the form of HQLA and undrawn lines of credit to meet its financial obligations in the near future. Company does not foresee any significant concern in case of borrowers where projects have been commissioned/ completed, considering 50% of loan book is comprised of operational renewable energy projects with a must run status.

The NBFC sector in India is going through a very rough phase starting with the unexpected default of IL&FS in September 2018. PTC India Financial Services Limited (PFS) has also been affected by the NBFC crisis. Defaults by NBFCs like DHFL, ILFS & Altico capital has resulted in drying up of the availability of funds/liquidity for NBFCs resulted in increase in the cost of borrowing. However, PFS has maintained its credit rating despite liquidity issues with the NBFC sector. PFS’s decision to shift its liability mix from short term to long term, has also helped the company to tide over the cash flow mismatch situation. The Government has also launched a phased program for bank recapitalization entailing infusion of capital to the public sector banks, to the tune of about Rs. 2.11 lakh crore over two financial years, which is expected to encourage banks to enhance lending.

The power sector is witnessing stress particularly in case of thermal projects. Several thermal projects in the country (both operational and under construction) are facing challenges related to fuel price and availability, power tariff, time and cost overruns alongwith equity infusion by promoters especially in the case of under construction projects (where the time and cost overrun happens due to delay in achievement of financial closure, receipt of clearances/linkages, land acquisition, supplies/erection etc). PFS is also faced with challenges in respect of such projects. The stress in power sector has been acknowledged and various efforts/initiatives are being taken by Govt/Banks/ FIs to resolve the aforementioned stress in the sector.

Financial and Operational Performance

PFS has been playing a crucial role in the development of the country's core infrastructure. By offering medium/long-term funds and credit, it has been enabling the funding and growth of the infrastructure projects across the country. PFS provides debt assistance to projects in the entire energy value chain i.e. power generation projects, transmission and distribution projects, fuel sources and related/other infrastructure. The operational performance in FY 2019-20 has improved significantly due to higher interest income and resolution of stress/ NPA loan accounts.

In FY 2019-20 the total income increased marginally by 2.48% from Rs. 13,365.12 million in FY2018-19 to Rs. 13,697.10 million. In FY 2019-20 finance cost also increased marginally, in line with interest income, by 0.44% to Rs. 9,484.46 million as compared to Rs. 9,443.11 million in FY 2018-19. The other expenses decreased by 11.69% to Rs. 288.63 million during FY 2019-20 as compared to Rs. 326.84 million in FY 2018-19., The reduction is due to a decrease in amount spent on CSR activities which decreased to Rs 64.13 million during the FY 2019-20 from Rs. 91.64 million in FY 2018-19. Other income increased by 160.45% to Rs. 54.60 million during FY 2019-20 compared to Rs. 20.97 million in FY 2018-19. Few of the loan accounts were referred for liquidation by NCLT and accordingly provision for Impairment on Financial Instruments has increased to Rs. 1,957.06 million in FY 2019-20 from Rs. 605.83 million in FY 2018-19. In FY 19-20, the Spread has improved to 2.62% from 2.52% on the earning portfolio and NIM has improved from 2.99% to 3.31%

In FY 2019-20 PFS focused on diversified sources of borrowings and also on reduction of cost of borrowings. PFS was able to reduce the Debt:Equity ratio during the year to 4.43 from 5.28 in FY 18-19 The ratio of long term borrowings to short term borrowings has also improved to 91:9 in FY 20 from 76:24 which indicates the strengthening of our cash flows and lesser payment obligations in short duration.

The COVID-19 virus has caused a global pandemic has affected the world economy including India, leading to significant decline in economic activity and volatility in the financial markets. Govt. announced various relief packages to support all segment. In line with Govt. initiative, RBI issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020. The Company has granted a moratorium of upto six months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to the eligible borrowers those who applied for moratorium. Company allowed moratorium to borrowers, who comprise 50% of loan book, even after allowing moratorium, the Company has sufficient liquidity in the form of High Quality Liquid Assets (HQLA) and undrawn lines of credit to meet its financial obligations in the near future (Refer Note 44 B). Company do not foresee any significant concern in case of borrowers where projects have been commissioned/ completed, considering 50% of loan book comprise renewable energy assets which are commissioned projects and have must run status. However, it would be difficult to assess the impact on borrower's ability to service the debt where projects are under construction considering construction activities have been halted due to lockdown restriction. However, respective Govt. authorities have issued the circulars for allowing extension in SCOD. The overall growth of PFS business during FY has been impacted due to various factors including the lockdown situation in country as activities related to clearances, land acquisition for new/under construction projects specifically in renewable and road sectors were impacted.

The Company has considered external information (i.e. valuation report, one-time settlement (OTS) proposal, asset value as per their last financials with applicable haircut as per ECL methodology) to determine the impairment. However, the eventual outcome for NPA and stress assets may be different because of future economic conditions which may emerge due to outbreak of COVID 19 pandemic.

During the FY 2019-20, with the focused efforts of the management PFS's Gross NPA has decreased from Rs. 8,046.80 million to Rs.7,446.20 million and Net NPA from Rs. 4,032.23 million to Rs. 3,844.87 million. For FY 2019-20 Gross NPA as a % to gross advances was 6.74% and Net NPA as a % to net advances was 3.59% as compared to 6.04% and 3.12% respectively for FY 2018-19. PFS has resolved stress/ NPA loan accounts of Rs. 6,850 million. The Company is continuously focusing its stuck money in stress assets to income generating assets and the efforts may result in better profitability in coming quarters. Most of the NPA accounts belong to Thermal and Large Hydro project whereas the Company is shifting its focus on other areas including renewable energy because of which the Company's exposure to thermal has reduced to 11% as on March 31, 2020 in comparison to 14% as at the beginning of the year.

The profit before tax (PBT) for FY 2019-20 stood at Rs. 1,720.38 million compared to Rs. 2,810.00 million in FY 2018-19. The profit after tax (PAT) for FY 2019-20 stood at Rs. 1,099.99 million against Rs. 1,841.43 million.

For ensuring a robust quality of portfolio, PFS continues to strengthen its credit appraisal process and risk management function, PFS has further strengthened the project monitoring function and implemented early warning signal framework for early identification of stress in assisted projects, and, a special team has been set up to deal with and find resolutions of stressed assets.

The financial assistance sanctioned by PFS would help in capacity addition of about 45,000 MW of power projects, majority of which are renewable / environmentally friendly projects. During FY 2019-20 PFS sanctioned new loans of Rs. 30,408 million and made disbursement of Rs. 25,904 million to various Infrastructure projects. During FY 2019-20 PFS sanctioned Rs 11,600 million to Solar projects, Rs. 9,560 million to other projects including Road, Transmission, distribution and new sustainable area such as water treatment, waste handling and drinking water system. As at 31st March 2020, the renewable portfolio comprises the highest proportion in the outstanding loan book at around 50%, thermal projects constitute about 11%. PFS will continue to focus on reduction of its thermal exposure and in FY 2020-21 its exposure is expected to be not more than 5%. PFS is also having exposure of 9% in transmission sector and 8% in Road sectors as at March31, 2020. Further the outstanding loan portfolio of PFS 14% exposure to state power utility and 5% exposure as structure loan to holding companies of private infrastructure groups.

Risk Management

PFS's risk management framework is based on clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring.

The Board of Directors of PFS has oversight of all risk assumed by PFS with specific committees of the board constituted to facilitate focused risk management. There is adequate representation of independent directors on each of these committees. The proceedings and decisions of these Committees are reported to the Board. The policies approved by the Board of Directors or Committees of the Board from time to time constitute the governing framework within which business activities are undertaken.

The hallmark of PFS's Risk Management function is that it is independent of the business sourcing unit with the convergence only at MD level.

The key risks that PFS is exposed to in the course of business are Credit Risk, Market Risk, Liquidity Risk and Operational Risk. These risks not only have a bearing on PFS's financial strength and operations but also its reputation.

Credit Risk

PFS's core business is lending, which exposes it to various types of credit risk especially failure in repayments and increase in non-performing loans. PFS measures, monitors and manages credit risk at an individual borrower level and at the portfolio level. In the last few years, PFS has strengthened its credit risk management framework by adopting Early Warning Signal Framework (EWS Framework) and introducing sector specific credit risk grading framework.

Further, PFS rigorously adheres to RBI mandated prudential norms on provisioning of stressed assets and has adopted stringent approach in taking aggressive provisioning thereby preserving the shareholder value. During the year, PFS has worked on the resolution of the stressed assets portfolio and has significantly reduced the quantum of stress assets.

Market Risk

Liquidity Risk is the risk that PFS may not be able to meet its short-term financial obligation due to an asset liability mismatch or interest rate fluctuation.

PFS's framework for liquidity and interest rate risk management is spelt out in its Asset Liability Management Policy that is implemented, monitored and periodically reviewed by ALCO. ALCO provides guidance for management of liquidity of PFS and the management of interest rate risk within the broad parameters laid down by the Board of Directors/RMC.

There is a risk of loss resulting from inadequate or failed internal processes, people or systems or from external events. This could include fraud or other misconduct by employees or outsiders, unauthorized transactions by employees and third parties, misreporting or non-reporting with respect to statutory, legal or regulatory reporting and disclosure obligations, operational errors including clerical and record keeping and system failures.

PFS has an Operational Risk Management Policy that covers the system of internal controls, systems and procedures to monitor transactions, key back-up procedures and undertakes regular contingency planning.

Policy for Investment of Surplus Funds

The policy of investment of surplus funds i.e. treasury policy provides the framework for managing investment of surplus funds. Realizing that the purpose of mobilization of resources in the Company is to finance equity as well as loans to power sector projects, the prime focus is to deploy surplus funds with a view to ensure that the capital is not eroded and that surplus funds earn optimal returns.

Apart from these policies there are various guidelines to help understand and mitigate different kinds of other risks. These include Operational Policy, Business Continuity Policy and the like.

Monitoring Mechanism

To monitor the status of funded projects, a robust monitoring mechanism has been put in place. The projects are monitored by a separate Monitoring team. Further, a detailed status report on investments and debt assisted project is presented periodically in the Audit Committee/ Board of Directors meeting of PFS. Further, through an early warning signal system, critical parameters related to financial, technical, regulatory, management and other aspects of the projects are continuously monitored. A status report on both debt and equity projects is also presented to the Board of Directors of PFS periodically (at least quarterly) to ensure that directors are kept informed about the developments in the projects especially about any areas of concerns.

The power sector is witnessing stress and several projects in the country (both operational and under construction) are facing challenges and portfolio of PFS is also affected due to stress in sector. The Company is continuously engaged in resolution of such loans and is working proactively with the consortium members. Regular lenders' meetings are conducted, detailed feedback is obtained from lenders' independent engineers and financial advisors to see that project development activities may be continued unhindered. Discussions are held with promoters' and other stakeholders to work out a financially viable solution. The Company also engages consultants / professional agencies for working out effective solution / resolution for such cases.

PFS has implemented an Early Warning Signal (EWS) framework which is linked with the internal credit grading mechanism. This helps the Company identify the stress in loan accounts at an early stage and because of that PFS is able identify loan accounts having problems in the initial stage itself. During the previous year many projects have been prevented from slippage into NPA accounts by taking early steps of corrective measures such as reduction in O&M cost by 40-50%, improvement in PLF, facilitation provided for receipt of VGF funds, closure of some loan accounts by ensuring early repayments etc.

As at 31st March 2020, the non-performing loans portfolio stood at Rs. 7,446 million. Stress accounts are a drain on any lending company's resources and are thus resolved at the earliest. Considering the negative drag of the stress accounts in the financials of PFS, a dedicated unit viz.' Special Asset Resolution Cell'(SARC) has been formed. With the focused approach PFS in the FY 19-20 was able to resolve 5 stress accounts with an principal outstanding of Rs 590 crores which was around 38% of the principal outstanding of the total stressed assets at the start of the year. The amount recovered was around 53% of the principal outstanding of the resolved accounts. The accounts were resolved under various resolution platforms like NCLT, One Time Settlement (OTS), SARFAESI, sale to ARC etc. The resolution of the stress accounts has led to advantage to PFS. On one hand, the absolute figure of NPA has come down and on the other hand the amount received under resolution has been ploughed back in the operation of PFS which adds to its income.

Outlook

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower). By 2022, wind energy is estimated to contribute 60 Gigawatt (GW), followed by solar power at 100 GW, and biomass and hydropower at 15 GW. The target for renewable energy has been increased to 175 GW by 2022.

India is the fastest-growing trillion-dollar economy in the world after USA, China, Japan, Germany and United Kingdom, driven by key structural reforms and further reduction in external vulnerabilities. Government of India has retained its focus on fiscal consolidation and implementing structural reforms for further growth in Infrastructure sector in general.

The Government's recent move to allow Public Private Partnership in sectors like Water sanitation, Railways and other sector has opened more avenues to Private sector. The mix of Public Private Participation model is continuously increasing, thereby increasing confidence, support and investment in Infrastructure sector. The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. Indian Infrastructure sector is facing a paradigm shift as it witnesses timely completion of projects as against the general phenomenon of delay in completion of projects due to delay in obtaining approval and clearances, lack of co-ordination between various departments with the resultant delay in project completion.

Power will remain as one of the most important components of infrastructure, crucial for economic growth and welfare of the country. The total installed capacity in the country crossed the 370 GW mark with installed capacity of renewable energy of 87.38 GW as at 31st May 2020. The renewable power sector saw moderated capacity addition during FY-20 on account of the Covid impact, tariff renegotiations, weak finances of state power distribution companies and slowdown in tendering. However, with the latest initiatives by the Government including liquidity injection into discoms, implementing the direct benefit transfer (DBT) scheme in the electricity sector for better targeting of subsidies, promoting retail competition and instilling financial discipline at discoms, it is expected that the renewable sector will achieve its target capacity of 227 GW by 2022.

In addition to renewable power sector, other areas such as power transmission, roads and highways, ports, airports etc. are also witnessing activity. Infrastructure sector plays a very crucial role in economic development and possesses the potential for propelling overall development of the country. The sector continues to enjoy focus from Government both in terms of policy related initiatives and development of infrastructure in the country. New projects are being undertaken and government is poised to ensure all round development of the infrastructure sector of the country.

The Government's policy to increase private sector participation has proved to be a boon for the infrastructure industry with many private players entering the business through the public–private partnership (PPP) model. With the Government permitting 100 per cent Foreign Direct Investment (FDI) in the road sector, several foreign companies have formed partnerships with Indian players to capitalize on the sector's growth. Cumulative FDI in construction development stood at US$ 25.66 billion between April 2000 and March 2020. The Government's move to cut GST rates on construction equipment from 28 per cent to 18 per cent is expected to give boost to the industry. In March 2020, NHAI (National Highways Authority of India) accomplished the highest ever highway construction of 3,979 kms. In April 2020, the Government set a target of constructing roads worth Rs 15 lakh crore (US$ 212.80 billion) in the next two years. Road corridor project Bharatmala, port–linked industrialization plan Sagarmala and UDAN, Pradhan Mantri Gram Sadak Yojana will help improving transport infrastructure and bring fresh investment in the sector.

Considering the issues in the thermal sector, PFS has not taken further exposure in thermal generation projects and has significantly diversified into renewable energy and in other infrastructure sectors such as road and ports. PFS is also diversifying in other Infrastructure sector like Power Transmission, Roads and Highways, Water Sewage Treatment, Waste Management Facility, Electric Vehicle Charging Station etc.

PFS believes that with infrastructure sector being the biggest focus area and also the financial support provided to the Infrastructure sector in the same combined with the latest initiatives by the Government including liquidity injection into discoms, implementing the direct benefit transfer (DBT) scheme in the electricity sector for better targeting of subsidies, promoting retail competition and instilling financial discipline at discoms will help to boost the investors' confidence in NBFC sector and will also help NBFCs to contribute to the Government's target of achieving its target capacity of 227 GW in renewable sector by 2022.

PFS also believes that public private partnership in infrastructure development offers good potential and company continues to evaluate these business proposals in these areas. The Company expects the growth momentum due to sectoral macro environment. The debt commitments and disbursements have been moderated during the year and also continue due to the ongoing issues with the NBFC sector and also because of the COVID impact which has impacted the development of new projects/ projects under construction. The power and infrastructure sector is witnessing stress and several projects in the country (both operational and under construction) are facing challenges. The Company is continuously engaged in resolution of such loans and is working proactively with the consortium members. Regular lenders' meetings are conducted, detailed feedback obtained from lenders' independent engineers and financial advisors to see that project development activities may be continued unhindered. Discussions are held with promoters' and other stakeholders to work out a financially viable solution. The Company also engages consultants / professional agencies for working out effective solution / resolution for such cases. The Company continues to partner with credible players in the industry who can help all the stakeholders to benefit mutually PFS believes that the infrastructure development and renewable energy area offers good potential and the Company continues to evaluate these business proposals in these areas.

Cautionary Note

Certain statements in the "Management Discussion and analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook.

Annexure- I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2020
of
PTC INDIA FINANCIAL SERVICES LIMITED

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

I. REGISTRATION AND OTHER DETAILS

I	CIN	L65999DL2006PLC153373
ii	Registration Date (incorporation date)	08/09/2006
iii	Name of the Company	PTC India Financial Services Limited
iv	Category / Sub-Category of the Company	NBFC ND-SI
v	Address of the Registered Office and contact details	**Registered Office** 7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi - 110 066, India **Contact details** Board: +91 11 26737300 / 26737400 Fax: 26737373 / 26737374, Website: www. ptcfinancial.com; E-mail: info@ptcfinancial.com
vi	Whether listed company	Yes
vii	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	**Kfin Technologies Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Fax: +91 40 23001152 , Toll Free No : 1800-345-4001 E-mail: **einward.ris@kfintech.com** Website: www.kfintech.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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	The Company provide total financial services to the entities in energy value chain, which inter-alia includes investing in equity and/or extending debt to power projects in generation, transmission, distribution; fuel sources, fuel related infrastructure like gas pipelines, LNG terminals, ports, equipment manufacturers and EPC contractors etc. The Company also provides non-fund based financial services adding value to green field and brown field projects at various stages of growth and development.	651	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	PTC India Limited 2nd Floor, NBCC Tower, 15, Bhikaji Cama Place, New Delhi - 110066	L40105DL1999PLC099328	Holding	64.99	2(46)
3	Varam Bio Energy Pvt. Limited B-32, Steel & Mines Complex, Srinagar Colony, Hyderabad	U40108TG2002PTC038381	Associate	26	2(6)
4	R S India Wind Energy Pvt. Limited G.L. Business Center, Old Gurgaon Road, Dundahera, Haryana	U40101HR2006PTC049781	Associate	37	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category–wise Share Holding

(ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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.	PTC India Limited	417450001	64.99	0	417450001	64.99	0	0

(iii) Change in Promoters' Shareholding: During the period under review, there has been no change in the Promoter Shareholding.

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 30/03/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	417450001	0	417450001	64.99	417450001	0	417450001	64.99	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub–Total A(1) :	**417450001**	**0**	**417450001**	**64.99**	**417450001**	**0**	**417450001**	**64.99**	**0.00**
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub–Total A(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**417450001**	**0**	**417450001**	**64.99**	**417450001**	**0**	**417450001**	**64.99**	**0.00**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	23334	0	23334	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	1035822	0	1035822	0.16	705003	0	705003	0.11	0.05
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	14682595	0	14682595	2.29	14682595	0	14682595	2.29	0.00
(f)	Foreign Institutional Investors	10370100	0	10370100	1.61	9438113	0	9438113	1.47	0.15
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub–Total B(1) :	**26111851**	**0**	**26111851**	**4.07**	**24825711**	**0**	**24825711**	**3.87**	**0.20**

(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	19410850	0	19410850	3.02	13148541	0	13148541	2.05	0.98
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.2 lakh	117959267	32582	117991849	18.37	116599750	30529	116630279	18.16	0.21
	(ii) Individuals holding nominal share capital in excess of Rs.2 lakh	49818894	0	49818894	7.76	57676891	0	57676891	8.98	-1.22
(c)	Others									
	CLEARING MEMBERS	784792	0	784792	0.12	1144406	0	1144406	0.18	-0.06
	NON RESIDENT INDIANS	8796551	0	8796551	1.37	9349425	0	9349425	1.46	-0.09
	NRI NON-REPATRIATION	1889076	0	1889076	0.29	2028710	0	2028710	0.32	-0.02
	TRUSTS	29471	0	29471	0.00	29371	0	29371	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	198688901	32582	198721483	30.94	199977094	30529	200007623	31.14	-0.20
	Total B=B(1)+B(2) :	224800752	32582	224833334	35.01	224802805	30529	224833334	35.01	0.00
	Total (A+B) :	642250753	32582	642283335	100.00	642252806	30529	642283335	100.00	0.00
(C)	Shares held by custodians, against which									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**642250753**	**32582**	**642283335**	**100.00**	**642252806**	**30529**	**642283335**	**100.00**	

(iv) Shareholding Pattern of top ten Shareholders from 01/04/2019 – 31/03/2020 (other than Directors, Promoters and Holders of GDRs and ADRs):

					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl No.	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1	AAACL0582H	INS	Opening Balance	LIFE INSURANCE CORPORATION OF INDIA	13682595	2.13	30/03/2019			13682595	2.13
			Closing Balance				31/03/2020			13682595	2.13
2	AACCD1578M	FPC	Opening Balance	DIMENSIONAL EMERGING MARKETS VALUE FUND	2660009	0.41	30/03/2019			2660009	0.41
			Purchase				12/04/2019	82668	Transfer	2742677	0.43
			Sale				27/09/2019	-24395	Transfer	2718282	0.42
			Sale				30/09/2019	-72265	Transfer	2646017	0.41
			Sale				15/11/2019	-116955	Transfer	2529062	0.39
			Sale				06/03/2020	-61880	Transfer	2467182	0.38
			Sale				13/03/2020	-64970	Transfer	2402212	0.37
			Closing Balance				31/03/2020			2402212	0.37

3	AACCD1644G	FPC	Opening Balance	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFO	2322366	0.36	30/03/2019			2322366	0.36
			Purchase				12/04/2019	71415	Transfer	2393781	0.37
			Sale				06/03/2020	-69091	Transfer	2324690	0.36
			Closing Balance				31/03/2020			2324690	0.36
4	AAATD7768G	FPC	Opening Balance	THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA I	1650202	0.26	30/03/2019			1650202	0.26
			Sale				10/05/2019	-87057	Transfer	1563145	0.24
			Closing Balance				31/03/2020			1563145	0.24
5	ACFPD7248E	NRI	Opening Balance	MICHAEL DSOUZA	350000	0.05	30/03/2019			350000	0.05
			Purchase				05/04/2019	143068	Transfer	493068	0.08
			Purchase				12/04/2019	26932	Transfer	520000	0.08
			Purchase				24/05/2019	10000	Transfer	530000	0.08
			Purchase				06/12/2019	68932	Transfer	598932	0.09
			Purchase				13/12/2019	340107	Transfer	939039	0.15
			Purchase				20/12/2019	60961	Transfer	1000000	0.16
			Purchase				28/02/2020	119220	Transfer	1119220	0.17
			Purchase				06/03/2020	64161	Transfer	1183381	0.18
			Purchase				13/03/2020	316619	Transfer	1500000	0.23
			Closing Balance				31/03/2020			1500000	0.23
6	AAGCM4803N	FPC	Opening Balance	MV SCIF MAURITIUS	1020332	0.16	30/03/2019			1020332	0.16
			Purchase				26/04/2019	4513	Transfer	1024845	0.16
			Sale				10/05/2019	-70344	Transfer	954501	0.15
			Purchase				31/05/2019	9891	Transfer	964392	0.15
			Purchase				14/06/2019	23432	Transfer	987824	0.15
			Sale				28/06/2019	-34483	Transfer	953341	0.15
			Sale				05/07/2019	-23322	Transfer	930019	0.14
			Sale				12/07/2019	-23322	Transfer	906697	0.14
			Purchase				26/07/2019	1999	Transfer	908696	0.14
			Sale				20/09/2019	-500803	Transfer	407893	0.06
			Sale				27/09/2019	-407893	Transfer	0	0.00
			Closing Balance				31/03/2020			0	0.00
7	AAACG0615N	INS	Opening Balance	GENERAL INSURANCE CORPORATION OF INDIA	1000000	0.16	30/03/2019			1000000	0.16
			Closing Balance				31/03/2020			1000000	0.16

8	AGJPK0247L	PUB	Opening Balance	PRERANA KUMAR	476100	0.07	30/03/2019			476100	0.07
			Purchase				17/05/2019	20000	Transfer	496100	0.08
			Purchase				24/05/2019	35000	Transfer	531100	0.08
			Purchase				07/06/2019	30000	Transfer	561100	0.09
			Purchase				14/06/2019	50000	Transfer	611100	0.10
			Purchase				28/06/2019	25900	Transfer	637000	0.10
			Purchase				12/07/2019	25000	Transfer	662000	0.10
			Purchase				09/08/2019	30000	Transfer	692000	0.11
			Purchase				06/09/2019	100000	Transfer	792000	0.12
			Purchase				25/10/2019	15000	Transfer	807000	0.13
			Purchase				03/01/2020	50000	Transfer	857000	0.13
			Purchase				07/02/2020	50000	Transfer	907000	0.14
			Purchase				14/02/2020	25000	Transfer	932000	0.15
			Closing Balance				31/03/2020			932000	0.15
9	AABPL9618G	PUB	Opening Balance	DILIPKUMAR LA KHI	882192	0.14	30/03/2019			882192	0.14
			Closing Balance				31/03/2020			882192	0.14
10	AMEPS5601B	PUB	Opening Balance	SHASHI KIRAN SHETTY	880000	0.14	30/03/2019			880000	0.14
			Closing Balance				31/03/2020			880000	0.14
11	AHSPP6781E	PUB	Opening Balance	NARAYANBHAI K PATEL	853500	0.13	30/03/2019			853500	0.13
			Closing Balance				31/03/2020			853500	0.13
12	AABCI5580K	LTD	Opening Balance	IL AND FS SECURITIES SERVICES LIMITED	803015	0.13	30/03/2019			803015	0.13
			Sale				05/04/2019	-667534	Transfer	135481	0.02
			Sale				12/04/2019	-18740	Transfer	116741	0.02
			Purchase				10/05/2019	10347	Transfer	127088	0.02
			Sale				07/06/2019	-4539	Transfer	122549	0.02
			Sale				21/06/2019	-34269	Transfer	88280	0.01
			Sale				28/06/2019	-2800	Transfer	85480	0.01
			Sale				05/07/2019	-11599	Transfer	73881	0.01
			Sale				12/07/2019	-20000	Transfer	53881	0.01
			Sale				19/07/2019	-5000	Transfer	48881	0.01
			Sale				26/07/2019	-11000	Transfer	37881	0.01
			Sale				02/08/2019	-37881	Transfer	0	0.00
			Closing Balance				31/03/2020			0	0.00

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

Sl. No.	Name of Director	Shareholding at the beginning of the year		Reason for change in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Mr. Deepak Amitabh	3500	0	Nil movement during the year	3500	0

V. INDEBTNESS

(₹Rs. In millions)

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,09,224.32	–	–	1,09,224.32
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	1,155.44	–	–	1,155.44
Total (i+ii+iii)	1,10,379.76	–	–	1,10,379.76
Change in Indebtedness during the financial year				
• Addition	94,987.98	1,000.00	–	95,987.98
• Reduction	1,11,639.51	1,000.00	–	1,12,639.51
Net Change	(16,651.53)	–	–	(16,651.53)
Indebtedness at the end of the financial year				
i) Principal Amount	92,572.79	–	–	92,572.79
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	1,443.68	–	–	1,443.68
Total (i+ii+iii)	94,016.47	–	–	94,016.47

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in millions)

Sl. No.	**Particulars of Remuneration**	**Name of MD/WTD/Manager**		**Total Amount (in Rs.)**
		Dr. Pawan Singh MD & CEO	**Shri Naveen Kumar (Whole Time Director)**	
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income – tax Act, 1961	8.96	7.38	16.34
	b. Value of perquisites u/s 17(2) of the Income – tax Act, 1961	0.27	0.28	0.55
	c. Profits in lieu of salary under section 17(3) of the Income–tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	– as % of profit	–	–	–
	– others, specify...	–	–	–
5	Others, Reimbursement of expenses	0.26	0.25	0.51
	Total (A)	9.49	7.91	17.4
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)	–	–	–

B. Remuneration to other Directors for the FY 2019–2020

The details of payments made to non–executive directors during the financial year ended 31st March 2020 are as under:

(Rs. In millions)

S.No.	Name of Director	Sitting Fee (excluding TDS)
1	Shri. Deepak Amitabh*	0.80
2	Dr. Rajib Kumar Mishra*	1.20
3	Mrs. Pravin Tripathi	1.44
4	Shri Kamlesh S. Vikamsey	1.20
5	Shri Santosh B. Nayar	0.96
6	Dr. Nagesh Singh	0.84
7	Shri Rakesh Kacker	0.72
8	Shri Thomas Mathew T.	0.48
9	Shri. Chinmoy Gangopadhyay^	0.08
10	Shri. Harbans Lal Bajaj	0.28

*Sitting Fee has been paid to PTC India Limited (the holding company)
^ Sitting Fee has been paid to Power Finance Corporation Limited

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. in millions)

Sl. No.	**Particulars of Remuneration**		**Key Managerial Personnel**	
		CEO	**Company Secretary**	**CFO**
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income – tax Act, 1961		5.20	4.47
	b. Value of perquisites u/s 17(2) of the Income – tax Act, 1961		0.32	0.34
	c. Profits in lieu of salary under section 17(3) of the Income–tax Act, 1961		–	–
2	Stock Option	Explained above	–	–
3	Sweat Equity		–	–
4	Commission		–	–
	– as % of profit		–	–
	– others, specify…		–	–
5	Others, Reimbursement of expenses		–	–
	Total		**5.52**	**4.81**

Annexure– II

POLICY ON DIVIDEND DISTRIBUTION

1. Introduction

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy which shall be disclosed in their annual reports and on their websites.

PTC India Financial Services Limited ("PFS" or "Company") being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Objectives & Scope

This Policy lays downs the broad framework which will act as guiding principles for the purpose of declaring or recommending any dividend during or for any financial year by the Company. The Policy aims at balancing the twin objectives of the growth of the Company and Shareholders' value.

Through this Policy, the Company endeavours to bring a fair, transparent and consistent approach to its dividend pay–out plans. The Policy has been framed broadly in line with the provisions of the Companies Act, 2013 and also taking into consideration guidelines issued by SEBI/ RBI/and other regulations, to the extent applicable.

The Policy is a general declaration of intention and the actual declaration of dividend will require corporate action at the time a decision is taken, depending on the precise circumstances at that point of time.
In addition, payment of any such dividend will be subject to any restriction under applicable laws and regulation, the Articles of Association, available cash flows and capital requirements.

The Policy, however, is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all relevant circumstances enumerated hereunder or other factors as may be considered by the Board of Directors from time to time.

3. Definitions

1.1. **"Act"** shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

1.2. **"Applicable Laws"** shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of dividend.

1.3. **"Company"** shall mean PTC India Financial Services Limited

1.4. **"Board" or "Board of Directors"** shall mean Board of Directors of the Company.

1.5. **"Dividend"** shall mean Dividend as defined under Companies Act, 2013 and shall include interim dividend.

1.6. **"Policy or this Policy"** shall mean the Dividend Distribution Policy.

1.7. **"SEBI Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re–enactment(s) thereof for the time being in force.

1.8. **"RBI Regulations"** means Reserve Bank of India Act, 1934 and various circulars, guidelines issued by Reserve Bank of India from time to time.

4. Relevant Statutory Provisions of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules 2014 relating to Dividend

1.1 Dividend shall be declared or paid by company for any financial year:

i) Out of the current year profit after providing depreciation.
ii) Out of the previous years profit remaining undistributed and after providing for depreciation.
iii) Out of both the above.

1.2 No Dividend shall be declared or paid by company from its reserves other than free reserves.

1.3 The Company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company.

1.4 Company shall declare dividend after carried over previous losses and depreciation not provided, if any, in previous year or years are set off against profit of the company for the current year.

1.5 In case of losses or inadequate profits in any financial year, the Company can declare dividend out of the profits earned by it in previous years and transferred to the reserves subject to the following conditions:-

i. The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year:

   Provided that the above condition shall not apply in case the Company has not declared any dividend in each of the three preceding financial year.

ii. The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.

iii. The amount so drawn shall first be utilised to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.

The balance of reserves after such withdrawal shall not fall below fifteen per cent of company's paid up share capital as appearing in the latest audited financial statement

5. Circumstances under which the shareholders may or may not expect dividend:

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business.

The Board will consider the factors mentioned under Clause **5** below and before determination of any dividend payout analyse the prospective opportunities and threats, viability of the option of dividend payout or retention etc. If the Board proposes that it is financially prudent not to recommend dividend, it may recommend no dividend, in that case, reason(s) thereof and information on utilization of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

6. Parameters for declaration of Dividend

The Board of Directors will consider the following parameters for determining the quantum of dividend:

VI.1 Financial Parameters

- Net profit after tax;
- Transfer of Statutory Reserve as per Reserve Bank of India Act, 1934
- Working Capital requirements;
- Capital expenditure requirements and alternative use of cash;
- Outstanding borrowings
- Available cash and cash flow requirement to meet any unforeseen events & contingencies/ group's capital requirements
- Dividend received by the company.
- Net worth of the company
- Dividend yield
- Dividend payout ratio.
- In case the dividend is paid out of the reserves, the balance of reserves after such withdrawal shall not fall below 25% of company's paid up share capital as appearing in the latest audited financial statement.

VI.2 Developments in internal and external environment

- Opportunities available for growth/expansion/ modernisation
- Past Dividend Trends
- Expectations of shareholders
- Prudential requirements
- Capital Markets
- Industry Conditions
- Customers and suppliers concentration and their financial health
- Market Capitalization
- Statutory Provisions and Guidelines;
- Policies of the Government (centre and state)
- Dividend Pay-out ratios of companies in same industries i.e. Peer Group Comparison
- Economic Environment

VI.3 Any other factor as the Board may deem fit

7. Utilization of retained earnings

The Company is engaged into financing the infrastructure sector and the retained earnings are deployed in the long–term infrastructure loan assets. The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The profit being retained in the business shall be continued to be deployed in its operations, expansion plans, investment plans etc. The Company stands committed to deliver sustainable value to all its stakeholders.

8. Provision with regard to various classes of shares

The holders of the equity shares of the Company, as on the record date, will be entitled to receive dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company shall be entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

9. Timing of Dividend

1.1 Interim dividends, as and when decided by the Board, will be declared after considering the interim financial statements for the period for which interim dividends are declared along with factors mentioned in clause 4 & 5 above. Interim financial statements will be prepared considering working expenses, depreciation and anticipated losses, if any, for the full year.

1.2 Final dividends as and when approved at the Annual General Meeting (AGM) of the shareholders will be based on the recommendations of the Board based on review of audited financial statements for the year, factors mentioned in clause 4 & 5 above and considering interim dividend, if any, declared during the year.

1.3 In case no final dividend is declared, interim dividend, if any, will be regarded as final dividend in AGM.

10. Exclusions

This policy shall not cover the following:

- Capitalizing of profits by way of bonus issue of fully or partly securities
- Declaration of dividend on preference shares (as and when issued), since the same will be governed by terms of issue of such shares
- Buyback of shares

11. Amendment(s):

- The Board will change/amend this Policy from time to time at its sole discretion and/or pursuant to any amendments made in the Companies Act, 2013 or any other Statutory Regulations.

- In case of any clarification(s), circular(s) etc. issued by the relevant authorities, not being inconsistent with the provisions laid down under this Policy, then this Policy shall be read along with such clarification(s), circular(s) so issued, from the effective date as laid down under such clarification(s), circular(s) etc. In case of any conflict in the Policy and regulatory provisions then regulatory provisions shall prevail.

12. Disclosures:

The Company shall disclose this Policy in its Annual Reports &website.

EFFECTIVE DATE The Policy shall become effective from the date of its adoption by the Board.

Annexure– III

REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the company's CSR policy, including overview of the projects or programs proposed to be undertaken and reference to the web–link to the CSR Policy and projects or programs.

Corporate Social Responsibility (CSR) is a long–standing commitment at PFS. The CSR Policy of PFS sets the framework, guiding the CSR activities of the Company. It outlines the governance structure, operating framework, monitoring mechanism, and CSR activities that would be undertaken. The PFS CSR Committee is the governing body of CSR activities and ensures compliance with the CSR Policy of PFS.

The CSR Policy was approved in March 2015, and subsequently was put up on the Company's website.

Web–link to the Company's CSR Policy:

http://www.ptcfinancial.com/upload/pdf/corporate_social_responsibility_policy.pdf

2. The composition of the CSR Committee

1) Sh. Deepak Amitabh
2) Mrs. Pravin Tripathi
3) Dr. Pawan Singh
4) Dr. Nagesh Singh

3. The functions of the CSR Committee are given below:

a) Formulate and recommend to the Board, a CSR Policy which shall indicate the CSR activities to be undertaken by the company as specified in Schedule VII of the Act;
b) Recommend the amount of expenditure to be incurred on the CSR activities referred to in clause (a);
c) Monitor the CSR Policy of the company from time to time.

4. Average Net Profit of the company for last 3 financial years:
The average net profit of the Company for the last three financial years, calculated as specified by the Companies Act, 2013 was Rs. 3210.13 million.

5. Prescribed CSR expenditure (2% of amount) for FY 2019–20 – Rs 64.20 million as per provisions of the Companies Act. 2013.

6. Details of CSR activities/projects undertaken during the year:
a) Total amount to be spent for the FY 2019–20 was Rs. 64.20 million as per the provisions of the Companies Act, 2013.
b) Amount spent in FY 2019–20 – Rs 64.13 million
d) Manner in which the CSR amount spent during FY 2019–20 is detailed below:

1	2	3	4	5	6	7	8
Sr. No	**CSR project/ activity identified**	**Sector in which the Project is covered**	**Projects/Programs** **1. Local area/others–** **2. Specify the state / district** **(Name of the District/s, State/s where project/ programme was undertaken**	**Amount outlay (budget) project/ programme wise Rs** *(in Million)*	**Amount spent on the project/ programme** **<u>Sub–heads:</u>** **1.Direct expenditure on project/ programme,** **2.Overheads:** **Rs** *(in Million)*	**Cumulative spend up to the reporting period**	**Amount spent:** **Direct/ through implementing agency***
1.	Crop Residue Management/ "Zero stubble burning" by bringing behavioral change and by supporting adoption of tools and technologies in collaboration with CII Foundation.	Ensuring environmental sustainability and maintaining quality of soil, air and water	Project undertaken in villages of Ludhiana and Patiala, Punjab.	37.83	37.83	37.83	Paid to PTC Foundation Trust as implementing agency
2.	Creating Rain water harvesting structures in some parks of Delhi as per design approved by Delhi Jal Board.	Conservation of natural resources and maintaining quality of soil, air and water	Project undertaken in Delhi.	15.42	15.42	15.42	Paid to PTC Foundation Trust as implementing agency

3	Sanitation of Bhikaji Cama Place	Promoting Swachcha Bharat and sanitation	Project undertaken in Bhikaji Cama Place. Delhi.	4.80	4.80	4.80	Paid to PTC Foundation Trust as Implementing Agency.
4	Providing water ATM's in backward areas of Delhi	Promotion of Sanitation and making available safe drinking water	Project undertaken in Delhi	4.00	4.00	4.00	Paid to PTC Foundation Trust as Implementing Agency.
5	Salary Paid to CSR staff & employees	Salary		2.08	2.08	2.08	
	Total CSR expenses			**64.13**	**64.13**	**64.13**	

**Give details of implementing Agency.*

8. The amount spent in FY 2019–20 was Rs. 64.13 million and was slightly lower than 2% of average net profits of the last three financial years.

9. The Committee aimed that the CSR is endeavored to be carried out meaningfully, ensuring active compliance with the letter and spirit of the law and ethical standards, furthering social good in which professional management of CSR functions plays a vital part. The plans to be prepared should be in the best interest of society on a sustainable basis.

10. The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with the CSR objectives and the CSR Policy of the company.

11. The Company as a responsible citizen endeavour to carry out CSR activities in a meaningful manner and recently, the Corporate Social Responsibility Committee and the Board of the Company has modified its CSR policy and decided that PFS would endeavour to spend the entire CSR budget of the current financial year in the respective financial year. Unspent amount of CSR budget, if any, in any financial year will be utilized in accordance with the regulatory requirements, as stated in the Companies Act, amended from time to time.

    Accordingly, the unspent amount of previous financial year will lapse and PFS shall endeavour its best efforts to spent the CSR amount in each financial year.

    The surplus, if any, arising out of the CSR projects or programmes or activities shall not form a part of the business profit of PFS and will be ploughed back into the CSR activities.

Sd/–
Dr. Pawan Singh
Managing Director & CEO

Sd/–
Shri Deepak Amitabh
Chairman of CSR Committee

Annexure– IV

Form MR – 3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2020
{Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To
The Members,
PTC India Financial Services Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PTC India Financial Services Limited** (hereinafter called PFS/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 PFS's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March 2020 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 maintained by PFS ("the Company") for the financial year ended on 31st March 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (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) Regulation, 2011;
- (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;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The Reserve Bank of India Act,1934 and Regulation framed thereunder for Non–Banking Financial Companies

(vii) Prevention of Money Laundering Act, 2002.

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India –Generally complied with.
- (b) The Listing Agreement with National Stock Exchange of India Limited and BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Company has complied with the requirements pertaining to the composition of the Board of Directors. In terms of Regulation 17 (1) (b) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and the vacancy for the Independent Directors on the Board occurred due to cessation of Directors were filled within the statutory time line as prescribed under Regulation 25(6) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

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, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For **Agarwal S. & Associates**,
Company Secretaries,
ICSI Unique Code: P2003DE049100

Sd/-
CS Sachin Agarwal
Partner
FCS No.: 5774
CP No.: 5910

Place: New Delhi
Date: July 25, 2020
UDIN: F005774B000503051

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,
PTC India Financial Services Limited.

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

(i) Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.

(ii) We have followed the audit practices and processes 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 processes and practices, we followed provide a reasonable basis for our opinion.

(iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.

(iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

(v) 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 procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.

(vi) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(vii) The prevailing circumstances in the Country on account of Lockdown/ restrictions on movements and Covid 19 have impacted physical verification of the records/ documents of the Company.

For **Agarwal S. & Associates**,
Company Secretaries,
ICSI Unique Code: P2003DE049100

Sd/-
CS Sachin Agarwal
Partner
FCS No.: 5774
CP No.: 5910

Place: New Delhi
Date: July 25, 2020

Annexure– V

Form No. AOC–2

(Pursuant to clause (h) of sub–section (3) of section 134 of the Companies Act, 2013 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:**

PTC India Financial Services Limited ("the Company") has not entered into any contract /arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during financial year 2019–20. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 ("the Act") and the corresponding Rules.

S.No.	Name(s) of the related party and nature of relationship	:	N.A.
a	Nature of contracts/arrangements/transactions	:	N.A.
b	Duration of the contracts / arrangements/transactions	:	N.A.
c	Salient terms of the contracts or arrangements or transactions including the value, if any	:	N.A.
d	Justification for entering into such contracts or arrangements or transactions	:	N.A.
e	Date(s) of approval by the Board	:	N.A.
f	Amount paid as advances, if any:	:	N.A.
g	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	N.A.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

S.No.	Name(s) of the related party and nature of relationship	:	PTC Energy Limited (Group Company)
a	Nature of contracts/arrangements/transactions	:	Term Debt (Rs. 100 crores)
b	Duration of the contracts / arrangements/transactions	:	Medium Term Loan of 3 years
c	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Medium Term Loan
d	Date(s) of approval by the Board	:	27th September 2019
e	Amount paid as advances, if any:	:	Nil

For and on behalf of the Board
PTC India Financial Services Limited

Sd/–
Dr. Pawan Singh
Managing Director & CEO
DIN : 00044987

Date : 04th August 2020
Place : New Delhi

Annexure – VI

"NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY"

Legal Framework

As per the requirements of Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors of PTC India Financial Services Limited ("Company") has constituted a Nomination and Remuneration Committee. The Committee's role is to be supported by a policy for nomination of Directors and Senior Management Personnel including Key Managerial Personnel as also for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees. Further, a policy on Board Diversity is also to be adopted.

Definitions

For the purpose of this Policy:

- '**Act**' shall mean the Companies Act, 2013;
- '**Board**' shall mean the Board of Directors of PTC India Financial Services Limited (PFS);
- '**Committee**' shall mean the Nomination and Remuneration committee of the Company, constituted and re constituted by the Board from time to time;
- '**Company**' shall mean PTC India Financial Services Limited (PFS);
- '**Directors**' shall mean the directors of the Company;
- '**Independent Director**' shall mean a director referred to in Section 149 (6) of the Companies Act, 2013 and in Regulation 16(b) of the Listing Regulations.
- **"Key Managerial Personnel"** or KMP shall have the meaning as defined under Section 2(51) of the Act; **"Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- **'Senior Management Personnel'** means personnel of the company who are members of its core management team excluding Board of Directors, and comprises of all members of management who are in the grade that is one level below the WTD
- **'Nomination & Remuneration Committee'** means "Nomination & Remuneration Committee" constituted by the Board of Directors of the Company from time to time under the provisions of Section 178 of the Companies Act 2013 and the Regulation 19 and Part D of Schedule II of the Listing Regulations..

OBJECTIVE & PURPOSE

The Nomination & Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with applicable rules thereto and Regulation 19 read with Part D of Schedule II of Listing Regulations The objective and purpose of the Committee would be as follows:

- To guide and assist the Board in laying down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Whole-time and Independent) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration through a remuneration policy.
- The Company has a adopted a remuneration policy which provides for Performance Related Pay (PRP), a reward linked directly to efforts, performance, dedication and achievement relating to the Company's operations. Apart from the PRP, the annual increases in remuneration have a component of Merit Increase, which is also linked to performance of an individual.

This policy provides the Committee with an overall framework for governance of the remuneration policy of the Company.

- To retain, motivate and promote talent and to ensure long term sustainability for retention of talented managerial persons and create competitive advantage for the Company.
- To guide and assist the Board in laying down ESOP Compensation policy in terms of SEBI Guidelines, as and when decided.
- To guide and assist the Board in clarifying any matter relating to remuneration.
- To set out the criteria for evaluation of performance of (a) Board as a whole; (b) Committees of the Board; and (iii) the individual Directors including the chairperson and the Independent Directors;
- To ensure diversity of the Board of the Company

This Policy is Applicable to:

- Directors (Executive, Non-Executive and Independent)
- Key Managerial Personnel
- Senior Management Personnel
- Other employees as may be decided by the Committee

CONSTITUTION

- The Committee shall consist of three or more non-executive directors out of which not less than one-half are independent directors.
- The Chairman of the Committee shall be an Independent Director.
- The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair such Committee.
- The Chairperson of the Committee or in his absence, any other member of the committee authorised by him in this behalf shall attend the General Meetings of the Company to answer the shareholders' queries.
- The Company Secretary shall act as the secretary for Committee meetings.

QUORUM FOR THE MEETINGS

- With effect from April 01, 2019, the Committee shall meet atleast once in a year.
- The quorum for a meeting of the committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

NOMINATION & REMOVAL CRITERIA

1 **Appointment criteria and qualifications:**

1.1 The Committee shall identify and ascertain the criteria like integrity, expertise and experience and qualifications for appointment to the positions of Director, KMP and Senior Management.

1.2 A potential candidate being considered for appointment to a position should possess adequate qualification, expertise and experience for the position. The Committee shall review qualifications, expertise and experience commensurate to the requirement for the positions. The Committee will insist on the highest standards of ethical and moral qualities to be possessed by such persons as are considered eligible for the positions.

1.3 The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining whether the fit and proper criteria is met by the candidate in the opinion of the Committee.

1.4 The Committee may recommend appropriate induction & training programme for any or all of the appointees.

1.5 The Company shall normally not appoint or continue the employment of any person as Whole Time Director, KMP or Senior Management Personnel who has attained the superannuation age as per the policy of the Company.

1.6 The Committee shall make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of a director subject to the provisions of law and the respective service contract.

1.7 The Committee shall recommend any necessary changes in the Policy to the Board, from time to time.

1.8 The Company should ensure that the person so appointed as Director/ Independent Director, KMP, Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under, Listing Regulations or any other enactment for the time being in force.

1.9 The Director/ Independent Director/Senior Management Personnel/KMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Regulations or any other enactment for the time being in force.

1.10The company shall familiarize the independent directors with the company, including their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programs.

2 **Term / Tenure**

2.1 Managing Director (MD) & Chief Executive Officer (CEO) or Managing Director/Whole-time Director (WTD):

The Company shall appoint or re-appoint any person as its MD & CEO or WTD for a term not exceeding five years at a time subject to the age of superannuation. No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

2.2 Independent Director shall hold office in accordance with the Company's Policy and subject to the Act.

2.3 The Term/Tenure of the Senior Management Personnel/KMP shall be as per the Company's prevailing policy.

3 **Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made there under or under any other applicable Act, rules and regulations , the Committee may recommend to the Board with reasons to be recorded in writing, removal of a director, KMP or senior management personnel, subject to the provisions and compliance of the Act, rules and regulations.

4 **Retirement / Superannuation**

The director, senior management personnel or KMP shall retire / superannuate as per the applicable provisions of the Companies Act, 2013 along with the rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the director, senior management personnel or KMP in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

5 **Diversity on the Board of the Company**

The Company aims to enhance the effectiveness of the Board by diversifying its composition and to obtain the benefit out of such diversity in better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

The Policy shall conform to the following two principles for achieving diversity on the Board:

- Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and

- For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

  In order to ensure a balanced composition of executive, non–executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination, and based on the following factors:

  ■ Gender– The Company shall not discriminate on the basis of gender in the matter of appointment of directors on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board. As per the provisions of the Companies Act, 2013, the Company shall at all times have at least one woman director on the Board. Any vacancy of the woman director shall be filled within a period of six months.

  ■ Ethnicity – The Company shall promote having a boardroom comprising of people from all ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;

  ■ Physical disability – The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on the Company's Board, if he/she is able to efficiently discharge the assigned duties.

  ■ Educational qualification– The Directors of the Company shall have a mix of finance, engineering, legal and management background, so that they collectively provide the Company with considerable experience in a range of activities including varied industries, education, policy and investment.

6 Remuneration

The level and composition of remuneration to be paid to the MD & CEO, Whole–Time Director(s), KMPs, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMPs, Senior Management and other employees of the company. The relationship of remuneration to performance should be clear and should encourage meeting of appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive / performance related pay reflecting achievement of short and long–term performance objectives appropriate to the working of the company and meeting its goals.

i. MD & CEO/ WTD

Besides the above Criteria, the Remuneration/ Compensation/ Commission / PRP / Bonus etc. to be paid to MD & CEO/ WTD shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force as also by Company policy.

ii. Non–Executive Directors/ Independent Directors

The Non–Executive / Independent Directors may receive sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of fees shall be such as determined by the Board of Directors from time to time.

iii. Senior Management Personnel / KMPs

The Remuneration to be paid to Senior Management Personnel / KMPs shall be based on the remuneration policy of the Company and the experience, qualification and expertise of the related personnel and shall be decided by the MD & CEO (for KMPs other than those who are at the WTD / Board level) of the Company as per the internal process in consonance with the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

iv. Other Employees

The power to decide structure of remuneration for other employees has been designed in the Remuneration policy and implementation of the same is to be ensured by MD & CEO of the Company or any other personnel that the MD & CEO may deem fit to delegate.

Criteria of Evaluation

The criteria for every evaluation may be decided at every level depending on the functions, responsibilities, competencies required, nature of business, etc. However, the Committee with the approval of the Board has prescribed the minimum standard to be kept in mind while carrying out the performance evaluation:–

(A) Board as a Whole

1) Structure of the Board:

a) Competency of Directors
b) Experience of Directors
c) Mix of qualifications
d) Diversity in board under various parameters

2) **Meetings of the Board:**
   a) Regularity of meetings
   b) Frequency
   c) Logistics
   d) Agenda
   e) Discussions and dissents
   f) Recording of minutes
   g) Dissemination of information

3) **Functions of the Board:**
   a) Role and responsibilities of the Board
   b) Strategy and performance evaluation
   c) Governance and Compliance
   d) Evaluation of risks
   e) Grievance redressal for investors
   f) Conflict of interest
   g) Stakeholder value and responsibility
   h) Facilitation of independent directors

(B) Committees of the Board
1) Mandate and composition
2) Effectiveness of the Committee
3) Structure of the committee and meetings
4) Independence of the Committee from the Board
5) Contribution to the decisions of the Board

(C) Individual Directors and Chairperson

1) **General**
   a) Qualifications
   b) Experience
   c) Knowledge and Competency
   d) Ability to function as a team
   e) Commitment
   f) Integrity

2) **Additional criteria for Independent director**:
   a) Independence
   b) Independent views and judgement

3) **Additional criteria for Chairperson:**
   a) Effectiveness of leadership and ability to steer the meetings
   b) Impartiality
   c) Commitment
   d) Ability to keep shareholder's interest in mind

In case of evaluation by third party, the Independent External Agency may adopt different criteria from the abovementioned criteria's.

Feedback

Providing feedback to the individual directors, the Board and the Committees is crucial for success of Board Evaluation. On collation of all the responses, the feedback may be provided by the Chairman of the Board or any other member as authorized by the Chairman or any authorized person of external agency through orally or written communication. For effectiveness of the evaluation, it is essential that the feedback be given honestly and without bias.

Action Plan

Based on the analysis of the responses, the Board may prepare an action plan on:

a) Areas of improvement including training, skill building, etc. as may be required for Board members
b) List of actions required detailing:
   - Nature of actions
   - Timeline
   - Person responsible for implementation
   - Resources required, etc.
c) Review of the actions within a specific time period

The action plan may be prepared by the Board or Committee in a comprehensive manner. Suggestions under the external assessment, individual member feedback, etc. may be taken into account while drafting the action plan.

Frequency of Board Evaluation

As per SEBI LODR and Companies Act, the Board Evaluation is required to be done once a year.

DISCLOSURE OF THIS POLICY

The manner of formal annual evaluation of the Board, its committees and individual directors is to be disclosed to the shareholders on an annual basis in the Annual Report and this Policy is to be hosted on the website of the Company.

REVIEW

The Committee may assess the adequacy of this Policy and make any necessary or desirable amendments from time to time to ensure it remains consistent with the Board's objectives, current laws and best practices. In case of any amendment in the law which contradicts with any part of this Policy then that part shall become ineffective and replaced by the amendment.

Annexure – VII

Form No. AOC–1

(Pursuant to first proviso to sub–section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint venture

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1	Name of the subsidiary	N.A.
2	The date since when subsidiary was acquired	N.A.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N.A.
5	Share capital	N.A.
6	Reserves and surplus	N.A.
7	Total assets	N.A.
8	Total Liabilities	N.A.
9	Investments	N.A.
10	Turnover	N.A.
11	Profit before taxation	N.A.
12	Provision for taxation	N.A.
13	Profit after taxation	N.A.
14	Proposed Dividend	N.A.
15	Extent of shareholding (in percentage)	N.A.

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations– N.A.
2. Names of subsidiaries which have been liquidated or sold during the year – N.A

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Associates or Joint Ventures	R.S. India Wind Energy Private Limited (Rs. In lakhs)	Varam Bio Energy Private Limited (Rs. In lakhs)
1	Latest audited Balance Sheet Date	31st March 2014	31st March 2016
2	Date on which the Associate or Joint Venture was associated or acquired	22nd March 2008	31st January 2008
3	Shares of Associate or Joint Ventures held by the company on the year end		
	No.	6,11,21,415	43,90,000
	Amount of Investment in Associates or Joint Venture	6,112.14	439.00
	Extent of Holding (in percentage)	37%	26%
4	Description of how there is significant influence	Note A	Note A
5	Reason why the associate/joint venture is not consolidated	Note B	Note B
6	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 4,737	Nil (Note C)
7	Profit or Loss for the year		
	i. Considered in Consolidation	Nil	Nil
	ii. Not Considered in Consolidation	Nil	Nil

Note A : There is significant influence due to holding more than 20% share capital.

Note B: The audited accounts were not made available by associate.

Note C: The Company has fully provided for diminution in investment held in associates and the Company does not have any further obligations over and above the amount invested.

1. Names of associates or joint ventures which are yet to commence operations: N.A.
2. Names of associates or joint ventures which have been liquidated or sold during the year:N.A.

For and on behalf of the Board
PTC India Financial Services Limited

Sd/–
Dr. Pawan Singh
Managing Director & CEO
DIN : 00044987

Date: 04th August 2020
Place: New Delhi

Annexure– VIII

BUSINESS RESPONSIBILITY REPORT

Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

PTC India Financial Services Limited (PFS) Business Responsibility Report 2019–2020 includes our responses to questions on our practices and performance on key principles defined by Regulation 34 (2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across environment, governance, and stakeholder relationships.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L65999DL2006PLC153373
2	Name of the Company	PTC India Financial Services Limited (hereinafter referred to as 'Company'/ PFS)
3	Registered Office	7th Floor, Telephone Exchange Building, 8, Bhikaji Cama Place, New Delhi–110066
4	Website	www.ptcfinancial.com
5	E–mail id	info@ptcfinancial.com
6	Financial Year Reported	April 1, 2019 to March 31, 2020
7	Sector that the Company is Activity code wise	PTC India Financial Services Limited (PFS) is a Non–banking Finance Company (NBFC) classified as Infrastructure Finance Company (IFC) by the Reserve Bank of India. The Company is incorporated to provide finance and financial services to the infrastructure/ non infrastructure projects.
8	List three key products that Company manufactures (as Per Balance Sheet)	PFS is into lending business and not manufacturing.
9	Total Number of Locations where business activity is undertaken by the Company	One (1)
10	Markets served by the Company – Local/State/National/International/	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR' lakhs)	64,228.33
2	Total Turnover (INR' lakhs)	136,971.04
3	Total Profit after taxes (INR' lakhs)	10,999.89
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs 641.27 lakhs was spent during the FY 2019–20 against the obligation of Rs. 642.02 lakhs (2% of average profit of last three years) PFS spent 99.88% of the obligation.
5	List of activities in which expenditure in 4 above has been incurred	The CSR activities in which the expenditure has been incurred have been listed below: • PFS has partnered with CII Foundation to implement Crop Residue Management Project/ "Zero stubble burning" by bringing behavioural change and by supporting adoption of tools and technologies in slect villages of Ludhiana and Patiala, Punjab. • PFS has partnered with Force NGO to create Rain water harvesting structures in some parks of Delhi as per design approved by Delhi Jal Board in Delhi. • PFS has partnered with its parent company PTC India in the cleanliness drive in Bhikaji Cama Place under the *Swachch Bharat Abhiyan.* • PFS through PTC foundation will install four water ATM's in underprivileged locations of Delhi.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	PTC group (of which PFS is part) has formed a trust named PTC Foundation to carry out the CSR activities in more focussed and streamlined manner. We don't have any subsidiary company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30–60%, More than 60%]	No other entity/entities participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

	Details of the Director/Director responsible for implementation of the BR policy/policies:	
	1. DIN	00279627
	2. Name	Shri. Naveen Kumar
	3. Designation	Director (Operations)
	Details of the BR head	
	1. DIN	N.A.
	2. Name	Nidhi Dahiya
	3. Designation	Manager
	4. Telephone Number	011-26737459
	5. E-mail Id	Nidhi.Dahiya@ptcfinancial.com

2. Principle-Wise (as per NVGs) BR Policy / Policies

The nine principles as per BRR are as given below:

P 1:	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P 2:	Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P 3:	Business should promote the wellbeing of all employees
P 4:	Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P 5:	Business should respect and promote human rights.
P 6:	Business should respect, protect and make efforts to restore the environment.
P 7:	Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P 8:	Business should support inclusive growth and equitable development.
P 9:	Business should engage with and provide value to their customers and consumers in a responsible manner.

2 (a) Details of compliance (Reply Y/N)

SN.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy for…	Company has all the required policies in place.								
2	Has the policy been formulated in consultation with the relevant stakeholders	Yes, the policies are formulated in consultation with relevant stakeholders and benchmarking across the industry.								
3	Does the policy conform to any national / international standards? if yes specify	All policies are compliant with relevant principles of National Voluntary Guidelines.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO/ appropriate Board Director?	All polices are approved by the respective competent authorities. Since policies are approved by the competent authorities, it implies that the same have been signed by them.								
5	Does the Company have a specified committee of the Board / Director / official to oversee the implementation of the policy?	The Board of Directors of the Company along with the Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee are responsible for overall effective implementation & monitoring of the BR policies adopted on respective principles. Further, each policy has also been mapped with the respective departments, who are responsible for its implementation & monitoring on the ground and submit necessary report to the Board of Directors.								
6	Indicate the link for the policy to be viewed online?	Code of Conduct, Whistle Blower Policy and CSR Policy can be accessed at https://www.ptcfinancial.com/cms/showpage/page/codes-policies Other policies are internal policies of the Company and are not available on the website of the Company. However, the same are available on the intranet for PFS employees. The details of grievance redressal mechanism available for customers and for third party complaints are also available at our website along with above stated policies. Refer the below link: http://www.ptcfinancial.com/cms/showpage/page/grievances-redressal-mechanism								

7	Has the policy been formally communicated to all the relevant internal and external stakeholders?	The policies posted on the Company's website are available for all stakeholders. For internal stakeholders, appropriate means of communication like intranet, mail communication etc. is available.
8.	Does the Company have in house structure to implement the policy/ policies	Yes, time to time on need basis, committee is formed to review the policies and implement the same.
9.	Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies	Yes
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Board/Committee of the Board reviews the policies at periodic intervals on need basis.

2 (b). If answer to S.No.1 against any principle is "No", please explain why: (Tick Upto 2 Options– NA)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 Year									
6.	Any other reason (please specify)									

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of Directors or CEO to access the BR performance of the Company. Within 3 months, 3 months – 6 months, annually more than 1 year.	Yes, annually. We have constituted a corporate social responsibility (CSR) committee of the Board which oversees our CSR strategy and progress. For more details on the frequency of the committee's meeting, refer to the 'Corporate social responsibility committee' sub– section in the Corporate Governance Report, and the 'Corporate Governance' section in the Board's Report, which are part of this Annual Report.
Does the Company publish a BR or sustainability report? What is the hyperlink for viewing this report? How frequently it is published?	PFS has published its Sustainability report for financial year 2017–18 in accordance with GRI G4 reporting guidelines. Previous to this, we have published the sustainability report in FY 2015–16.

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle No.	Description	Response
P–1 Business should conduct and govern themselves with Ethics, Transparency and Accountability.		
1.1	**Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend the group / joint ventures/ suppliers/ contractors/ NGOs/ others?**	The Company has adopted the Code of Business Conduct and Ethics, governing conduct of the business of the Company in an ethical manner. Polices of the Company are aligned with those of the parent company i.e. 'PTC India Limited'. It applies to the Directors, Key Managerial Personnel and Senior Management of the Company. The Company obtains an annual confirmation affirming compliance with the Code from the Directors, Key Managerial Personnel and Senior Management every year. The Company has in place: • Whistle Blower Policy: It provides an avenue for Directors and employees to inform about any wrongdoing in the Company and reassurance that they will be protected from victimization for whistle blowing. • Code of Conduct for Prevention of Insider Trading: It prevents insider trading and protect price sensitive information. Further, PFS does not have any joint venture /suppliers/ contractors etc.
1.2	**How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so provide the details thereof in about 50 words or so.**	The details of the complaints of the investor are provided in the report on corporate governance. All complaints received during the year were dealt by the competent authority.

P-2 Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle		
2.1	**List upto 3 of your products whose design has incorporated social or environmental concerns, risks and / or opportunities.**	PFS is a NBFC engaged in lending primarily in infrastructure and power sector with a view on sustainable lending and has established an ESMS (environmental and social management system) which assesses E&S risks associated with projects financed by PFS and stipulates conditions to mitigate adverse impacts. To further reduce carbon footprint from our operations, PFS on its balance sheet has commissioned a wind project of 6 MW in the state of Karnataka. PPA for the project has been signed with Karnataka Discom for 25 years. The energy generated by the wind project exceeds the electric energy consumption at our Delhi office, thus offsetting the emissions from our operations/services. Additionally, our CSR initiatives listed under section B of this report creates positive social and environmental impact.
2.2	**For each such product, provide the following details in respect of resource use (energy, raw material etc.) per unit of product (optional):** a. Reduction during the sourcing / production/ distribution achieved since the previous year throughout the value chain. b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not applicable directly, as PFS in not engaged in manufacturing business and only human resource is engaged by PFS to carry out its operations. Though, as part of sustainable lending PFS encourages its borrowers to follow IFC (International Finance Corporation) performance standards to ensure environmental and social sustainability which deals with the aspects of resource efficiency and conservation. Hence, indirectly contributing to resource conservation. We have also adopted several direct measures to reduce carbon footprint from our office operations. Some of the initiatives include: • Implementing established energy reduction measures, such as air conditioning and smart lighting controls in the buildings we occupy. • Installing energy efficient LED lighting in our office by replacing others. • Ensuring all lights, computers and other equipment are powered off when not in use during extended periods of time, including at night and at weekends
2.3	**Does the Company have procedures in place for sustainable sourcing (including transportation)?** a. If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.	Not applicable.
2.4	**Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?** a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Not applicable.
2.5	**Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof, in about 50 words or so.**	Not applicable as PFS is not into product manufacturing, thus recycling is not applicable to us. E-waste generated from our operations is handed over to CPCB (Central Pollution Control Board) certified vendors.
P-3 Business should promote the well-being of all employees		
3.1	**Please indicate the total number of employees**	47 regular employees as on 31st March 2020.
3.2	**1. Please indicate the total of employees hired on temporary / contractual / casual basis.**	Total 17 personnel (three are on direct contract of the company and 14 are outsourced) have been hired by PFS on contractual basis.
3.3	**2. Please indicate the number of permanent women employees**	Eight (8)
3.4	**3. Please indicate the number of permanent employees with disabilities**	One (1)
3.5	**4. Do you have an employee association that is recognised by management?**	There is an employee welfare association by the name of ERA (Employees Recreation Association) which is recognized by PFS Management. It plans recreational activities which fosters team spirit and encourages organizational belongingness.
3.6	**What percentage of your permanent employees is members of this recognized employee association?**	100%; all permanent employees are members of this association.

<table>
<tr><td>3.7</td><td>Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year:</td><td>Nil
<table>
<tr><td>S. No.</td><td>Category</td><td>No. of complaints filed during the financial year</td><td>No. of complaints pending as on end of the financial year</td></tr>
<tr><td>1.</td><td>Child labour / forced labour / involuntary labour</td><td>Nil</td><td>Nil</td></tr>
<tr><td>2.</td><td>Sexual Harassment</td><td>Nil</td><td>Nil</td></tr>
<tr><td>3.</td><td>Discriminatory employment</td><td>Nil</td><td>Nil</td></tr>
</table></td></tr>
<tr><td>3.8</td><td>What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
Permanent employees
Permanent women employees
Casual/ Temporary / Contractual Employees
Employees with disabilities</td><td>
<table>
<tr><td>S. No.</td><td>Category (who were provided skill upgradation training)</td><td>No. of employees to whom training has been imparted</td></tr>
<tr><td>1.</td><td>Permanent employees</td><td>45/47; approximately 95%</td></tr>
<tr><td>2.</td><td>Permanent women employees</td><td>8/8; hence 100%.</td></tr>
<tr><td>3.</td><td>Casual/ Temporary/ Contractual Employees</td><td>10/17; approximately 58%

(Persons under contract of services have also been provided training).</td></tr>
<tr><td>4.</td><td>Employees with disabilities</td><td>1; 100%</td></tr>
</table></td></tr>
<tr><td colspan="3">P– 4 Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised</td></tr>
<tr><td>4.1</td><td>Has the Company mapped its internal and external stakeholders?</td><td>Yes, stakeholders of the company have been mapped through a formal process of consultation.

Key stakeholders identified by PFS are:
Internal stakeholders (Employees)
External Stakeholders (Borrowers, Lenders, Shareholders, government and regulatory body, community, portfolio companies and PTC India (parent company).</td></tr>
<tr><td>4.2</td><td>Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?</td><td>PFS has a sexual harassment policy in place. Moreover, there is a whistle blower policy whereby an employee with any grievance can raise the issue with the top management.

Further, as part of the CSR initiative, we engage with the disadvantaged, vulnerable & marginalized stakeholders</td></tr>
<tr><td>4.3</td><td>Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details, in about 50 words or so.</td><td>As part for our lending business we expect our borrowers to follow the IFC environmental and social performance standards, 2012 which supports projects which protects rights of indigenous people (marginalized and vulnerable group) and creates opportunities for their growth and resultantly provides benefits like employment through project related activities.

Moreover, company through its CSR initiatives has engaged with disadvantaged, vulnerable and marginalized stakeholders as detailed in Section B of this report.</td></tr>
<tr><td colspan="3">P–5 Business should respect and promote human rights</td></tr>
</table>

5.1	**Does the policy of the Company on human rights cover only the company or extend to the group / joint ventures / suppliers / contractors / NGOs / others.**	Company believes in protecting the human rights of our people, recognizing their need for respect and dignity. We are committed to fair employment practices and freedom of expression, supported by a strong, company-wide value system. We provide every avenue to our workforce for voicing their opinion. PFS also has a well-defined Grievance Redressal Policy, which is applicable to all regular employees except for officers who are one step below the Board Level. During the last financial year, the Company has given thrust to an organizational development programme and has developed systems and processes that maximize human potential. The Company has developed a KRA/KPI based Performance Management System to link and measure individual performance with the organizational performance score card during the year. This programme has now been rolled out. Our Company continuously invests in attraction, retention and development of talent on an ongoing basis. Company's thrust is on the promotion of talent internally through job rotation and job enhancement. Strong governance processes and stringent risk management policies are adhered to, in order to safeguard our stakeholders' interest. The Company also adheres to the highest levels of ethical business practices as articulated in the Code of Conduct and Ethics. A strong commitment to human rights is embedded in the Company's Code of Conduct and Ethics Policy which lays down acceptable behaviour on various aspects including human rights. This code is applicable for all employees, associates and business partners. It has been adopted by our parent company as well.
5.2	**How many stakeholders complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**	No complaints were received under the whistle blower policy. The details of the complaints of the investor are provided in the report on corporate governance. All complaints received during the year were dealt by the competent authority.
P-6 Business should respect, protect and make efforts to restore the environment.		
6.1	**Does the policy related to Principle 6 cover only the company or extend to the group / joint ventures / suppliers / contractors / NGOs / others.**	Environmental and Social Policy of PFS extends to the projects financed by PFS and indirectly covers contractors and borrowers who are covered by project financing. E&S Policy scope extends to consortium funding where PFS is in lead.
6.2	**Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. if yes, please give hyperlink for webpage etc.**	• PFS provides loans for large renewable energy projects, which constitute approximately 50% of our lending portfolio as on 31st March 2020; thus PFS promotes green energy which indirectly addresses issues related to climate change and global warming. • PFS in the past few years has made a deliberate effort to shift focus to sustainable infrastructure finance which contributes towards reduction in greenhouse gas emissions.
6.3	**Does the company identify and assess potential environmental risks**	To promote sustainable lending and to ensure compliance with our environmental and social management systems, PFS either internally or with the help of third party conducts environmental and social due diligence to assess environmental and social risks associated with the projects financed by PFS. In line with our established ESMS (Environmental and Social Management systems), the due diligence scope includes verification of relevant environmental and social aspects of the project in line within the reference framework (including the current operations and the future planned additions/ expansions). It includes but not be limited to the following aspects: • Environmental impact management; • Social impact management; • Health and safety management; • Human resources management (including human rights and labour standards); and • Community engagement.
6.4	**Does the company have any project related to clean development mechanism? If so, provide details hereof, in about 50 words or so. Also if yes, whether any environmental compliance report is filed?**	PFS is into lending business and we largely finance renewable energy projects which are based on clean and green fuel. PFS has a single 6 MW wind power project in Karnataka state and no environmental compliance report is required to be filled for 'white' category project as per CPCB revised categorization.
6.5	**Has the company undertaken any other initiatives on-clean technology, energy efficiency and renewable energy, etc. Y/N. if yes, please give hyperlink for web page, etc.**	• PFS disposes of its e-waste through CPCB certified vendor. • To promote renewable energy, as on 31st March 2020 PFS's renewable (Wind and Solar) portfolio is 50% of the total portfolio. • Moreover, PFS has developed a 6 MW wind farm in Karnataka State which got commissioned in May 2010.
6.6	**Are the emission / waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?**	Not applicable.
6.7	**Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of the financial year.**	None.

P– 7 Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.		
7.1	**Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**	• India CEO Forum on Air Pollution by Confederation of Indian Industry (CII); • India Infrastructure Forum
7.2	**Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others)**	No
P–8 Business should support inclusive growth and equitable development.		
8.1	**Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? if yes details thereof.**	PFS has established and implemented robust environmental and social management systems (ESMS) which are applicable to our lending business (core business). As part of the sustainable lending and as committed in our Environmental and Social (E&S) policy, PFS provides lending for projects which strive to minimize, mitigate or compensate adverse impacts on workers, affected communities and the environment. E&S Policy also states, that PFS would support lending to projects where affected communities are engaged on project related issues that could potentially affect them. We also support the principles of inclusive growth and equitable development through the CSR initiatives taken by PFS as well as through our core business as elaborated above. Details of CSR activities have been already elaborated in above sections.
8.2	**Are the programmes / projects undertaken through in house team / own foundation / external NGO/ government structure/ any other organisation?**	We directly do not engage in any such activities, however as stated in above section we support lending for projects which through their operations promotes aspects of inclusive growth and equitable development. CSR initiatives have been undertaken through PTC foundation/ by PFS itself and also through government institutions. Details of CSR activities have been presented in above sections.
8.3	**Have you done any impact assessment of your initiative?**	The key objective of our ESMS, is to identify and assess the environmental and social impacts in the project's area of influence and as part of the project appraisal process, PFS conducts environmental and social due diligence for the projects to assess the impacts of the project. Subsequently, to minimize the adverse impacts of the project an environmental and social action plan (ESAP) is prepared to improve the E&S performance of the company/project. Apart from this, the approved projects are monitored on annual/ bi-annual frequency based on the project categorization. It should be noted that approximately 50% of our portfolio as of 31st March 2020 was in renewable sector. PFS through PTC foundation conducts formal impact assessment studies for its CSR initiatives.
8.4	**What is your company's direct contribution to community development projects– Amount in INR and details of the projects undertaken?**	The details have been already captured under section B of the report. More details are provided in the report on CSR activities.
8.5	**Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**	Prior to undertaking an initiative, PFS engages with the community to assess the need and ensure that the activity/ initiatives benefit the community. Formal impact assessment studies would be conducted in future to assess the success of the programme, once the project is implemented.
P–9 Business should engage with and provide value to their customers and consumers in a responsible manner		
9.1	**What percentage of customer complaints/consumer cases are pending as on the end of the financial year.**	Nil
9.2	**Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A/Remarks (additional information)**	Not Applicable
9.3	**Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti–competitive behaviour during the last five years and pending as on the end of financial year. If so, provide the details thereof, in about 50 words.**	Nil
9.4	**Did your company carry out any consumer survey / consumer satisfaction trends?**	No

CEO and CFO Certificate to the Board of Directors

(Under Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Date : 13th June 2020

We Certify to the Board of Directors that:–

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:–

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/–	**Sd/–**
Dr. Pawan Singh	**Sanjay Rustagi**
MD & CEO	**CFO**

Place : New Delhi

Annexure– X

Whistleblower Policy

1.0 Background

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia, provides for a non–mandatory requirement for all listed companies to establish a mechanism called *'Whistle Blower Policy'* for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

'Whistleblowing' is the confidential disclosure by an individual of any concern encountered in the workplace relating to a perceived wrongdoing.

The Whistleblower's role is that of a reporting party with reliable information. Protected Disclosure will be appropriately dealt by Audit Committee, as the case may be.

The terms such as 'Company', 'Audit Committee' and 'Board of Directors' refer to the relevant Company, Committee or Board of the Group Company adopting the policy, unless specified. The definitions of some key terms used in this Policy are mentioned below:

A. "Audit Committee" means the Committee constituted by the Board of Directors of the Company in accordance with the Companies Act and read with Listing Agreement with the Stock Exchange.
B. "Employee" means every employee of the Company, including the whole time Directors of the Company.
C. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
D. "Whistleblower" means any Employee making a Protected Disclosure under this Policy.
E. "Ombudsperson" or "Nodal Officer" for the purpose of receiving all complaints under this Policy and ensuring appropriate action.

2.0 Policy Objective

The policy has been framed to enforce controls so as to provide a system of detection, reporting, prevention and appropriate dealing of issues relating to fraud, unethical behavior etc. The policy aims to ensure that:–

A. Management is aware of its responsibility for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. The Management is to ensure that procedures and systems exist in the Corporation which minimize the incidence of, and opportunity for fraud and irregularities.
B. Any fraud / unethical issue that are detected or suspected must be reported immediately to the designated authority for the purpose of co–ordination of preliminary investigation.
C. To encourage all employees to feel confident in raising concerns and to question and act upon concerns about practice.
D. To ensure that an employee receives a response to his concerns and that the employee is aware of how to pursue them if he/she is not satisfied.

3.0 Types of Concern

A. Forgery or alteration of any document or account belonging to the Company.
B. Sexual or physical abuse
C. Willful suppression of facts/ deception in matters of appointments, placements, tender committee recommendations, entity and project appraisal, submission of reports, etc. as a result of which a wrongful gain(s) is made to one and /or wrongful loss(s) is caused to the others.
D. Utilizing Company assets/ funds/ services for personal purposes other than those which have specifically provided for personal purposes.
E. Authorizing or receiving payments for goods not supplied or services not rendered.
F. Destruction, disposition, removal of records or any other assets of the Corporation with an ulterior motive to manipulate and misrepresent the facts so as to create suspicion/ suppression/ cheating as a result of which objective assessment/ decision would not be arrived at.
G. Impropriety in the handling or reporting of money or financial transactions.
H. Profiteering as a result of insider knowledge of company activities.
I. Disclosing confidential and proprietary information to outside parties.
J. Accepting or seeking anything of material value from contractors, vendors, lenders, borrowers and persons providing services/ materials to the company in contravention of Company's Conduct, Discipline and Appeal Rules.
K. Conduct which is an offence or a breach of law.
L. Other unethical conduct like gross misconduct, general malpractices etc

The Competent Authority will not tolerate any harassment or victimization (including informal pressures) and will take appropriate action.

4.0 Confidentiality

All concerns will be treated in confidence and every effort will be made not to reveal the Whistleblower's identity. At the appropriate time, however, the Whistleblower might need to come forward as a witness.

Please note that:

A. An employee must believe the disclosure of information is in the interest of the Company / its stakeholders / public.

B. Staff must not act maliciously or make false allegations.

C. Staff must not seek any personal gain.

5.0 Voicing Concerns

5.1 This essentially means that boards expect their internal audit functions to identify issues before they become a major problem for the company.

5.2 They expect internal auditors to take appropriate actions to mitigate them and provide assurance that they pose no immediate or serious danger.

5.3 The Ombudsperson / Nodal officer shall be nominated by the Chairman of the Audit Committee. The Company may adopt either of the following two alternatives for addressing the whistleblower issues:

I. **Alternative–1**

1. Whistleblower should give the detailed report/complaint to the Ombudsperson / Nodal officer.
2. Report/Complaint would then be screened by the Nodal officer who would forward the report/complaint to the Chairman of Audit Committee. Report/ Complaint would finally be reviewed by the Chairman of Audit Committee.
3. All complaints would be recorded regardless of the context it held.
4. Nodal officer would apprise the Audit committee on regular intervals about all the complaints received.
5. If the whistleblower believes that there is a conflict of interest between the Nodal Officer/Ombudsman and the whistle blower, he/she may send his protected disclosure directly to the Chairman, Audit Committee.
6. The report shall first be forwarded to the Chairman of Audit Committee by the ombudsperson. On submission of report, the Audit Committee Chairman may discuss the matter with Ombudsperson who shall on advice of the Chairman, may refer the matter before the Audit Committee and/ or Board (the option to forward it to Audit Committee or Board shall be suggested by the Audit Committee Chairman) with his / her recommendations. The Audit Committee and/ or the Board shall decide on the matter.

II.**Alternative–2**

1. A "Whistle Blower Committee" may be constituted consisting of senior officials to conduct an investigation in the matters of protected disclosure received by company.
2. A report shall be prepared after completion of investigation and shall be submitted along with recommendations to the Managing Director for action, after providing reasonable opportunity of being heard to all associated individuals.
3. It is further proposed that the protected disclosures be addressed to the ombudsperson / nodal officer nominated.
4. The protected disclosure against the ombudsperson / nodal officer should be addressed to the Managing Director & CEO of the Company
5. The Protected Disclosure against the Managing Director & CEO should be addressed to the Chairman of the Audit Committee.
6. All complaints would be recorded regardless of the context it held.

5.4 In case the disclosure made by the whistleblower found to be malafide, frivolous, baseless then the disclosure would not be entertained. Details of the complaints would be recorded & maintained for a term of 5 years or even extended period (for specific complaints) as may be decided by Chairman of Audit Committee.

5.5 Detailed written record of the protected disclosure will include

a. findings of Ombudsperson / Nodal officer's;

b. The recommendations of the Ombudsperson whether disciplinary / other action(s).

<u>**Note**</u>: PFS has adopted Alternative–1 provided in the policy and Company Secretary had been appointed as Nodal Officer.

INDEPENDENT AUDITOR'S REPORT
To The Members of
PTC India Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of PTC India Financial Services Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 52 to the accompanying standalone financial statements which explains the uncertainties and the management's assessment of the impact, due to the lock-downs and other restrictions/ conditions related to Covid-19 pandemic situation, on Company's operations, financial performance and position as at and for the year ended March 31, 2020, including measurement of expected credit loss (ECL) allowance on loans (financial assets) and assessment of liquidity position in context of moratorium granted to the Company's borrowers with availability of high quality liquid assets and undrawn committed lines from banks/financial institutions to meet its financial obligations in foreseeable future. The extent of COVID-19 impact will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Expected Credit Losses (ECL) model As described in the notes to the financial statements, the impairment losses have been determined in accordance with Ind AS 109 Financial Instruments requiring considerable judgment and interpretation in its implementation, which also involved significant judgement by management in measuring the expected credit losses. Key areas of judgment included: • Determining the criteria for a significant increase in credit risk (`SICR') • Techniques used to determine the Probability of Default (TD') and Loss Given Default (`LGD') • Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows etc. Refer Notes 2 (g), 2 (q), 7 and 44A.2 to the standalone financial statements.	<u>Principal Audit Procedures</u> We assessed the appropriateness of the Company's policy on Expected Credit Loss recognition on financial instruments with reference to the applicable accounting standards and prudential norms laid down by RBI. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing: • We evaluated and tested the design and tested the operating effectiveness of Company's controls over the data used to determine the impairment reserve, internal credit quality assessments, external credit ratings and methodology followed for computation of ECL. • For Expected Credit Losses computed by the management, we performed the following procedures: (a) Assessed the reasonableness of assumptions and judgement made by management on model adoption and parameters selection; (b) Examined the key data inputs (valuation of collateral, the timing of cash flows and realisations) to the ECL model on a sample basis to assess their accuracy and completeness; (c) Evaluated and tested on sample basis the appropriateness of staging including determination of significant increase in credit risk. (d) Assessed the Company's methodology for ECL provisioning, Classification and Measurement with the assistance of our internal experts; (e) Assessed accuracy and completeness of disclosures made as required by relevant accounting standards

2	**Impairment of loans to customers** Allowance for impairment losses on loans to customers involves significant judgement by management to determine the timing and amount of the asset to be impaired. Refer Notes 2 (g), 2 (q), 7 and 44A.2 to the standalone financial statements	<u>**Principal Audit Procedures**</u> We assessed the appropriateness of the Company's impairment review and provisioning policy by comparing with the RBI prudential norms and applicable accounting standards ; Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing: • We evaluated and tested the design and operating effectiveness of the relevant controls over the impairment assessments and impairment allowance computations for loans and advances to customers. • We tested the management assumptions, estimates and judgements, which could give rise to material misstatement: a. The completeness and timing of recognition of loss events; b. The measurement of provisions for individual instances of loans which is dependent on the valuation of security provided and the collaterals against each loan, the timing of cash flows and realisations; c. We discussed with management and scrutinised the appropriateness of those key assumptions applied in management's impairment assessment, and compared them with available external evidence where necessary. d. The measurement of modelled provisions, which is dependent upon key assumptions relating to probability of default, loss given default and expected future recoveries; e. Performed procedures to obtain comfort on the accuracy of the impairment calculation process through recalculation of the provision charge based on inputs; f. Assessed accuracy and completeness of disclosures made as required by relevant accounting standards.
3	**Revenue Recognition** Revenue recognition - Interest income on stressed loans assets involves significant management estimates and assumptions in determining both timing and expected realisation from them. Refer Note 2 (c), 22 and 23 to the standalone financial statements.	<u>**Principal Audit Procedures**</u> We assessed the appropriateness of the Company's revenue recognition policy by comparing with applicable accounting standards and prudential norms laid down by RBI. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing: • Evaluated and tested the design of internal controls relating to revenue recognition on stressed loans and advances. • Tested the operating effectiveness of the Company's controls through combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operations of these controls. • We have performed tests of details, on a sample basis, to review the case contracts entered into with the customers to assess whether interest income recorded is as per the contract terms. • Performed recalculation of interest accrual and tested input data, such as principal amounts, contractual interest rates etc. through substantive testing and tracing to source documents. We also took cognizance of the events arose subsequent to the end of the financial year from them. • Ensured compliance with RBI regulation on revenue recognition for each case.
4	**Evaluation of uncertain tax positions for Income taxes** The Company has material uncertain tax positions relating to matters under litigation for Income taxes. These matters involve significant management judgement to determine the possible outcome of disputes. Refer Note 2 (j), 2 (q) and 33 to the standalone financial statements.	<u>**Principal Audit Procedures**</u> We obtained details of completed income tax assessments during the year ended March 31, 2020 from the management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions relating to Income taxes. Additionally, we considered the effect of new information in respect of uncertain tax positions to evaluate whether any change was required to management's position on these uncertainties.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Directors' report, Report on Corporate Governance and Management discussion and analysis report, but does not include the standalone financial statements and our auditor's report thereon. The Directors' report, Report on Corporate Governance and Management discussion and analysis report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Directors' report, Report on Corporate Governance and Management discussion and analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Other Matter

The standalone financial statements of the Company for the year ended March 31, 2019, were audited by another firm of chartered accountants whose report dated May 4, 2019 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 49 to the standalone financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company – Refer Note 50 to the standalone financial statements.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 20505676AAAAAX5055

Place: Gurugram
Date: June 13, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PTC INDIA FINANCIAL SERVICES LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 20505676AAAAAX5055

Place: Gurugram
Date: June 13, 2020

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PTC INDIA FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED MARCH 31, 2020

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

i. In respect of its fixed assets:

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

(b) All the fixed assets (Property, Plant and Equipment) were physically verified by the management during the year in accordance with a planned program of verifying them once in every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. In respect of immovable property of building that has been taken on lease and leasehold improvements thereon disclosed as fixed asset in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has granted secured loan to a Company covered in the register maintained under section 189 of the Act.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the Company listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

(b) In case of the loans granted to the Company listed in the register maintained under section 189 of the Act, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.

(c) There are no amounts overdue for more than ninety days in respect of the loan granted to Company listed in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, making investments, providing guarantees and security made, as applicable. The Company being a non-banking financial company, nothing contained in Section 186, except sub-section (1), shall apply.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated in paragraph 3 (v) of the Order are not applicable to the Company.

vi. Having regard to the nature of Company's business/ activities, provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. In respect of statutory dues:

(a) According to the information and explanations given to us and the records of the Company examined by us , in our opinion , undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues, as applicable, were outstanding at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and examination of records of the Company, there are no disputed dues in respect of Sales Tax, Service Tax and Value Added tax which have not been deposited. Details of dues of Income Tax which have not been deposited as on March 31, 2020 on account of disputes are given below.

Name of the statute	Nature of dues	Amount Involved (Rs. In lakhs)*	Amount unpaid (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,413.15	1,184.76	2012-2017	Income Tax Appellate Authority
Income Tax Act, 1961	Income Tax	750.00	750.00	2010-11, 2014-15, 2017-18	Upto Commissioner (Appeals)

*Amount as per demand orders including interest and penalty wherever indicated in the order.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders. The Company has not taken any loans or borrowings from Government.

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

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

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 **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 20505676AAAAAX5055

Place: Gurugram
Date: June 13, 2020

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PTC INDIA FINANCIAL SERVICES LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of PTC India Financial Services Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone 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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 20505676AAAAAX5055

Place: Gurugram
Date: June 13, 2020

PTC India Financial Services Limited
Standalone Balance Sheet as at March 31, 2020

(All amounts in Lakhs of ₹ unless otherwise stated)

	Particulars	Notes	As at March 31, 2020	As at March 31, 2019
A	**ASSETS**			
1	**Financial assets**			
a.	Cash and cash equivalents	3	22,318.00	3,223.49
b.	Bank balances other than (a) above	4	20,964.80	668.24
c.	Derivative financial instruments	5	2,161.77	1,997.22
d.	Trade receivables	6	396.70	861.14
e.	Loans	7	1,036,860.12	1,264,445.23
f.	Investments	8	35,567.57	9,586.99
g.	Other financial assets	9	104.99	52.47
			1,118,373.95	**1,280,834.78**
2	**Non-financial assets**			
a.	Current tax assets (Net)	10	29,366.70	17,028.65
b.	Deferred tax assets (Net)	11	12,564.37	18,637.67
c.	Property, Plant and Equipment	12	1,033.44	1,227.22
d.	Right of use-Buildings	12	1,154.34	-
e.	Intangible asset	13	2.09	4.05
f.	Other non-financial assets	14	1,688.88	1,579.72
			45,809.82	**38,477.31**
	TOTAL ASSETS		**1,164,183.77**	**1,319,312.09**
B	LIABILITIES AND EQUITY			
	LIABILITIES			
3	**Financial liabilities**			
a.	Derivative financial instruments	5	-	23.00
b.	Trade Payables			
	(i) total outstanding dues to micro and small enterprises		13.75	13.75
	(ii) total outstanding dues of creditors other than micro and small enterprises		651.32	308.79
c.	Debt securities	15	41,298.10	53,229.44
d.	Borrowings (Other than debt securities)	16	886,193.76	1,038,603.79
e.	Other financial liabilities	17	23,751.21	19,943.24
			951,908.14	**1,112,122.01**
4	**Non-financial liabilities**			
a.	Provisions	18	462.18	348.54
b.	Other non-financial liabilities	19	331.39	186.41
			793.57	**534.95**
5	**EQUITY**			
a.	Equity share capital	20	64,228.33	64,228.33
b.	Other equity	21	147,253.73	142,426.80
			211,482.06	**206,655.13**
	TOTAL LIABILITIES and EQUITY		**1,164,183.77**	**1,319,312.09**

See accompanying notes forming part of the financial statements 1-53

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI firm registration. 105047W

Sd/-
Rahul Aggarwal
Partner
Membership No. 505676

Place : Gurugram
Date : June 13, 2020

For and on behalf of the Board of Directors

Sd/-
Dr. Pawan Singh
Managing Director and CEO
DIN: 00044987

Sd/-
Naveen Kumar
Whole-time Director
DIN: 00279627

Sd/-
Vishal Goyal (A-19124)
Company Secretary

Sd/-
Sanjay Rustagi
Chief Financial Officer

Place: New Delhi
Date : June 13, 2020

PTC India Financial Services Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Lakhs of ₹ unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
1	**Revenue**			
	a. Revenue from operations			
	(i) Interest income	22	132,425.69	128,517.08
	(ii) Fee and commission income	23	3,486.64	3,474.71
	(iii) Net gain on fair value changes	24	117.80	1,042.59
	(iv) Sale of power		394.88	407.19
	b. Other income	25	546.03	209.65
	Total revenue (a+b)		**136,971.04**	**133,651.22**
2	**Expenses**			
	a. Finance costs	26	94,844.64	94,431.06
	b. Fees and commission expense	27	190.75	116.47
	c. Impairment on financial instruments	28	19,570.55	6,058.25
	d. Employees benefit expenses	29	1,640.92	1,404.39
	e. Depreciation and amortisation expense	30	634.16	272.65
	f. Other expenses	31	2,886.25	3,268.44
	Total expenses (a+b+c+d+e+f)		**119,767.27**	**105,551.26**
3	**Profit before tax (1-2)**		**17,203.77**	**28,099.96**
4	**Tax expense**			
	a. Current tax	32	-	-
	b. Deferred tax charge/(benefits)	32	6,203.88	9,685.70
	Total tax expense		**6,203.88**	**9,685.70**
5	**Profit for the year (3-4)**		**10,999.89**	**18,414.26**
6	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	a. Remeasurement loss on defined benefit plans		(37.51)	(3.97)
	Income tax relating to remeasurement loss on defined benefit plans		13.11	1.39
	b. Equity instruments through other comprehensive income		-	(3,203.87)
	Income tax relating to FVTOCI to equity investments		-	-
			(24.40)	**(3,206.45)**
	Items that will be reclassified to profit or loss			
	a. Change in cash flow hedge reserve		(336.16)	(237.90)
	Income tax relating to cash flow hedge reserve		117.47	83.13
			(218.69)	**(154.77)**
	Other comprehensive profit for the year		**(243.09)**	**(3,361.22)**
7	**Total comprehensive profit for the year (5+6)**		**10,756.80**	**15,053.04**
	Earnings per equity share:			
	Basic and diluted	47	1.71	2.87

See accompanying notes forming part of the financial statements 1-53

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI firm registration. 105047W

Sd/-
Rahul Aggarwal
Partner
Membership No. 505676

Place : Gurugram
Date : June 13, 2020

For and on behalf of the Board of Directors

Sd/-
Dr. Pawan Singh
Managing Director and CEO
DIN: 00044987

Sd/-
Naveen Kumar
Whole-time Director
DIN: 00279627

Sd/-
Vishal Goyal (A-19124)
Company Secretary

Sd/-
Sanjay Rustagi
Chief Financial Officer

Place: New Delhi
Date : June 13, 2020

PTC India Financial Services Limited
Standalone Statement of changes in equity as at March 31, 2020

(All amounts in Lakhs of ₹ unless otherwise stated)

A	Equity Share Capital:		
		No. of Shares	Amount
	Equity Shares of Rs. 10 each, Issued, Subscribed and Fully Paid-up:		
	As at April 1, 2018	642,283,335	64,228.33
	Issued during the year	-	-
	As at March 31, 2019	642,283,335	64,228.33
	Issued during the year	-	-
	As at March 31, 2020	642,283,335	64,228.33

B Other Equity:

	Reserves and Surplus									Total
	Securities Premium Reserve	Statutory Reserve	Special Reserve	Impairment Reserve	Equity instruments through other comprehensive income	Cash flow hedge reserve	Foreign currency monetary items translation difference account	Share options outstanding account	Retained Earnings	
As at April 1, 2018	61,280.57	29,179.68	29,699.78	-	(14,937.10)	-	(1,749.21)	-	26,233.02	129,706.74
Add: Profit for the year	-	-	-	-	-	-	-	-	18,414.26	18,414.26
Add [Less]: Other Comprehensive income	-	-	-	-	(3,203.87)	(154.77)	-	-	(2.58)	(3,361.22)
Total Comprehensive Income	-	-	-	-	(3,203.87)	(154.77)	-	-	18,411.68	15,053.04
Transfer from [to] Reserve	-	3,682.85	-	-	-	-	-	-	(3,682.85)	-
Transfer from reserve for equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners:				-						
Dividends	-	-	-	-	-	-	-	-	(1,284.57)	(1,284.57)
Corporate dividend tax on dividend	-	-	-	-	-	-	-	-	(264.05)	(264.05)
Effect of foreign exchange rate variations during the year	-	-	-	-	-	-	(2,451.19)	-	-	(2,451.19)
Amortisation for the year	-	-	-	-	-	-	1,666.83	-	-	1,666.83
As at March 31, 2019	61,280.57	32,862.53	29,699.78	-	(18,140.97)	(154.77)	(2,533.57)	-	39,413.23	142,426.80
As at April 1, 2019	61,280.57	32,862.53	29,699.78	-	(18,140.97)	(154.77)	(2,533.57)	-	39,413.23	142,426.80
Add: Profit for the year	-	-	-	-	-	-	-	-	10,999.89	10,999.89
Add [Less]: Other Comprehensive income	-	-	-	-	-	(218.69)	-	-	(24.40)	(243.09)
Total Comprehensive Income	-	-	-	-	-	(218.69)	-	-	10,975.49	10,756.80
Transfer from [to] Reserve	-	2,199.98	-	-	-	-	-	-	(2,199.98)	-
Less: Transfer to Impairment Reserve	-	-	-	5,768.65	-	-	-		(5,768.65)	-
Transactions with owners in their capacity as owners:										
Dividends	-	-	-	-	-	-	-	-	(5,138.27)	(5,138.27)
Corporate dividend tax on dividend	-	-	-	-	-	-	-	-	(1,056.19)	(1,056.19)
Effect of foreign exchange rate variations during the year	-	-	-	-	-	-	(1,653.41)	-	-	(1,653.41)
Amortisation for the year	-	-	-		-	-	1,918.00	-	-	1,918.00
As at March 31, 2020	61,280.57	35,062.51	29,699.78	5,768.65	(18,140.97)	(373.46)	(2,268.98)	-	36,225.63	147,253.73

See accompanying notes forming part of the financial statements 1-53

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI firm registration. 105047W

Sd/-
Rahul Aggarwal
Partner
Membership No. 505676

For and on behalf of the Board of Directors

Sd/-
Dr. Pawan Singh
Managing Director and CEO
DIN: 00044987

Sd/-
Naveen Kumar
Whole-time Director
DIN: 00279627

Sd/-
Vishal Goyal (A-19124)
Company Secretary

Sd/-
Sanjay Rustagi
Chief Financial Officer

Place : Gurugram
Date : June 13, 2020

Place: New Delhi
Date : June 13, 2020

PTC India Financial Services Limited
Standalone Statement of Cash Flow as at March 31, 2020

(All amounts in Lakhs of ₹ unless otherwise stated)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit after tax	10,999.89	18,414.26
	Adjustments for:		
	Depreciation and amortisation expense	634.16	272.65
	Impairment on financial instruments	19,570.55	6,058.25
	(Gain)/ Loss on sale of property, plant and equipment	0.82	(4.93)
	Finance costs	95,035.39	94,431.06
	Net (Gain)/ Loss on fair value changes	(117.80)	(1,042.59)
	Tax expense	6,203.88	9,685.70
	Operating profit before working capital changes	**132,326.89**	**127,814.40**
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Loan financing	199,448.04	(96,307.35)
	Other loans	5.44	(22.82)
	Other financial assets	(72.05)	122.33
	Other non- financial assets	(109.15)	149.90
	Trade receivables	542.12	(373.11)
	Adjustments for increase / (decrease) in operating liabilities:		
	Other financial liabilities	2,464.86	5,410.20
	Provisions	76.13	33.76
	Trade payables	342.53	(205.40)
	Other non- financial liabilities	144.98	(67.61)
	Cash flow from operating activities post working capital changes	**335,169.79**	**36,554.30**
	Income- tax paid	(12,338.05)	(12,907.34)
	Net cash flow from operating activities (A)	**322,831.74**	**23,646.96**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Capital expenditure on property, plant and equipment, including capital advances	(19.44)	(81.79)
	Proceeds from sale of property, plant and equipment	0.61	9.46
	Purchase of intangible assets	-	(1.44)
	Investment in term desposit	(20,441.24)	-
	Purchase of investments	(20,514.91)	
	Proceeds from sale/ redemption of investments	2,406.78	48.86
	Net cash used in investing activities (B)	**(38,568.20)**	**(24.91)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings	92,614.71	407,434.65
	Repayment of borrowings	(246,016.61)	(293,963.81)
	Proceeds from debt securities	10,000.00	
	Repayment of debt securities	(21,995.89)	(45,456.36)
	Finance costs	(93,576.78)	(92,194.41)
	Dividend paid	(5,138.27)	(1,284.57)
	Tax on dividend	(1,056.19)	(264.05)
	Net cash flow from financing activities (C)	**(265,169.03)**	**(25,728.55)**
	Increase in cash and cash equivalents (A+B+C)	19,094.51	(2,106.50)
	Cash and cash equivalents at the beginning of the year	3,223.49	5,329.99
	Cash and cash equivalents at the end of the year	**22,318.00**	**3,223.49**

See accompanying notes forming part of the financial statements 1-53

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI firm registration. 105047W

Sd/-
Rahul Aggarwal
Partner
Membership No. 505676

For and on behalf of the Board of Directors

Sd/-
Dr. Pawan Singh
Managing Director and CEO
DIN: 00044987

Sd/-
Naveen Kumar
Whole-time Director
DIN: 00279627

Sd/-
Vishal Goyal (A-19124)
Company Secretary

Sd/-
Sanjay Rustagi
Chief Financial Officer

Place : Gurugram
Date : June 13, 2020

Place: New Delhi
Date : June 13, 2020

PTC India Financial Services Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

1. Company overview/Corporate information

PTC India Financial Services Limited ("PFS") is a registered Non-banking finance company (NBFC) with Reserve Bank of India (RBI) and has been awarded the Infrastructure Finance Company (IFC) status by RBI. PFS is set up with an objective to provide total financing solutions to the energy value chain which includes investing in equity or extending debt to road infrastructure projects and power projects in generation, transmission, distribution, fuel resources and fuel related infrastructure.

The Company's registered office and principal place of business is situated at 7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi - 110066. The shares of the Company are listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange.

The financial statements for the year ended March 31, 2020 were authorized and approved for issue by the Board of Directors on June 13, 2020.

1A. Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in this financial statement.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

2. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written-down method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. Asset costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

b) Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised over a period of 5 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

c) **Revenue recognition**

Interest and processing fee income on loans

Interest and processing fee income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/penal charges, if any, are recognised only when it is reasonable certain that the ultimate collection will be made.

Fee & Commission income

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

d) **Taxation**

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

e) **Employee benefits**

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Where in the employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the

Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

f) **Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

g) **Impairment of financial assets**

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

The Company considers various factors while considering the recoverability of credit impaired advances. These include nature and value of assets, different resolution channels, interest of potential buyers etc. Considering the typical nature of advances given by the Company, there is significant uncertainty and variability in timing of resolution of these advances. In reference to RBI's prudential norms, the Company does not recognize interest income on these advances on a conservative basis, and the provisioning is considered using current estimate of realization.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand (including imprest), demand deposits and short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

i) Equity investment in associates

Investments representing equity interest in associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

j) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

k) Leases

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

For leases entered into as a lessee

Recognition and initial measurement

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

The Company does not have any leases as a lessor.

l) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:
   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iii. **Investments in Security Receipts –** Investments in security receipts are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial and subsequent measurement

The Company uses derivative financial instruments to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss. For the purpose of hedge accounting, hedges are classified as cash flow hedges where Company hedges its exposure to variability in cash flows that is attributable to foreign currency risk and interest rate risk associated with recognised liabilities in the financial statements.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they continue to be highly effective throughout the financial reporting periods for which they are designated.

Accounting for cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

m) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) **Segment reporting**

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

o) **Foreign currency**

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

p) **Government grants**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

q) **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant management estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

r) **Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

s) **Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information and there is no cumulative effect of initially applying this standard which has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 10.24% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

PTC India Financial Services Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

(All amounts in Lakhs of ₹ unless otherwise stated)

3	**Cash and cash equivalents**	**As at March 31, 2020**	**As at March 31, 2019**
	Cash on hand	0.25	0.03
	Balances with banks:		
	- in current accounts	15,507.75	2,608.97
	- in deposit accounts with original maturity of less than three months	6,810.00	614.49
		22,318.00	**3,223.49**

4	**Other bank balances**	**As at March 31, 2020**	**As at March 31, 2019**
	Balances with banks-		
	- in earmarked accounts		
	i. Unclaimed share application money lying in escrow account	-	-
	i. Unclaimed interest on debentures	461.61	621.36
	ii. Unclaimed dividend	61.95	46.88
	- in deposit accounts with original maturity of more than three months	20,441.24	-
		20,964.80	**668.24**

5 **Derivative financial instruments**

The Company enters into derivatives for risk management purposes. The Company has various derivative (i.e. cross currency interest rate swaps, call spread and cap spread options) contract which are entered into as an economic hedge of the for foreign currency and interest rate risks of the Company. The Company has designated cross currency swap contracts under cash flow hedge relationship and hedge accounting has been done. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

	As at March 31, 2020			**As at March 31, 2019**		
	Notional amounts	**Fair Value - Assets**	**Fair Value - Liabilities**	**Notional amounts**	**Fair Value - Assets**	**Fair Value - Liabilities**
Currency derivatives						
- Currency and interest rate swaps	10,873.25	782.94	-	11,706.18	-	23.00
- Call spread option	20,827.26	1,377.77	-	25,440.49	1,782.20	-
- Cap spread option		1.06	-		215.02	-
Total derivatives	**31,700.51**	**2,161.77**	**-**	**37,146.67**	**1,997.22**	**23.00**
Included in above are derivatives held for hedging and risk management purposes as follows:						
Cash flow hedging:						
- Currency and interest rate swaps	10,873.25	782.94	-	11,706.18	-	23.00
Undesignated derivatives	20,827.26	1,378.83	-	25,440.49	1,997.22	-
Total derivative financial instruments	**31,700.51**	**2,161.77**	**-**	**37,146.67**	**1,997.22**	**23.00**

5.1 **Hedging activities and derivatives**

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. Currency and interest rate swap contract meets the hedge accounting criteria as per Ind AS 109 and has been accounted as cash flow hedge. The Company has designated this contract in cash flow hedge relationship from January 1, 2019.

(a) Disclosure of effects of hedge accounting on financial performance
For the year ended March 31, 2020

Type of hedge and risks	Change in the value of hedging instrument gain/ (loss)	Hedge ineffectiveness recognised in statement of profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge Foreign currency and interest rate risk (i) Currency and interest rate swap	(1,660.68)	1,324.52	(336.16)	Gain/ (loss) on fair value changes and loss/ amortisation of foreign currency transaction/ translation

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For derivative contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. currency and interest rate swap contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. foreign currency loan. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of foreign currency loan. The fair value of actual and hypothetical derivatives are represented by mark to market valuation obtained by the Company from the respective authorised dealers.

(b) Movements in cash flow hedging reserve

Particulars	Amount
As at March 31, 2019	**(154.77)**
Add: Changes in fair value of derivative contracts- gain/ (loss)	(1,660.68)
Less: Amount reclassified to profit or loss	1,324.52
Less: Deferred tax relating to above (net)	117.47
As at March 31, 2020	**(373.46)**

5.2 **Derivatives not designated as hedging instruments**

The Company uses currency and interest rate swaps and Call and Cap spread options to manage its interest rate risk and currency risk arising from USD denominated borrowings. The currency and interest rate call and cap spread options are not designated in a hedging relationship and valued based on the mark to market valuation received from the authorised dealers. The change in fair value of these contracts (mark to market) has been recognised in the Statement of Profit or Loss.

6	**Trade receivables**	**As at March 31, 2020**	**As at March 31, 2019**
	Trade receivables		
	Secured, considered good	-	-
	Unsecured, considered good	396.70	447.81
	Which have significant increase in credit risk	-	491.01
		396.70	**938.82**
	Less: Allowance for impairment loss allowance	-	77.68
		396.70	**861.14**

(i) All amounts are short-term. The net carrying amount of trade receivables is considered a reasonable approximation of their fair value.

(ii) Age of receivables :

Particulars	As at March 31, 2020	As at March 31, 2019
Within the credit period	-	-
Up to 180 days past due	355.22	305.87
More than 180 days	41.48	555.27
	396.70	**861.14**

7 Loans	As at March 31, 2020	As at March 31, 2019
At amortised cost		
(i) Term loans*	1,084,717.64	1,337,429.41
(ii) Loans to employees	34.48	39.92
Total - Gross	**1,084,752.12**	**1,337,469.33**
Less: Impairment loss allowance	47,892.00	73,024.10
Total - Net	**1,036,860.12**	**1,264,445.23**
(i) Secured by tangible assets (property, plant and equipment including land and building)**	1,001,514.82	1,277,449.89
(ii) Secured by book debts, inventories, fixed deposit and other working capital items	34,067.78	-
(ii) Secured by intangible assets	-	-
(ii) Covered by bank and government guarantee	49,166.67	60,015.00
(iii) Unsecured	2.85	4.44
Total - Gross	**1,084,752.12**	**1,337,469.33**
Less: Impairment loss allowance	47,892.00	73,024.10
Total - Net	**1,036,860.12**	**1,264,445.23**
Loans in India* **		
(i) Public sector	189,554.62	199,623.01
(ii) Others	895,197.50	1,137,846.32
Total - Gross	**1,084,752.12**	**1,337,469.33**
Less: Impairment loss allowance	47,892.00	73,024.10
Total - Net	**1,036,860.12**	**1,264,445.23**

* Includes interest accrued.
** Based on the net book value of the tangible assets provided as security.
*** The Company does not hold any loans outside India.
The net carrying amount of loans is considered a reasonable approximation of their fair value.
Refer note 44 A on credit risk

8 Investments	As at March 31, 2020					As at March 31, 2019				
	Fair value through statement of profit and loss	At fair value through other comprehensive income	At amortised cost	At cost	Total	Fair value through statement of profit and loss	At fair value through other comprehensive income	At amortised cost	At cost	Total
Investments in India										
Investment in equity instruments										
(a) Investment in associates										
61,121,415 (March 31, 2019: 61,121,415;) equity shares of Rs. 10 held in R.S. India Wind Energy Private Limited	-	-	-	6,112.14	6,112.14	-	-	-	6,112.14	6,112.14
4,390,000 (March 31, 2019:4,390,000) equity shares of Rs.10 held in Varam Bio Energy Private Limited	-	-	-	439.00	439.00	-	-	-	439.00	439.00
(b) Investment in other companies (Refer Note (i) below)										
133,385,343 (March 31, 2019: 133,385,343;) equity shares of Rs. 10 held in East Coast Energy Private Limited	-	-	-	-	-	-	-	-	-	-
8,180,000 (31 March 2019: 8,180,000;) equity shares of Rs. 10 held in Adhunik Power and Natural Resources Limited	-	-	-	-	-	-	-	-	-	-
39,831,212 (March 31, 2019: 39,831,212;) equity shares of Rs. 10 held in Athena Chattisgarh Power Limited	-	-	-	-	-	-	-	-	-	-

8 Investments	As at March 31, 2020					As at March 31, 2019				
	Fair value through statement of profit and loss	At fair value through other comprehensive income	At amortised cost	At cost	Total	Fair value through statement of profit and loss	At fair value through other comprehensive income	At amortised cost	At cost	Total
12,132,677 (March 31, 2019: nil;) equity shares of Rs. 10 Prayagraj Power Generation Company Limited	-	-	-	-	-	-	-	-	-	-
Investment in optionally convertible debentures										
(a) Investment in associates										
90 (March 31, 2019: 90) optionally convertible debentures of Rs. 10 held in Varam Bio Energy Private Limited	-	-	-	428.58	428.58	-	-	-	428.58	428.58
(b) Investment in others	-	-	20,514.91	-	20,514.91	-	-	-	-	-
200 (March 31, 2019: Nil) optionally convertible debentures of Rs. 10,000,000 held in Ostro Energy Private Limited										
Investment in security receipts										
307,470 (March 31, 2019: 307,470) security receipts of face value Rs.1000 each held in Edelweiss Assets Reconstruction Co Ltd (13,200 @ Rs. 960.93 and 294,270 @ Rs. 991.21) held in Adhunik Power and Natural Resources Limited.	3,043.68	-	-	-	3,043.68	3,043.68	-	-	-	3,043.68
233,750 (March 31, 2019: 233,750) security receipts of Rs. 1000 each held in Phoenix ARC Pvt Ltd-Raigarh Champa Rail Infrastructure Private Limited	1,285.63	-	-	-	1,285.63	1,753.13	-	-	-	1,753.13
552,500 (March 31, 2019: 552,500 face value Rs 1000 each) security receipts of Rs. 516 each held in Phoenix ARC Pvt Ltd-Sispara Renewable Pvt Ltd	2,850.90	-	-	-	2,850.90	4,790.18	-	-	-	4,790.18
7,99,500 (March 31, 2019: Nil;) security receipts of Rs. 1000 each held in Phoenix ARC Pvt Ltd-RKM Powergen Pvt Ltd	7,990.00	-	-	-	7,990.00	-	-	-	-	-
Total Investments (A)	**15,170.21**	-	**20,514.91**	**6,979.72**	**42,664.84**	**9,586.99**	-	-	**6,979.72**	**16,566.71**
Less: Allowance for Impairment Loss (B)	-	-	117.55	6,979.72	7,097.27	-	-		6,979.72	6,979.72
Total Net C= (A)-(B)	**15,170.21**	-	**20,397.36**	-	**35,567.57**	**9,586.99**	-	-	-	**9,586.99**

Note:

(i) Fair value at initial recognition of investment in other companies is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
East Coast Energy Private Limited	13,338.53	13,338.53
Adhunik Power and Natural Resources Limited	819.32	819.32
Athena Chattisgarh Power Limited	3,983.12	3,983.12
Prayagraj Power Generation Company Limited	-	-
	18,140.97	**18,140.97**

(ii) Investments acquired through invocation of pledge shares (collaterals) has not been considered as an investment.

9	Other financial assets	As at March 31, 2020	As at March 31, 2019
	Security deposits	57.49	52.47
	Others	47.50	-
		104.99	**52.47**

10	Current tax assets (net)	As at March 31, 2020	As at March 31, 2019
	Tax assets		
	Advance income tax	101,783.40	89,445.35
	Taxes paid under dispute*	2,034.37	2,034.37
	Tax liabilities		
	Provision for income tax	74,451.07	74,451.07
		29,366.70	**17,028.65**

*Includes amounts under dispute by company/other party. Refer Note 51

11	Deferred tax assets	As at March 31, 2020	As at March 31, 2019
	Tax effect of items constituting deferred tax liabilities		
	Difference between book balance and tax balance of property, plant and equipment and intangible assets	61.47	29.82
	Foreign currency monetary items translation difference account	646.08	885.02
	Special reserve under section 36(1)(viii) of Income-tax Act, 1961	10,378.29	10,378.29
	Financial liabilities measured at amortised cost	661.67	412.07
		11,747.51	**11,705.20**
	Tax effect of items constituting deferred tax assets		
	Provision for employees benefits	161.50	121.79
	Impairment on financial instruments	17,106.62	25,723.54
	Accrued interest deductible on payment	29.40	38.60
	Provision for diminution in value of unquoted non-current trade investments	127.22	99.84
	Financial assets measured at amortised cost	1,423.39	2,177.66
	Tax loss	5,232.22	2,098.31
	Cash flow hedge reserve	200.60	83.13
	Lease liability	30.93	-
		24,311.88	**30,342.87**
	Deferred tax (assets) /liabilities (net)	**(12,564.37)**	**(18,637.67)**

Deferred taxes arising from temporary differences for the year ended 31 March 2020 are summarized as follows:

Deferred tax assets/(liabilities)	As at April 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	As at April 1, 2020
Tax effect of items constituting deferred tax liabilities				
Difference between book balance and tax balance of property, plant and equipment and intangible assets	29.82	31.65	-	61.47
Foreign currency monetary items translation difference account	885.02	(238.94)	-	646.08
Special reserve under section 36(1)(viii) of Income-tax Act, 1961	10,378.29	-	-	10,378.29
Financial liabilities measured at amortised cost	412.07	249.60	-	661.67
	11,705.20	**42.31**	-	**11,747.51**
Tax effect of items constituting deferred tax assets				
Provision for employees benefits	121.79	26.60	13.11	161.50
Impairment on financial instruments	25,723.54	(8,616.92)	-	17,106.62
Accrued interest deductible on payment	38.60	(9.20)	-	29.40
Losses/ diminution in value of investments	99.84	27.38	-	127.22
Financial assets measured at amortised cost	2,177.66	(754.27)	-	1,423.39
Tax loss	2,098.31	3,133.91	-	5,232.22
Cash flow hedge reserve	83.13	-	117.47	200.60
Lease liability	-	30.93	-	30.93
	30,342.87	**(6,161.57)**	**130.58**	**24,311.88**
Deferred tax (assets) /liabilities (net)	**(18,637.67)**	**6,203.88**	**(130.58)**	**(12,564.37)**

*The Company has not elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and it is still under evaluation. Accordingly, the Company has not re-measured its Deferred Tax liabilities basis the rate prescribed in the said section. The impact of this change has not been recognised in the statement of Profit & Loss and other comprehensive income for the year.

12 **Property, plant and equipment**

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

Particulars	Right of use-Buildings	Leasehold improvements	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Computers	Vehicles	Office equipment	Total
Gross carrying amount (at cost)										
As at April 1, 2018	-	**456.24**	-	**11.94**	**3,522.75**	**100.22**	**159.83**	**37.63**	**212.77**	**4,501.38**
Additions	-	-	-	-	-	0.76	34.88	48.00	3.80	87.44
Disposals	-	-	-	-	-	0.93	20.30	19.34	6.57	47.14
As at March 31, 2019	-	**456.24**	-	**11.94**	**3,522.75**	**100.05**	**174.41**	**66.29**	**210.00**	**4,541.68**
Additions	1,574.76	-	3.50		-	-	13.04	-	2.89	1,594.19
Disposals	-	-		-	-	-	7.68	-	2.90	10.58
As at March 31, 2020	**1,574.76**	**456.24**	**3.50**	**11.94**	**3,522.75**	**100.05**	**179.77**	**66.29**	**209.99**	**6,125.29**
Accumulated depreciation										
As at April 1, 2018	-	**301.54**	-	**3.98**	**2,443.75**	**58.94**	**118.68**	**31.49**	**140.12**	**3,098.50**
Charge for the year	-	41.90	-	0.39	137.36	10.68	33.49	2.44	32.31	258.57
Adjustments	-	-	-	-	-	0.82	19.08	17.80	4.91	42.61
As at March 31, 2019	-	**343.44**	-	**4.37**	**2,581.11**	**68.80**	**133.09**	**16.13**	**167.52**	**3,314.46**
Charge for the year	420.42	23.97	-	0.37	120.18	8.10	26.67	15.70	16.79	632.20
Adjustments	-						7.24		1.91	9.15
As at March 31, 2020	**420.42**	**367.41**	-	**4.74**	**2,701.29**	**76.90**	**152.52**	**31.83**	**182.40**	**3,937.51**
Net carrying amount										
As at March 31, 2019	-	**112.80**	-	**7.57**	**941.64**	**31.25**	**41.32**	**50.16**	**42.48**	**1,227.22**
As at March 31, 2020	**1,154.34**	**88.83**	**3.50**	**7.20**	**821.46**	**23.15**	**27.25**	**34.46**	**27.59**	**2,187.78**

(i) Refer note 40 for information on property, plant and equipment pledged as security by the Company.
(ii) Lease of office building is recognised as right-of-use assets in accordance with Ind AS 116. Refer note 45

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Intangible asset	**Computer software**	**Total**
Gross carrying amount (at cost)		
As at April 1, 2018	**263.73**	**263.73**
Additions	1.44	1.44
Disposals	-	-
As at March 31, 2019	**265.17**	**265.17**
Additions	-	-
Disposals	-	-
As at March 31, 2020	**265.17**	**265.17**
Accumulated depreciation		
As at April 1, 2018	**247.04**	**247.04**
Charge for the year	14.08	14.08
Adjustments	-	-
As at March 31, 2019	**261.12**	**261.12**
Charge for the year	1.96	1.96
Adjustments	-	-
As at March 31, 2020	**263.08**	**263.08**
Net carrying amount		
As at March 31, 2019	**4.05**	**4.05**
As at March 31, 2020	**2.09**	**2.09**

14 Other non-financial assets	As at 31 March 2020	As at 31 March 2019
Capital advances*	1,538.85	1,538.84
Prepaid expense	64.40	37.80
Balances with government authorities	85.63	3.08
	1,688.88	**1,579.72**

* Capital advance includes transfer charges Rs.10.26 Crore deposited by the Company to Yamuna Expressway Industrial Development Authority (YEIDA) for transfer of land. YEIDA has forfeited the deposit amount citing the reason as delay in registration. However, the delay is not attributable to the Company. The management assessed that the forfeiture is not justified and exploring legal options against the unjustifiable action of YEIDA.

15 Debt securities	As at 31 March 2020	As at 31 March 2019
At amortised cost		
Secured		
Infrastructure bonds (i)	13,637.35	14,085.66
Debentures (ii)	27,660.75	39,143.78
Total	**41,298.10**	**53,229.44**
Debt securities in India	18,137.35	20,081.72
Debt securities outside India	23,160.75	33,147.72
	41,298.10	**53,229.44**

(i) Infrastructure bonds

51,272 (March 31, 2019: 52,295) privately placed 8.25%/8.30% secured redeemable non-convertible long-term infrastructure bonds of Rs 5,000 each (Infra Series 1) amounting to Rs 2,563.60 lakhs (March 31, 2019: Rs 2,614.75 lakhs) allotted on March 31, 2011 redeemable at par in 5 to 10 years commenced from March 31, 2016 are secured by way of first charge on the receivables of the assets created from the proceeds of infrastructure bonds and other unencumbered receivables of the Company to provide 100% security coverage. During the year, the company has repaid Rs 51.15 lakhs (March 31, 2019: Rs 145.10 lakhs) under buyback scheme exercised by eligible holders of infrastructure bonds in FY2019-20 as per terms of Infra Series 1. 221,473 (March 31, 2019: 229,460) privately placed 8.93%/9.15% secured redeemable non-convertible long-term infrastructure bonds of Rs 5,000 each (Infra Series 2) amounting to Rs 11,073.65 lakhs (March 31, 2019: Rs 11,473.00 lakhs) allotted on March 30, 2012 redeemable at par in 5 to 15 years commencing from March 30, 2017 are secured by way of first charge on the receivables of the assets created from the proceeds of infrastructure bonds and other receivables of the Company to provide the 100% security coverage. During the year, the company has repaid Rs 399.35 lakhs (March 31, 2019: Rs 811.25 lakhs) under buyback scheme exercised by eligible holders of infrastructure bonds in FY2019-20 as per terms of Infra Series 2.

(ii) Debentures

900 (March 31, 2019: 900) privately placed 10.50% secured redeemable non-convertible debentures of Rs 500,000 each (March 31, 2019: Rs 666,667 each) (Series 3) amounting to Rs 4,500.00 lakhs (March 31, 2019: Rs 6,000.00 lakhs) were allotted on January 27, 2011 redeemable at par in six equal annual instalments commencing from January 26, 2018.

Series 3 debentures are secured by way of mortgage of immovable building and first charge by way of hypothecation of the receivables of the loan assets created from the proceeds of respective debentures. Further, the same have also been secured by pari-passu charge by way of hypothecation of the receivables of loan assets created by the Company out of its own sources which are not charged to any other lender of the Company to the extent of 125% of debentures.

2,135 (March 31, 2019: 2,135) privately placed 9.62% secured redeemable non-convertible debentures of Rs. 670,000 each (March 31, 2019 : Rs 1,000,000 each) (Series 4) amounting to Rs 14,304.50 lakhs (March 31, 2019 : Rs 21,350.00 lakhs were allotted on June 03, 2015 redeemable at par in 3 tranches divided in 33% of face value on May 28, 2019, 33% of face value on May 28, 2021 and balance 34% of face value on May 28, 2025.

Series 4 debentures are secured by way of first charge by way of hypothecation of the specified receivables of the Company comprising asset cover of at least 110% of the amount of the Debentures.

1,500 (March 31, 2019: 1,500) privately placed 9.80% secured redeemable non-convertible debentures of Rs. 600,000 each (March 31, 2019 : Rs 800,000 each) (Series 5) amounting to Rs 9,000.00 lakhs (March 31, 2019 : Rs 12,000.00 lakhs were allotted on June 16, 2015 redeemable at par in five equal annual instalments commencing from June 12, 2018.

Series 5 debentures are secured by way of first ranking exclusive charge by way of hypothecation of the identified receivables of the Company comprising asset cover of at least 100% of the amount of the Debentures.

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Borrowings (other than debt securities)	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Secured		
Loans		
- from banks (i)	843,090.07	935,608.46
- from financial institutions (ii)	10,273.68	66,000.00
-External commercial borrowings from financial institutions (iii)	31,601.45	36,995.33
Lease liability	1,228.56	-
Total	**886,193.76**	**1,038,603.79**
Borrowings in India	854,592.31	1,001,608.46
Borrowings outside India	31,601.45	36,995.33
Total	**886,193.76**	**1,038,603.79**

(i) Term loan from bank

Term loans from banks carry interest ranging from 7.80% to 9.75% p.a. The loans carry various repayment schedules according to their respective sanctions and thus are repayable in 12 to 48 quarterly instalments. The loans are secured by first pari-passu charge on receivables of loan assets by way of hypothecation (other than assets created/ to be created in favour of specific lenders) so that lenders should have at least 100%/ 111% security coverage on its outstanding loan at all times during the currency of the loan.

(ii) Term loan from financial institution

Loan from financial institution carry interest of 11% p.a. The loan is repayable in 12 equated monthly instalments. The loan is secured by first pari-passu charge on receivables of loan assets by way of hypothecation (other than assets created/ to be created in favour of specific lenders) so that lenders should have at least 110% security coverage on its outstanding loan at all times during the currency of the loan.

(ii) External commercial borrowings

External Commercial Borrowings ("ECB") carry interest ranging from 3 months LIBOR+1.90% to LIBOR+3.10% p.a. The loans are repayable in 32/36 equal quarterly instalments as per the due dates specified in the respective loan agreements. The borrowings are secured by way of first ranking exclusive charge on all present and future receivables of the eligible loan assets created by the proceeds of ECB. During the year ended March 31, 2020, four quarterly repayments of ECB loans has been made amounting to USD 11,638,888 (Rs. 8,111.11 Lakhs).

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Other financial liabilities	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on borrowings		
- Term loan	1,397.32	1,581.73
- Debentures	819.86	1,162.63
- Infrastructure bonds	10,166.60	8,810.08
Unclaimed dividend	61.95	46.88
Unclaimed interest on debentures	461.61	621.36
Deferred processing/upfront fees	938.67	1,727.23
Income received in advance	182.20	220.33
Security deposit from borrowers	9,723.00	5,773.00
	23,751.21	**19,943.24**

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Provisions	As at March 31, 2020	As at March 31, 2019
Gratuity	191.04	140.61
Compensated absences	211.98	178.01
Other employees benefits	59.16	29.92
	462.18	**348.54**

19 **Other non-financial liabilities**

Other non-financial liabilities	As at March 31, 2020	As at March 31, 2019
Statutory remittances	331.39	186.41
	331.39	**186.41**

20 **Equity share capital**

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Equity share capital		
1,250,000,000 (March 31, 2019: 1,250,000,000) equity shares of Rs.10 each	125,000.00	125,000.00
Authorised Preference share capital		
750,000,000 (March 31, 2019: 750,000,000) preference shares of Rs.10 each	75,000.00	75,000.00
Total	**200,000.00**	**200,000.00**
Issued, subscribed and paid up Equity share capital		
642,283,335 (March 31, 2019: 642,283,335) equity shares of Rs. 10 each fully paid up	64,228.33	64,228.33
	64,228.33	**64,228.33**

Each holder of equity shares is entitled to one vote per share and ranks pari passu. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(i) **Movement in issued, subscribed and paid up Equity Share Capital**

Particulars	Equity Share Capital	
	Number of shares	Amount
As at April 1, 2018	**642,283,335**	**64,228.33**
Add: Equity shares issued during the year	-	-
As at March 31, 2019	**642,283,335**	**64,228.33**
Add: Equity shares issued during the year	-	-
As at March 31, 2020	**642,283,335**	**64,228.33**

(ii) **Shareholders holding more than 5% shares are set out below:**

	As at March 31, 2020		As at March 31, 2019	
Particulars	**Number of shares**	**%**	**Number of shares**	**%**
PTC India Limited#	417,450,001	64.99	417,450,001	64.99

Holding company by virtue of holding more than one-half of equity share capital.

(iii) The Company has neither issued equity shares pursuant to contract without payment being received in cash nor any bonus shares in the current year and five years immediately preceding the balance sheet date.

21 **Other equity**

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium account	61,280.57	61,280.57
Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1961)	35,062.51	32,862.53
Special reserve (in terms of Section 36(1)(viii) of the Income tax Act, 1961)	29,699.78	29,699.78
Impairment reserve	5,768.65	-
Equity instruments through other comprehensive income	(18,140.97)	(18,140.97)
Cash flow hedge reserve	(373.46)	(154.77)
Foreign currency monetary items translation difference account	(2,268.98)	(2,533.57)
Retained earnings	36,225.63	39,413.23
Total	**147,253.73**	**142,426.80**

(i) Securities premium account

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**61,280.57**	**61,280.57**
Add: Amount received pursuant to issue of equity shares	-	-
Closing balance	**61,280.57**	**61,280.57**

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the relevant statutes.

(ii) Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1961)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**32,862.53**	**29,179.68**
Add: Transferred from Retained earnings	2,199.98	3,682.85
Closing balance	**35,062.51**	**32,862.53**

This reserve is maintained in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1961.The reserve is utilised in accordance with the provisions of the relevant statutes.

(iii) Special reserve (in terms of Section 36(1)(viii) of the Income tax Act, 1961)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**29,699.78**	**29,699.78**
Add: Transferred from Retained Earnings	-	-
Closing balance	**29,699.78**	**29,699.78**

This reserve is maintained in accordance with the provisions of Section 36(1)(viii) of the Income tax Act, 1961. The reserve is utilised in accordance with the provisions of the relevant statutes.

(iv) Impairment Reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance		
Add: Transferred from Retained Earnings	5,768.65	-
Closing balance	**5,768.65**	-

This reserve is maintained in accordance with the RBI Circular on Implementation of Ind AS dated March 13, 2020.The reserve is utilised in accordance with the provisions of the relevant circular. Refer note 46

(v) Equity instruments through other comprehensive income

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**(18,140.97)**	**(14,937.10)**
Add: Change in fair value of FVOCI equity investments	-	(3,203.87)
Add/less: Tax impact	-	-
Closing balance	**(18,140.97)**	**(18,140.97)**

The Company has elected to recognise changes in fair value of equity investments in other comprehensive income. These changes are accumulated within the "Reserve for equity instruments through other comprehensive income". The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(vi) Cash flow hedge reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**(154.77)**	**-**
Add: Changes in fair value of derivative contracts- gain/ (loss)	(1,660.68)	(401.50)
Less: Amount reclassified to profit or loss	1,324.52	163.60
Less: Tax impact	117.47	83.13
Closing balance	**(373.46)**	**(154.77)**

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with its foreign currency borrowings. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedge reserve. Amounts recognised in the cash flow hedge reserve is reclassified to profit or loss when hedged item affects profit or loss.

(vii) Foreign currency monetary items translation difference account

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**(2,533.57)**	**(1,749.21)**
Add/(less): Effect of foreign exchange rate variations during the year (net)	(1,653.41)	(2,451.19)
Add/less: Amortisation for the year	1,918.00	1,666.83
Closing balance	**(2,268.98)**	**(2,533.57)**

Foreign currency monetary items translation difference account comprises of the unamortised loss/gain on long term foreign currency monetary items (except derivative financial instruments), for which the Previous GAAP policy is carried forward.

(viii) Retained earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**39,413.23**	**26,233.02**
Add: Net profit for the year	10,999.89	18,414.26
Add: Remeasurement of post-employment benefit obligation, net of tax	(24.40)	(2.58)
Less: Transferred to statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(2,199.98)	(3,682.85)
Less: Trasfer to Impairment Reserve	(5,768.65)	-
Less: Dividend on equity shares [Rs. 0.80 per equity share (March 31, 2019: Re. 0.20 per equity share]	(5,138.27)	(1,284.57)
Less: Tax on equity dividend	(1,056.19)	(264.05)
Closing balance	**36,225.63**	**39,413.23**

Distributions made and proposed

Particulars	As at March 31, 2020	As at March 31, 2019
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended March 31, 2019: Rs. 0.80 per share (March 31, 2018: Rs. 0.20 per share)	5,138.27	1,284.57
Dividend Distribution tax on final dividend	1,056.19	264.05
Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Proposed dividend on Equity Shares:		
Final dividend for the year ended March 31, 2020: Rs. 0.45 per share (March 31, 2019: Rs. 0.80 per share) *	2,890.28	5,138.27
Dividend Distribution tax on proposed dividend	-	1,056.19

* Approved by the Board of Directors of the Company in its meeting held on June 13, 2020.

22	Interest income	For the year ended March 31, 2020	For the year ended March 31, 2019
	Interest income from loan financing	130,834.14	128,433.77
	Interest income from debentures	1,305.56	-
	Interest on fixed deposits	278.96	76.98
	Interest income on other financial assets	7.03	6.33
		132,425.69	**128,517.08**

23	Fee and commission Income	For the year ended March 31, 2020	For the year ended March 31, 2019
	Fee based income	3,486.64	3,474.71
		3,486.64	**3,474.71**

24	Net gain on fair value changes	For the year ended March 31, 2020	For the year ended March 31, 2019
	"Net gain /(loss) on financial instruments at fair value through profit or loss"		
	- Gain on MTM of derivatives	117.80	1,042.59
		117.80	**1,042.59**

25	Other income	For the year ended March 31, 2020	For the year ended March 31, 2019
	Consultancy and other services	14.09	71.75
	Profit on sale of property, plant and equipment	0.34	4.93
	Interest on income tax refund	3.88	129.42
	Miscellaneous Income	527.72	3.55
		546.03	**209.65**

26	Finance costs (on financial liabilities measured at amortised cost)	For the year ended March 31, 2020	For the year ended March 31, 2019
	Interest expenses on:		
	Borrowings:		
	-On Loans from banks/ financial institutions	84,396.95	79,818.81
	-On External commercial borrowings	2,295.17	2,770.89
	-On lease liability	142.14	-
	Debt securities		
	-On Infra bonds	2,031.11	2,076.76
	-On Debentures	3,094.26	4,130.61
	-On Commercial paper	301.94	3,549.32
	Other interest expenses:		
	- Delayed payment of income tax	0.10	0.97
	- Interest expense on security deposits	658.45	47.99
	Other Borrowing Costs:		
	- Loss/amortisation of foreign currency transaction/transalation	1,924.52	2,035.71
		94,844.64	**94,431.06**

27	Fees and commission expense	For the year ended March 31, 2020	For the year ended March 31, 2019
	Other charges on term loans and other borrowings	190.75	116.47
		190.75	**116.47**

28	Impairment on financial instruments	For the year ended March 31, 2020	For the year ended March 31, 2019
	Impairment loss on financial instruments based on category of financial instrument:		
	Loans*	18,809.82	5,391.36
	Others	760.73	666.89
		19,570.55	**6,058.25**

* Refer note 44 (A.4)

29	Employees benefit expense	For the year ended March 31, 2020	For the year ended March 31, 2019
	Salaries and other allowances	1,439.49	1,241.33
	Contribution to provident fund	61.52	55.41
	Staff welfare expense	139.91	107.65
		1,640.92	**1,404.39**

30	Depreciation and amortisation expense	For the year ended March 31, 2020	For the year ended March 31, 2019
	Depreciation on tangible assets and right-of-use (Refer note 12)	632.20	258.57
	Amortisation on intangible assets (Refer note 13)	1.96	14.08
		634.16	**272.65**

31	Other expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
	Rent	36.19	495.43
	Repairs and maintenance		
	- Plant and equipment	104.69	104.52
	- others	71.79	106.58
	Insurance	20.97	36.96
	Rates and taxes	4.57	68.07
	Communication	28.99	25.90
	Travelling and conveyance	86.77	90.13
	Advertising and business development	74.57	57.56
	Donation	40.67	0.45
	Corporate social responsibility expenses	641.27	916.41
	Legal and professional	1,419.30	1,003.89
	Auditor remuneration:*	-	
	- For statutory audit	18.60	22.25
	- For quarterly audit/limited review	16.92	18.00
	- For tax audit	1.86	2.75
	- For other certification and reporting	7.68	17.15
	- For out of pocket expenses	3.72	0.49
	Loss on sale of property, plant and equipment	0.82	-
	AGM expenses	20.16	23.10
	Bank charges	3.59	1.62
	Directors' sitting fees	87.64	82.84
	Miscellaneous expenses	195.48	194.34
		2,886.25	**3,268.44**

*Previous year figures related to erstwhile auditor. Also, in current year includes Rs. 21.46 paid to erstwhile auditor.

32 **Income tax expense**

Income tax expense recognised in Statement of profit and loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
In respect of the current year	-	-
	-	-
Deferred tax charge/ (benefits)		
In respect of the current year	6,203.88	9,685.70
	6,203.88	**9,685.70**

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:-

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	17,203.77	28,099.96
Domestic tax rate	34.944%	34.944%
Expected tax expense [A]	**6,011.69**	**9,819.25**
Adjustment for tax-exempt income/ non-deductible expenses	265.97	121.35
Reversal during tax holiday period	(73.78)	(12.99)
Adjustment for change in tax rate during the year	-	(179.81)
Others	-	(62.10)
Total adjustments [B]	**192.19**	**(133.55)**
Actual tax expense [C=A+B]	**6,203.88**	**9,685.70**
Tax expense comprises:		
In respect of the current year	-	-
Deferred tax credit	6,203.88	9,685.70
Tax expense recognized in profit or loss [D]	**6,203.88**	**9,685.70**

Income tax expense recognized in other comprehensive income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income tax relating to cash flow hedge reserve	117.47	83.13
Income tax relating to remeasurement gains/(losses) on defined benefit plans	13.11	1.39
	130.58	**84.52**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	13.11	1.39
Items that will be reclassified to profit or loss	117.47	83.13
	130.58	**84.52**

33 **Contingent liabilities and commitments**

Particulars	As at March 31, 2020	As at March 31, 2019
a) In respect of following:		
- Income tax matters	3,163.15	3,042.72
b) Commitments		
- Loan financing	38,942.00	91,557.44
- Capital commitments	5,150.00	5,150.00
c) Guarantees furnished to bank	-	-

The above matters are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of the management, have a material effect on financial position of the Company. Amount above does not include the contingencies the likelihood of which is remote.

34 **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006***

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year/period.	13.75	13.75
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year/period.	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
The amount of interest due and payable for the year/period.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year/period.	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

* No interest is payable on outstanding amount.

35 **Change in liabilities arising from financing activities**

Particulars	Debt securities	Borrowings (Other than debt securities)	Total
As at April 1, 2018	**98,048.93**	**924,837.20**	**1,022,886.13**
Cash flows:			
Proceeds from debt securities/borrowings	-	407,434.65	407,434.65
Repayment of debt securities/borrowings	(45,456.36)	(293,963.81)	(339,420.17)
Non-cash:			
Foreign currency fluctuation impact	-	743.86	743.86
Impact of borrowings measured at amortised cost	636.87	(448.11)	188.76
As at March 31, 2019	**53,229.44**	**1,038,603.79**	**1,091,833.23**
Cash flows:			
Proceeds from debt securities/borrowings	10,000.00	92,614.71	102,614.71
Repayment of debt securities/borrowings	(21,995.89)	(246,016.61)	(268,012.50)
Non-cash:			
Lease liability	-	1,228.56	1,228.56
Foreign currency fluctuation impact	-	(264.59)	(264.59)
Impact of borrowings measured at amortised cost	64.55	27.90	92.45
As at March 31, 2020	**41,298.10**	**886,193.76**	**927,491.86**

36 **Disclosures under Ind AS 19 (Employee benefits)**
The details of various employee benefits provided to employees are as under:

Defined contribution plans

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provident fund	61.52	55.41

Defined benefit plans:
The Company has following defined benefit plans for its employees

- Gratuity: The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.
- Post-Retirement Medical Benefit: The Company operates post-employment medical benefits scheme. The liability is recognised on the basis of actuarial valuation."

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk , longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2020 by Mr. K.K. Dharni (FIAI M.No. 00051) , Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Principal assumptions:	**Gratuity/Post Medical retirement benefit**	
	As at March 31, 2020	**As at March 31, 2019**
Discount rate	6.76%	7.65%
Future salary increase	8.50%	9.00%
Retirement age	60/62	60/62
Withdrawal rate	1-3%	1-3%
In service mortality	IALM (2012-14)	IALM (2006-08)

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows :-

Particulars	**Gratuity**		**Post Medical retirement benefit**	
	Year ended March 31, 2020	**Year ended March 31, 2019**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Service cost				
Current service cost	27.82	23.93	6.71	3.69
Past service cost and (gain)/Loss from settlements	-	-	-	-
Net interest expense	10.76	10.04	2.29	1.86
Component of defined benefit cost recognised in profit or loss	**38.58**	**33.97**	**9.00**	**5.55**
Remeasurement on the net defined benefit liability:				
Actuarial (gains)/ losses arising from changes in demographic assumptions	0.11	-	0.13	-
Actuarial (gains)/ losses arising from changes in financial assumptions	9.46	14.29	7.01	2.80
Actuarial (gains)/ losses arising from experience adjustments	7.70	(10.56)	13.10	(2.56)
Movements in the present value of the defined benefit obligation are as follows :-	17.27	3.73	20.24	0.24

The Current Service Cost and the net interest expense for the year are included in the Employee benefits expenses line items in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	**Gratuity**		**Post Medical retirement benefit**	
	Year ended March 31, 2020	**Year ended March 31, 2019**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Present value of obligation as at the beginning	140.61	130.22	29.92	24.12
Current service cost	27.82	23.93	6.71	3.69
Interest cost	10.76	10.04	2.29	1.86
Past service cost including curtailment gains/ losses	-	-	-	-
Benefits paid	(5.42)	(27.31)	-	-
Net actuarial (gain) / loss recognised	17.27	3.73	20.24	0.24
Present value of obligation as at the end	191.04	140.61	59.16	29.92

The reconciliation of the Company's defined benefit obligations (DBO) and plan assets in respect of defined benefit plans to the amounts presented in the statement of balance sheet is presented below:

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Present Value of funded defined benefit obligation	191.04	140.61
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	191.04	140.61

Particulars	Post Medical retirement benefit	
	As at March 31, 2020	As at March 31, 2019
Present Value of funded defined benefit obligation	59.16	29.92
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	59.16	29.92

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase, mortality, etc. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 0.5 basis points higher (lower), the defined benefit obligation would decrease by Rs. 22.06 lakhs (increase by Rs. 24.41 lakhs) [March 31, 2019: 15.84 lakhs (increase by Rs. 16.98 lakhs)].

- If the expected salary growth increases (decreases) by 0.5 basis points, the defined benefit obligation would increase by Rs. 12.86 lakhs (decrease by Rs. 11.82 lakhs) [March 31, 2019: increase by Rs. 9.96 lakhs (decrease by Rs. 9.14 lakhs)].

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Other disclosures

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2020	As at March 31, 2019
Average duration of the defined benefit obligation (in years)		
Less than 1 year	2.56	2.01
Between 1-2 years	16.77	2.36
Between 2-5 years	44.57	44.01
Over 5 years	186.30	122.14
Total	**250.20**	**170.52**

37 **Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	22,318.00	-	22,318.00	3223.49	-	3,223.49
Bank balances other than (a) above	9,305.81	11,658.99	20,964.80	668.24	-	668.24
Derivative financial instruments	-	2,161.77	2,161.77	-	1,997.22	1,997.22
Trade receivables	396.70	-	396.70	861.14	-	861.14
Loans	85,337.33	951,522.79	1,036,860.12	114,638.00	1,149,807.23	1,264,445.23
Investments	-	35,567.57	35,567.57	-	9,586.99	9,586.99
Other financial assets	-	104.99	104.99	-	52.47	52.47
Non-financial assets						
Current tax assets (Net)	-	29,366.70	29,366.70	-	17,028.65	17,028.65
Deferred tax assets (Net)	-	12,564.37	12,564.37	-	18,637.67	18,637.67
Property, Plant and Equipment	-	1,033.44	1,033.44	-	1,227.22	1,227.22
Right of use-Buildings	-	1,154.34	1,154.34	-	-	-
Intangible asset	-	2.09	2.09	-	4.05	4.05
Other non-financial assets	150.03	1,538.85	1,688.88	8.29	1,571.43	1,579.72
Total Assets	**117,507.87**	**1,046,675.90**	**1,164,183.77**	**119,399.16**	**1,199,912.93**	**1,319,312.09**
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	-	-	-	23.00	23.00
Payables						
Trade Payables						
(i) total outstanding dues to micro and small enterprises	13.75	-	13.75	13.75	-	13.75
(ii) total outstanding dues of creditors other than micro and small enterprises	651.32	-	651.32	308.79	-	308.79
Debt securities	18,137.25	23,160.85	41,298.10	25,500.00	27,729.44	53,229.44
Borrowings (Other than debt securities)	179,638.97	706,554.79	886,193.76	332,635.00	705,968.79	1,038,603.79
Other financial liabilities	14,514.54	9,236.67	23,751.21	12,443.01	7,500.23	19,943.24
Non-Financial Liabilities						
Provisions	7.65	454.53	462.18	6.42	342.12	348.54
Other non-financial liabilities	331.39	-	331.39	186.41	-	186.41
Total Liabilities	**213,294.87**	**739,406.84**	**952,701.71**	**371,093.38**	**741,563.58**	**1,112,656.96**
Net equity	**(95,787.00)**	**307,269.06**	**211,482.06**	**(251,694.22)**	**458,349.35**	**206,655.13**

38 **Segment reporting**

The Company's main business is to provide finance for energy value chain through investment and lending into such projects. All other activities revolve around the main business. The Company does not have any geographic segments. As such, there are no separate reportable segments as per IND AS 108 on "Segment Reporting" as per section 133 of the Companies Act, 2013.

39 **Related party disclosures under Ind AS 24**

Related party disclosures

Name of related parties and their relationship:

Name of related party	**Nature of Relationship**
PTC India Limited	Holding company
PTC Energy Limited	Fellow subsidiary company
R.S. India Wind Energy Private Limited	Associate company
Varam Bio Energy Private Limited	Associate company
PTC Foundation	Trust to Holding company
Key management personnel:	
Shri Deepak Amitabh	Chairman and Non Executive Director
Dr. Pawan Singh	Managing Director and CEO
Shri Naveen Kumar	Whole Time Director
Mrs. Pravin Tripathi	Independent Director
Dr. Rajib K. Mishra	Nominee Director
Shri Kamlesh S. Vikamsey	Independent Director
Shri Santosh B. Nayar	Independent Director
Dr. Nagesh Singh	Independent Director (w.e.f. 30th August 2019)
Shri Rakesh Kacker	Nominee Director (w.e.f. 10th October 2019)
Shri Thomas Mathew T.	Independent Director (w.e.f. 10th October 2019)
Shri H L Bajaj	Independent Director (ceasesd w.e.f 29th June 2019)
Shri Chinmoy Gangopadhyay	Nominee Director (ceased w.e.f 30th April 2019)
Mr. Sanjay Rustagi	Chief Financial Officer
Mr. Vishal Goyal	Company Secretary

Transactions with the key management personnel during the year:

Particulars	**Nature of transaction**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Dr. Pawan Singh	**Remuneration**		
	Short-term benefits	99.51	87.68
	Post-employment benefits	5.78	3.87
	Other long-term benefits	3.88	5.92
		109.17	**97.47**
Shri Naveen Kumar	**Remuneration**		
	Short-term benefits	83.03	68.01
	Post-employment benefits	1.47	1.25
	Other long-term benefits	2.31	2.16
		86.81	**71.42**
Dr. Ashok Haldia	**Remuneration**		
	Short-term benefits	9.21	55.83
	Post-employment benefits	-	15.77
	Other long-term benefits	0.84	27.31
		10.05	**98.91**
Non-Executive Independent Director	Sitting fees	80.40	76.00
	Reimbursement of expenses	0.96	1.04
		81.36	**77.04**

* Includes payment on retirement in the current year.

Transactions with the related parties

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
With Holding company		
Expenses reimbursed	29.77	60.91
Expenses paid	4.73	29.36
Director sitting fees	20.00	16.80
Dividend paid	3,339.60	834.90
With fellow subsidiary company		
Interest income	1,104.04	647.31
Fee based income	60.93	-
Expenses paid	2.94	6.29
Expenses reimbursed	15.29	33.58
With Trust to Holding Company		
Amount paid for CSR spend	620.43	689.60

Loans to fellow subsidiary company

PTC Energy Limited

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Beginning of the year	6,145.66	6,668.69
Loan Disbursed	7,500.00	-
Loan repayments received	(523.04)	(523.03)
Interest charged	1,104.04	647.31
Interest received	(1,104.04)	(647.31)
End of the year	**13,122.62**	**6,145.66**

Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2020	As at March 31, 2019
PTC Energy Limited	Payables	13.67	32.51
PTC Energy Limited	Receivables- loan given	13,122.62	6,145.66

40 Details of assets pledged/ hypothecated as security:

The carrying amounts of assets pledged/ hypothecated as security for current and non-current borrowings are:

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current assets		
Property, plant and equipment	7.20	7.57
Loans	1,084,749.27	1,337,464.89
Trade receivables	396.70	861.14

41 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period.

42.1 **Capital management**

The capital management objectives of the Company are:

- to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios

- to ensure the ability to continue as a going concern

- to provide an adequate return to shareholders

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares, or sell assets to reduce debt. The Company has a target gearing ratio of 3.00 to 4.50 determined as a proportion of net debt to total equity.

41.2 **Regulatory capital**

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off- balance sheet items. Out of this, Tier I capital shall not be less than 10%. The BoDs regularly monitors the maintenance of prescribed levels of Capital Risk Adjusted Ratio (CRAR). Further, the Company also ensures compliance of guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

Capital Adequacy Ratio (CAR) and other key financial parameters of the Company are as under:

Capital Adequacy ratio - Tier I	23.03%
Capital Adequacy ratio - Tier II	0.58%
	23.61%

42. **Categories of financial instruments**

42.1 **The Carrying value of financial assets and liabilities are as follows :-**

As at March 31, 2020				
Particulars	**Fair value through P&L**	**Fair value through OCI**	**Amortised cost**	**Total**
Financial Assets				
Investments	15,170.21	-	20,397.36	35,567.57
Loans	-	-	1,036,860.12	1,036,860.12
Derivative assets	1,378.83	782.94	-	2,161.77
Trade Receivables	-	-	396.70	396.70
Cash and cash equivalents	-	-	22,318.00	22,318.00
Bank balances other than above	-	-	20,964.80	20,964.80
Other financial assets	-	-	104.99	104.99
Total financial assets	**16,549.04**	**782.94**	**1,101,041.97**	**1,118,373.95**
Debt Securities	-	-	41,298.10	41,298.10
Borrowings (Other than debt securities)	-	-	886,193.76	886,193.76
Derivative liabilities	-	-	-	-
Trade payables	-	-	665.07	665.07
Other financial liabilities	-	-	23,751.21	23,751.21
Total financial liabilities	-	-	**951,908.14**	**951,908.14**

As at March 31, 2019				
Particulars	**Fair value through P&L**	**Fair value through OCI**	**Amortised cost**	**Total**
Financial Assets				
Investments	9,586.99	-	-	9,586.99
Loans	-	-	1,264,445.23	1,264,445.23
Derivative assets	1,997.22	-	-	1,997.22
Trade Receivables	-	-	861.14	861.14
Cash and cash equivalents	-	-	3,223.49	3,223.49
Bank balances other than above	-	-	668.24	668.24
Other financial assets	-	-	52.47	52.47
Total financial assets	**11,584.21**	**-**	**1,269,250.57**	**1,280,834.78**
Debt Securities	-	-	53,229.44	53,229.44
Borrowings (Other than debt securities)	-	-	1,038,603.79	1,038,603.79
Derivative liabilities	-	23.00	-	23.00
Trade payables	-	-	322.54	322.54
Other financial liabilities	-	-	19,943.24	19,943.24
Total financial liabilities	**-**	**23.00**	**1,112,099.01**	**1,112,122.01**

43. Fair value measurement of financial assets and liabilities

"Financial assets and financial liabilities measured at fair value in the Statement of Balance Sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability."

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at March 31, 2020:

	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets carried at FVOCI	-	-	-	-
Investments	-	-	15,170.21	15,170.21
Derivative instruments (net)	-	2,161.77	-	2,161.77

As at March 31, 2019

	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets carried at FVOCI	-	-	-	-
Investments	-	-	9,586.99	9,586.99
Derivative instruments (net)	-	1,974.22	-	1,974.22

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2020 and March 31, 2019 :

Particulars	**Investments**	**Unlisted equity securities***	**Total**
As at March 31, 2019	**9,586.99**	**-**	**9,586.99**
Acquisitions	7,990.00	-	7,990.00
Gains/(losses) recognized in profit or loss	(472.82)	-	(472.82)
Gains/(losses) recognized in other comprehensive income	-	-	-
Disposal/acquisition	(1,933.96)	-	(1,933.96)
As at March 31, 2020	**15,170.21**	**-**	**15,170.21**

There are no financial liabilities measured at fair value on recurring basis. There were no transfers between the 3 levels in the reporting periods.

* Net of provision.

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial statements approximate their fair values.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Infrastructure Bonds	13,637.35	13,637.35	14,085.66	14,087.75
Debentures	27,660.75	28,126.48	39,143.78	39,268.41

Particulars	Fair value hierarchy As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial Liabilities at amortised cost				
Infrastructure Bonds	-	-	13,637.35	13,637.35
Debentures		-	28,126.48	28,126.48

Particulars	Fair value hierarchy As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial Liabilities at amortised cost				
Infrastructure Bonds	-	-	14,087.75	14,087.75
Debentures	-	-	39,268.41	39,268.41

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:-

-Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments, as described below:

a) Security receipts are valued with reference to sale price observable in the market.

b) The Company's foreign currency and interest rate derivative contracts are not traded in active markets. Fair valuation of such instruments are provided by the dealer who are recognised banks and use widely acceptable techniques. The effects of non-observable inputs are not significant for foreign currency forward contracts.

The Company performs valuations in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

-Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

-Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. as such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

44 Financial risk management

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Loan receivables, Cash and bank balances, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Expected loss analysis	Credit risk analysis, diversification of customers/asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	"Rolling cash flow forecasts"	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Derivative contracts/hedging
Market risk - interest rate	Non-current borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security price	Investments in equity securities	Sensitivity analysis	Portfolio diversification, exposure limits

The Board has the overall responsibility of risk management which take care of managing overall risk in the organization. In accordance with the RBI guidelines to enable NBFCs to adopt best practices and greater transparency in their operations, the Board of Directors of the Company has constituted a Risk Management Committee to review risk management in relation to various risks, namely, market risk, credit risk, and operational risk, including Asset Liability Management.

A) **Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company has established various internal risk management process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Credit risk arises from loans financing, cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions, as shown below:

Particulars	**Balance as at March 31, 2020**	**Balance as at March 31, 2019**
Loans	1,036,860.12	1,264,445.23
Investments in Debentures	20,397.36	-
Trade receivables	396.70	861.14
Cash and cash equivalents	22,318.00	3,223.49
Other bank balances	20,964.80	668.24
Other financials asset	104.99	52.47

a) **Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system and external ratings.

From credit risk perspective, the Company's lending portfolio can be segregated into following broad categories:

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

The company provides for expected credit loss based on the following:

Nature	**Assets covered**	**Basis of expected credit loss**
Low credit risk	Trade receivables, Cash and cash equivalents, other bank balances, loans, Investments and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss
High credit risk	Loans	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Low credit risk		
Trade receivables	396.70	938.82
Cash and cash equivalents	22,318.00	3,223.49
Bank balances other than above	20,964.80	668.24
Loans	884,873.76	1,134,991.61
Investment in Debentures	20,514.91	-
Other financial assets	104.99	52.47
Moderate credit risk		
Loans	104,553.33	67,694.74
High credit risk		
Loans	95,325.03	134,782.98
Investments in Debentures	428.58	428.58

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Trade receivables measured at amortized cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously.

Loans

Credit risk related to borrower's are mitigated by considering collateral's from borrower's. The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become one year past due.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b) Credit risk exposure

b) ii) Expected credit loss for loans

A.1 Credit risk measurement

The Company measures credit risk of its exposure using:

(a) Internal Rating: Internal ratings are based on board approved policy that guides credit analysis to place borrowers in watch list based on specific risk factors such as project progress schedule, promoter’s contribution, PPA status etc.

(b) External rating: PFS also captures external rating of their borrowers done by RBI approved rating agencies like ICRA, Care etc.

These two together helps the Company in better monitoring of its borrowers. The staging criteria for ECL computation is also driven by these two criteria. Staging of an account gets impacted by taking into consideration both internal rating and external rating.

A.2 Expected credit loss measurement

A.2.1 Significant increase in credit risk and credit impaired financial assets

The Company considers a financial instrument to have experienced a significant increase based on the staging criteria, which is aligned with ECL policy of the Company.

As per ECL policy, stage 2 contains all loan assets that are not defaulted as at reporting date, but have experienced a significant increase in credit risk since initial recognition (i.e. two notch downgrade in internal/ external risk rating or loan account with overdue of more than 30 days) or classified as high risk as per internal risk assessment.

A.2.2 Definition of default

The Company defines a financial instrument as in default, any borrower whose contractual payments are due for more than 90 days is termed as default, which is in line with RBI guidelines.

A.2.3 Explanation of inputs, assumptions and estimation techniques

Probability of default (PD) computation model

Probability of Default is the likelihood that the borrower will not be able to meets its obligations as and when it falls due.

Transition Matrix Approach was used for estimation of PD. ICRA’s one-year transition matrix was used as the base probability of default matrix.

Stage 1: 12-month PDs were taken directly from one-year transition matrix and so, Point in Time (PIT) conversion was not done, as it is already giving PIT PDs.

Stage 2: PD for second year onwards was estimated using Matrix Multiplication Approach. As a matter of following a best practice, it was decided to keep the PDs constant after 5th year.

Stage 3: As the accounts classified into stage 3 are non-performing assets so probability of default was assumed to be 100%.

Loss given default (LGD) computation model

Loss Given Default is the percentage of total exposure which the borrower would not be able to recover in case of default.

Workout LGD approach has been used for LGD estimation.

LGD= (Economic loss + Cost of Recovery)/EAD

As at March 31, 2020, the Company has classified its few loans (financial assets) under stage III criteria, as enumerated in Ind AS 109, and the projects/ assets, underlying such loans, are either pending for resolution under Insolvency and Bankruptcy Code (IBC) or under litigation. For measuring expected credit loss allowance (ECL) for loans wherein underlying projects/ assets have been under IBC proceedings, wherever available, the fair value attributable to the secured portion of such loans has been measured based on external evidence i.e. valuation of such projects/ assets as shared by the Resolution Professional (RP), appointed by NCLT under resolution proceedings, with the consortium of creditors, including the Company. The actual outcome in these cases is dependent upon the final settlement by the RP in accordance with IBC framework. For other loans under stage III, the fair value attributable to the secured portion of such loans has been measured based on other evidences, including one time settlement offer from the customer, valuation exercise done either by the consortium of lenders or by the Company, settlement proposals under discussions between the borrowers and the consortium of lenders/ Company.

For loans under stage I and stage II, the management has determined the value of secured portion, on the basis of best information available with the Company, including value of assets/ projects in the available balance sheets of the borrowers, technical and cost certificates provided by the experts and valuation exercise performed by external professionals either appointed by the Company or consortium of lenders, including the Company.

The conclusive assessment of the impact in the subsequent period, related to expected credit loss allowance of loan assets, is dependent upon the circumstances as they evolve, including final settlement of resolution of projects/ assets of borrowers under IBC. Refer Note 52.

Basis of calculating loss rates

First step involved in ECL computation is staging of the assets into three categories. Staging of the financial assets depend on the deterioration of the credit quality of the assets over its lifetime. Performing assets fall under Stage I, Underperforming assets fall under Stage II and Impaired assets(non-performing) fall under Stage III.

The following points were considered for stage wise classification of credit exposures:

1. Stage III exposures were exposures where actual default events have occurred i.e. all credit exposures classified as Doubtful or Sub-Standard, or where significant deterioration in credit quality was envisaged.
2. Stage II exposure were exposures which were not considered impaired asset but were classified as 'Stressed Accounts' or were flagged as High-Risk Category.
3. All other accounts not meeting the first two criteria were classified as Stage 1 accounts.

Quantitative and qualitative factors considered along with quantification i.r.t loss rates

Impact of specific risk factors was taken into account while staging of accounts and computation of PD. External credit rating was also used for staging criteria. The industry of the borrower was also considered for classification of the borrower. If a borrower belonged to an industry under stress, then the borrower was classified as stage 2 or 3 account.

For computation of loss given default, haircuts on collateral, based on subjective parameters were used.

- Sector/Sub-sector

- Source of Power Generation

- PPA Status

- COD Status

A.2.4 Forward looking information incorporated in ECL models

"The PDs were derived using the Relationship of historic default rates of the portfolio and respective macroeconomic variable (GDP growth rate). Worst, Base, Mild and Best scenarios were created for all the macroeconomic variable and default rates were estimated for all the four scenarios. The scenarios were arrived at by creating bins based on mean, minimum, maximum and standard deviation of the macro variable for the observed range of data. The differential default rates between the Base scenario and the Best, Worst and Mild scenarios were created/built to compute the shock factors. These shock factors were then added to the base PD term structure, which was arrived using the Matrix multiplication technique, thereby creating four different PD term structures for the four Scenarios. These shocked PDs were used to compute lifetime ECL for stage 1 and stage 2 accounts."

A.3 Credit risk exposure and impairment loss allowance

	As at March 31, 2020		As at March 31, 2019	
	Exposure	**Impairment allowance**	**Exposure**	**Impairment allowance**
Credit impaired loan assets (Default event triggered) (Stage III)	95,325.03	40,822.57	134,782.98	66,475.76
"Loan assets having significant increase in credit risk (Stage II)"	104,553.33	2,378.90	67,694.74	1,793.27
Other loan assets (Stage I)*	884,873.76	4,690.53	1,134,951.69	4,755.07
Total	**1,084,752.12**	**47,892.00**	**1,337,429.41**	**73,024.10**

*Includes loans amounting to Rs 34.48 lakhs given to employees.

A.3.1 Collateral and other credit enhancements

Loans are secured by :

i. Hypothecation of assets and/or

ii. Mortgage of property and /or

iii. Trust and retention account and /or

iv. Bank guarantee, Company guarantee or personal guarantee and / or

v. Assignment of receivables or rights and / or

vi. Pledge of shares and / or

vii. Undertaking to create a security

A.4 **Loss allowance**

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Loss allowance	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Loans and advances to customers at amortised Cost				
Balance as at April 1, 2018	**5,078.65**	**9,768.03**	**91,363.97**	**106,210.65**
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(116.07)	116.07		-
Transfer to Lifetime ECL credit impaired		(9,083.71)	9,083.71	-
Net remeasurement of loss allowance	(207.51)	992.88	4,605.99	5,391.36
Write offs	-	-	(38,577.91)	(38,577.91)
Balance as at March 31, 2019	**4,755.07**	**1,793.27**	**66,475.76**	**73,024.10**
Loans and advances to customers at amortised Cost				
Balance as at April 1, 2019	**4,755.07**	**1,793.27**	**66,475.76**	**73,024.10**
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(1,189.78)	1,189.78	-	-
Transfer to Lifetime ECL credit impaired	-	(7,631.54)	7,631.54	-
Net remeasurement of loss allowance	1,125.24	7,027.39	10,663.15	18,815.78
Write offs	-	-	(43,947.88)	(43,947.88)
Balance as at March 31, 2020	**4,690.53**	**2,378.90**	**40,822.57**	**47,892.00**

Impairment on financial instruments (Note 28) amounting to Rs. 19,570.55 includes Rs. 18,815.78 lakhs as ECL on loan instruments (as mentioned above), Rs. 117.55 lakhs as ECL on investments (Refer A.6 below), Rs. 164.40 lakhs as trade receivables written off during the year and Rs. 472.82 crores as changes in fair value of investments recognised through statement of profit and loss.

The following table further explains changes in the gross carrying amount of the Loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Gross Exposure	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Loans and advances to customers at amortised Cost				
Balance as at 1 April, 2018	**1,062,854.56**	**52,247.58**	**171,725.51**	**1,286,827.65**
Transfer to/from 12 months ECL	-	-	-	-
Transfer to/from life time ECL not credit impaired	(37,622.31)	37,622.31	-	-
Transfer to/from Lifetime ECL credit impaired	-	(23,747.00)	23,747.00	-
New Financial assets originated or purchased	403,143.00	5,210.00	166.00	408,519.00
Financial Assets that have been derecognised	(293,423.56)	(3,638.15)	(22,277.62)	(319,339.33)
Write offs	-	-	(38,577.91)	(38,577.91)
Balance as at March 31, 2019	**1,134,951.69**	**67,694.74**	**134,782.98**	**1,337,429.41**
Loans and advances to customers at amortised Cost				
Balance as at 1 April, 2019	**1,134,951.69**	**67,694.74**	**134,782.98**	**1,337,429.41**
Transfer to/from 12 months ECL	-	-	-	-
Transfer to/from life time ECL not credit impaired	(55,832.85)	55,832.85	-	-
Transfer to/from Lifetime ECL credit impaired	-	(34,125.14)	34,125.14	-
New Financial assets originated or purchased	222,086.71	16,957.30	-	239,044.01
Financial Assets that have been derecognised	(416,366.27)	(1,806.42)	(29,635.21)	(447,807.90)
Write offs	-	-	(43,947.88)	(43,947.88)
Balance as at March 31, 2020	**884,839.28**	**104,553.33**	**95,325.03**	**1,084,717.64**

A.5 Concentration of credit risk

The Company monitors concentration of credit risk by type of industry in which the borrower operates, further bifurcated into type of borrower, whether state or private.

Industry	As at March 31, 2020	As at April 1, 2019
Gross carrying amount of loans		
Concentration by industry		
Thermal	123,919.93	187,493.47
Renewable energy	554,786.68	780,200.58
Hydro	20,777.04	23,215.81
Others*	385,268.47	346,519.55
	1,084,752.12	**1,337,429.41**

*Includes loans amounting to Rs 34.48 lakhs given to employees.

A.6 Write off policy

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

ii) Expected credit losses for financial assets other than loans and derivative financial instruments

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed below:

As at March 31, 2020	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	22,318.00	0%	-	22,318.00
Other bank balance	20,964.80	0%	-	20,964.80
Investments	20,514.91	1%	117.55	20,397.36
Trade receivables	396.70	0%	-	396.70
Other financial assets	104.99	0%	-	104.99

As at March 31, 2019	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	3,223.49	0%	-	3,223.49
Other bank balance	668.24	0%	-	668.24
Trade receivables	938.82	8%	77.68	861.14
Other financial assets	52.47	0%	-	52.47

B) Liquidity risk

"Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management of the Company monitors forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows(including interest income and interest expense). The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps. "

The tables below analyse the financial assets and liabilities of the Company into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

Maturities of financial assets

March 31, 2020	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade receivables	396.70	-	-	-	396.70
Cash and Cash Equivalents	16,031.56				16,031.56
Fixed Deposit with banks (other than above)	15,592.25	11,658.99	-	-	27,251.24
Derivative assets	-	474.14	904.68	782.95	2,161.77
Loans	163,564.87	357,574.50	266,659.40	931,842.41	1,719,641.18
Other financial assets	-	47.50	57.49	-	104.99
Total	**195,585.38**	**369,755.13**	**267,621.57**	**932,625.36**	**1,765,587.44**

March 31, 2019	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade receivables	861.14	-	-	-	861.14
Fixed Deposit with banks	674.49	-	-	-	674.49
Derivative assets	-	1,997.22	-	-	1,997.22
Loans	227,112.00	358,370.00	348,822.00	1,239,300.69	2,173,604.69
Other financial assets	-	-	52.47	-	52.47
Total	**228,647.63**	**360,367.22**	**348,874.47**	**1,239,300.69**	**2,177,190.01**

Maturities of financial liabilities

March 31, 2020	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings	285,340.20	381,581.62	299,531.34	278,597.72	1,245,050.88
Lease liability	492.25	918.86	-	-	1,411.11
Derivative liabilities	-	-	-	-	-
Trade payables	665.07	-	-	-	665.07
Other financial liabilities	14,514.54	4,888.67	-	4,348.00	23,751.21
Total	**301,012.06**	**387,389.15**	**299,531.34**	**282,945.72**	**1,270,878.27**

March 31, 2019	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings	422,011.00	359,704.00	293,254.00	350,626.00	1,425,595.00
Derivative liabilities	-	-	23.00	-	23.00
Trade payables	322.54	-	-	-	322.54
Other financial liabilities	12,443.01	3,152.23	-	4,348.00	19,943.24
Total	**434,776.55**	**362,856.23**	**293,277.00**	**354,974.00**	**1,445,883.78**

Note: To address the risk of mismatch between pay-out of liabilities and realisation of assets in next one year, the Company has adequate unused limits, including short term working capital limits, duly sanctioned by the banks.

C) Market Risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. The policy on foreign exchange risk management covers the management of foreign exchange risk related to existing and future foreign currency loans or any other foreign exchange risks derived from borrowing and lending. The objective of the policy is to serve as a guideline for transactions to be undertaken for hedging of foreign exchange related risks. It also provides guiding parameters within which the Asset Liability Management Committee can take decisions for managing the above mentioned risks. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. The Company as per its overall strategy uses derivative contracts to mitigate its risks associated with fluctuations in foreign currency and interest rates on borrowings. The Company does not use derivative contracts for speculative purposes.

Foreign currency risk exposure:

The exposure to foreign currency risk at the end of the reporting period, translated to INR at closing rate, is as follows

Particulars	As at March 31, 2020	As at March 31, 2019
Financial liabilities (USD)		
Foreign currency loan (INR)	31,700.51	37,146.67
Net exposure to foreign currency risk (liabilities)	**31,700.51**	**37,146.67**

Sensitivity

The sensitivity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at March 31, 2020	As at March 31, 2019
USD sensitivity*		
INR/USD- increase by 531 bp (March 31, 2019: 680 bp)	1,683.30	1,729.95
INR/USD- decrease by 531 bp (March 31, 2019: 680 bp)	(1,683.30)	(1,729.95)

* Holding all other variables constant

b) **Interest rate risk**

i) Liabilities

The policy of the Company is to minimise interest rate cash flow risk exposures on long-term loans and borrowings. As at March 31, 2020, the Company is exposed to changes in market interest rates through loans and bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	875,778.43	930,689.23
Fixed rate borrowing	51,713.43	161,144.00
Total borrowings	**927,491.86**	**1,091,833.23**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at March 31, 2020	As at March 31, 2019
Interest sensitivity*		
Interest rates – increase by 100 basis points (March 31, 2019:100 bps)	(8,757.78)	(9,306.89)
Interest rates – decrease by 100 basis points (March 31, 2019:100 bps)	8,757.78	9,306.89

* Holding all other variables constant

ii) **Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Below is the overall exposure of the loans:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Variable rate loans	964,253.55	1,214,716.04
Fixed rate loans*	120,498.57	122,713.37
Total loans	**1,084,752.12**	**1,337,429.41**

* Includes loans amounting to Rs 34.48 lakhs given to employees.

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Interest sensitivity*		
Interest rates – increase by 100 basis points (March 31, 2019:100 bps)	9,642.54	12,147.16
Interest rates – decrease by 100 basis points (March 31, 2019:100 bps)	(9,642.54)	(12,147.16)

* Holding all other variables constant

c) **Price risk**

Exposure

The Company's exposure to price risk arises from investments held and classified in the balance sheet at fair value through profit and loss. To manage the price risk arising from investments in equity securities, the Company diversifies its portfolio of assets.

Price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity price have been 10% higher/ lower:

- Other comprehensive income for the year ended March 31, 2020 would increase / decrease by Nil (for the year ended March 31, 2019: Rs. 3,203.87) as a result of the changes in fair value of equity investments measured at FVTOCI.

45 **Ind AS 116 Leases**

This note explains the impact of the adoption of Ind AS 116 Leases on company's financial statements and discloses the new accounting policies that have been applied from 1 April 2019.

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases, using the "Modified Retrospective Approach" for transition. Based on the same and as permitted under the specific transitional provisions in the standard the company has not restated the comparative figures. On transition, the adoption of new standard has resulted in the recognition of right-of-use asset, classified in a consistent manner to its property, plant and equipment and a corresponding lease liability being measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019.

The Company has leases for office building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

(a) On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 10.24%.

(b) The lease liabilities as at 01 April 2019 can be reconciled to the operating lease commitments as of 1 April 2019 as follows:

Operating lease commitments as at 31 March 2019	**1,879.91**
Discounting impact (using incremental borrowing rate)	(324.69)
Lease liabilities as at 01 April 2019	**1,555.22**

(c) The following are amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	420.42
Interest expense on lease liabilities	142.14
	562.56

The Company had total cash outflows for leases of Rs. 468.81 lacs for the period ending 31 March 2020.

Please refer note 44(b) for maturity analysis of lease liability.

46 **Comparison between ECL as per Ind AS 109 and provision as per RBI norms**

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets	Stage 1	884,839.28	4,690.53	880,148.75	3,539.36	1,151.17
Standard	Stage 2	104,553.33	2,378.90	102,174.43	1,009.40	1,369.50
Subtotal		**989,392.61**	**7,069.43**	**982,323.18**	**4,548.76**	**2,520.67**
Non-Performing Assets (NPA)						
Substandard	Stage 3	14,952.72	2,393.22	12,559.50	1,500.00	893.22
Doubtful - upto 1 year	Stage 3	21,292.12	5,238.32	16,053.80	6,845.97	(1,607.65)
1 to 3 years	Stage 3	49,080.19	25,673.42	23,406.77	27,352.42	(1,679.00)
More than 3 years	Stage 3	10,000.00	7,517.61	2,482.39	9,999.61	(2,482.00)
Subtotal for doubtful (Refer Note)		**80,372.31**	**38,429.35**	**41,942.96**	**44,198.00**	**(5,768.65)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**95,325.03**	**40,822.57**	**54,502.46**	**45,698.00**	**(4,875.43)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 3					
Subtotal		-	-	-	-	-
Total	Stage 1	**884,839.28**	**4,690.53**	**880,148.75**	**3,539.36**	**1,151.17**
	Stage 2	**104,553.33**	**2,378.90**	**102,174.43**	**1,009.40**	**1,369.50**
	Stage 3	**95,325.03**	**40,822.57**	**54,502.46**	**45,698.00**	**-4,875.43**

Note: Rs 5,768.65 lakhs (being the excess of provision required as per IRACP norms and ECL Provision required under INDAS 109) has been recognised as "Impairment Reserve" in the Balance Sheet. Refer Note 21.

47 **Earnings per share**

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
a) Basic earnings per share	1.71	2.87
b) Diluted earnings per share	1.71	2.87

c) Reconciliations of earnings used in calculating earnings per share

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Earnings per share		
Profits attributable to the equity holders of the company used in calculating basic and diluted earnings per share	10,999.89	18,414.26

d) Weighted average number of shares used as the denominator

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	642,283,335	642,283,335

Note: There are no potential equity shares in the Company.

48 **Expenditure on Corporate Social Responsibility**

Particulars	**As at 31 March, 2020**	**As at 31 March, 2019**
(a) Gross amount required to be spent (including unspent amount of Rs 0.76 lakhs (Previous year Rs. 2,247.11 lakhs)	642.03	3,198.11
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	641.27	916.41
(c) Administrative expenses	-	-

49 The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

50 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, if any.

51 There were no disputed dues in respect of Excise Duty, Sales Tax, Service Tax, Customs Duty, Goods & Services Tax and Value Added Tax which have not been deposited. Details of dues of Income Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved*	Amount unpaid
Income-tax Act 1961	Income Tax	Income Tax Appellate Authority	2012-2017	2,413.15	1,184.76
		Upto Commissioner (Appeals)	2010-11, 2014-15 & 2017-18	750.00	750.00

* Amount as per demand orders including interest and penalty wherever indicated in the order.

52 **Impact of Covid-19**

"COVID-19 virus, a global pandemic has affected the world economy including India leading to significant decline in economic activity and volatility in the financial markets. Govt. announced various relief packages to support all segment. In line with Govt. initiative, RBI issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020. The Company has granted a moratorium of upto six months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to the eligible borrowers those who applied for moratorium. Company allowed moratorium to borrowers which constitute 50% of loan book, even after allowing moratorium, Company has sufficient liquidity in form of High Quality Liquid Assets (HQLA) and undrawn lines of credit to meet its financial obligation in near future (Refer Note 44 B). Company do not foresee any significant concern in case of borrowers where projects have been commissioned/ completed, considering 50% of loan book constitute renewable energy which are commissioned projects and have must run status. However, it would be difficult to assess the impact on borrower's ability to service the debt where projects are under construction considering construction activities halted due to lockdown restriction. However respective Govt. Authorities have issued the circulars for allowing extension in SCOD. The overall growth of PFS business during FY has been impacted due to various factors including lockdown situation in country as activities related to clearances, land acquisition for new/under construction projects specifically in renewable and road sectors.

As also mentioned in Note 44 A.2.3, the Company has considered external information (i.e. valuation report, one time settlement (OTS) proposal, asset value as per their last financials with applicable haircut as per ECL methodology) to determine the impairment. However, the eventual outcome for NPA and stress assets may be different because of future economic conditions which may emerge due to outbreak of COVID 19. "

53. **Schedule to the Balance Sheet of a non-deposit taking non-banking financial Company**

(as required in terms of paragraph 18 of Non-banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

	Particulars	Amount outstanding *	Amount overdue
	Liabilities side:		
(1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**		
	(a) Debentures : Secured (Including infrabond)	41,298.10	-
	: Unsecured (other than falling within the meaning of public deposits)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	874,691.52	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits	-	-
	(g) Other Loans		
	(i) financial institutions	10,273.68	-
	(ii) Lease liability	1,228.56	-
(2)	**Breakup of (1)(f) above (Outstanding Public Deposit inclusive of interest accrued thereon but not paid:**		
	(a) In the form of unsecured debentures		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	(c) Other Public Deposits		

* The amount does not include interest accrued but not due

Assets side:	Amount out- standing
(3) **Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:**	
(a) Secured (net of provision of Rs. 47,892.00 lakhs)	1,036,857.27
(b) Unsecured*	2,193.42
(4) **Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**	
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
(5) **Break-up of Investments:**	
Current Investments:	
1. Quoted:	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted:	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

* Includes Trade Receivables Rs 396.70 lakhs, Other financial assets Rs 104.99 lakhs, Other Non-Financial assets Rs 1,688.88 lakhs and loans to employees Rs 2.85 lakhs.

Assets side:	Amount out- standing
Long Term investments:	
1. Quoted:	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted:	
(i) Shares: (a) Equity (net of provisions Rs. 24,692.11 lakhs)	-
(b) Preference	-
(ii) Debentures and Bonds (net of provisions Rs 546.13 lakhs)	20,397.36
(iii) Units of mutual funds	
(iv) Government Securities	-
(v) Others (Security Receipts) (net of accumulated decrease in fair value Rs. 1,062.34 lakhs)*	15,170.21
Total	**35,567.57**

***In accordance with the Company's accounting policy, the security receipts are recognised at FVTPL and Rs 1,062.34 lakhs represents the accumulated decrease in fair value from inception to till date. The Company has provided Rs 472 lakhs through the statement of profit and loss during the year.**

(6)

Borrower group-wise classification of assets financed as in (3) and (4) above:			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group (Refer Note 39)	13,122.62	-	13,122.62
(c) Other related parties	-	-	-
2. Other than related parties	1,023,734.65	2,193.42	1,025,928.07
Total	**1,036,857.27**	**2,193.42**	**1,039,050.69**

(7)

Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
Category	Market Value / Break up or fair value or NAV	Book value (net of provisions)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties (Refer Note 8)	-	35,567.57
Total	-	**35,567.57**

(8)

Other information	
Particulars	**Amount**
(i) Gross Non-Performing Assets	
(a) Related parties	428.58
(b) Other than related parties	74,033.33
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	38,448.66
(iii) Assets acquired in satisfaction of debt	-

The Company has gross recoverable and net recoverable amounting to Rs. 21,292.12 lakhs and Rs. 16,053.80 respectively, as at March 31, 2020 which have been classified under stage III, in accordance with Ind AS 109 (refer Note 44 A.4). While these balances have not been considered as NPA, in accordance with judgments issued by respective judicial authorities in this respect, the Company has accrued provision/ reserve for impairment in accordance with Ind AS 109 and RBI's prudential norms read with RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

53.1 Disclosure of restructured accounts

(as required in terms of norms of restructuring of advances by Non-banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

S. No	Type of restructuring		Under CDR Mechanism					Others					Total				
	Assets classification / Details		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as at April 1, 2019	No. of borrowers (Nos)	-	-	2	-	2	3	-	3	-	6	3	-	5	-	8
		Amount outstanding	-	-	16,168.80	-	16,168.80	47,634.19	-	18,773.34	-	66,407.53	47,634.19	-	34,942.14	-	82,576.33
		Provision thereon	-	-	8,880.75	-	8,880.75	10,117.31	-	6,729.25	-	16,846.56	10,117.31	-	15,610.00	-	25,727.31
2	Fresh restructuring during the year	No. of borrowers (Nos)	-	-	-	-	-	1***	-	-	-	-	1	-	-	-	1
		Amount outstanding	-	-	-	-	-	1,291.32	-	-	-	1,291.32	1,291.32	-	-	-	1,291.32
		Provision thereon	-	-	-	-	-	109.93	-	-	-	109.93	109.93	-	-	-	109.93
3	Upgradations to restructured standards category during the financial year	No. of borrowers (Nos)	-	-	-	-	-	-	-		-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and /or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers (Nos)	-	-	-	-	-	1	-	1	-	2	1	-	1	-	2
		Amount outstanding	-	-	-	-	-	21,121.00	-	1,273.34	-	22,394.34	21,121.00	-	1,273.34	-	22,394.34
		Provision thereon	-	-	-	-	-	8,447.00	-	709.73	-	9,156.73	8,447.00	-	709.73	-	9,156.73
5	Downgradations of restructured accounts during the financial year	No. of borrowers (Nos)	-	-	-	-	-	1	-	-	-	1	1	-	-	-	1
		Amount outstanding	-	-	-	-	-	14,952.72	-	-	-	14,952.72	14,952.72	-	-	-	14,952.72
		Provision thereon	-	-	-	-	-	749.67	-	-	-	749.67	749.67	-	-	-	749.67
6	Write-offs of restructured accounts during the financial year	No. of borrowers (Nos)	-	-	1	-	1	-		-	-	-	-	-	1	-	1
		Amount outstanding	-	-	3,976.00	-	3,976.00	-		-	-	-	-	-	3,976.00	-	3,976.00
		Provision thereon	-	-	3,334.94	-	3,334.94	-	-	-	-	-	-	-	3,334.94	-	3,334.94
7	Restructured accounts as on March 31, 2020	No. of borrowers (Nos)	-	-	2*	-	2	1	-	2**	-	3	1	-	4	-	5
		Amount outstanding	-	-	10264.54	-	10,264.54	12,851.79	-	17,500.00	-	30,351.79	12,851.79	-	27,764.54	-	40,616.33
		Provision thereon	-	-	7520.26	-	7,520.26	1,030.58	-	8,083.56	-	9,114.14	1,030.58	-	15,603.82	-	16,634.40

*Includes an account that has been partially written off and recovered Rs 1,928.26 lakhs and additional provision amounting to Rs 1,974.45 lakhs during the year on doubtful loan assets.
**Includes additional provision amounting to Rs 2,064.04 lakhs during the year on doubtful loan assets.

***Includes fresh disbursement made to an existing account.

53.2 **Disclosures required pursuant to Non-banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016**

I. Capital

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
(i)	CRAR (%)	23.61%	21.92%
(ii)	CRAR - Tier I Capital (%)	23.03%	18.69%
(iii)	CRAR - Tier II Capital (%)	0.58%	3.23%
(iv)	Amount of subordinated debt raised as Tier-II capital	-	-
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-

II. Investments

	Particulars		Year ended March 31, 2020	Year ended March 31, 2019
1.	**Value of Investments**			
	(i)	Gross Value of Investments		
		(a) In India	61,867.82	35,296.87
		(b) Outside India	-	-
	(ii)	Provisions for Depreciation		
		(a) In India	26,300.25	25,709.88
		(b) Outside India	-	-
	(iii)	Net Value of Investments		
		(a) In India	35,567.57	9,586.99
		(b) Outside India	-	-
2.	**Movement of provisions held towards depreciation on investments**			
	(i)	Opening balance	25,709.88	21,916.81
	(ii)	Add : Provisions made during the year	590.37	3,793.07
	(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
	(iv)	Closing balance	26,300.25	25,709.88

III. (a) Forward rate agreement /interest rate swap

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
(i)	The notional principal of swap agreements	10,873.25	11,706.18
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	782.94	(23.00)

(b) Exchange traded interest rate(IR) derivatives

The Company has not undertaken any Exchange Traded Interest Rate (IR) Derivatives during the year ended March 31, 2020 as well as in the previous year ended March 31, 2019.

IV. Disclosures on risk exposure in derivatives

(a) Quantitative disclosures

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)				
For hedging	20,827.26	20,827.26	25,440.49	25,440.49
(ii) Marked to Market Positions [1]				
Asset (+)	1,377.77	1.06	1,782.20	215.02
Liability (-)	-	-	-	-
(iii) Credit Exposure [2]	-	-	-	-
(iv) Unhedged Exposures	161.08	161.08	235.23	235.23

V. Disclosures relating to securitisation

The Company does not have any securitised assets as at March 31,2020 as well as in the previous year ended March 31, 2019.

VI. Details of financial assets sold to securitisation /reconstruction company for asset reconstruction

The Company has sold the following financial assets to securitisation /reconstruction company for asset reconstruction during the year ended March 31,2020

S.No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i)	No. of accounts	1.00	2.00
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	9,400.00	7,801.00
(iii)	Aggregate consideration	9,400.00	9,250.00
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	270.00

VII. Details of assignment transaction undertaken by applicable NBFCs

S.No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i)	No. of accounts	4.00	3.00
(ii)	Aggregate value of accounts sold	55,000.00	45,000.00
(iii)	Aggregate consideration	55,000.00	45,000.00
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

VIII. Details of non-performing financial assets purchased /sold

The Company has not purchased/sold any non-performing financial assets from other NBFCs in the current year as well as in the previous year.

IX. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31,2020

Particulars	Upto 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	2,376.58	6,688.80	24,527.41	38,088.81	99,372.97	230,910.11	218,314.37	234,313.26	854,592.31
Market Borrowings	-	-	3,000.00	-	15,137.25	16,045.50	-	7,115.35	41,298.10
ECB loans	1,599.81	-	546.29	2,146.10	4,292.20	16,076.23	4,525.38	2,415.44	31,601.45
Total	**3,976.39**	**6,688.80**	**28,073.70**	**40,234.91**	**118,802.42**	**263,031.84**	**222,839.75**	**243,844.05**	**927,491.86**
Assets									
Receivables under financing activity (net)	8,631.77	3.10	7,081.41	25,004.21	44,616.84	187,523.96	135,227.79	628,771.04	1,036,860.12
Investment (net)	-	-	-	-	-	20,397.36	-	15,170.21	35,567.57
Total	**8,631.77**	**3.10**	**7,081.41**	**25,004.21**	**44,616.84**	**207,921.32**	**135,227.79**	**643,941.25**	**1,072,427.69**

Maturity pattern of certain items of assets and liabilities as at March 31,2019

Particulars	Upto 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	20,000.00	20,000.00	35,839.85	58,265.09	190,485.95	183,605.83	204,995.48	288,928.43	1,002,120.63
Market Borrowings	-	7,045.50	3,000.00	-	15,454.50	16,178.65	4,500.00	7,259.10	53,437.75
ECB loans	1,507.46	-	503.57	2,011.03	4,022.05	16,088.21	9,798.20	2,794.28	36,724.80
Total	**21,507.46**	**27,045.50**	**39,343.42**	**60,276.12**	**209,962.50**	**215,872.69**	**219,293.68**	**298,981.81**	**1,092,283.18**
Assets									
Receivables under financing activity (net)	2,531.31	1,528.10	3,508.12	14,828.49	82,390.69	152,735.37	175,861.06	858,579.02	1,291,962.16
Investment (net)	-	-	-	-	-	-	-	9,586.99	9,586.99
Total	**2,531.31**	**1,528.10**	**3,508.12**	**14,828.49**	**82,390.69**	**152,735.37**	**175,861.06**	**868,166.01**	**1,301,549.15**

X. Exposure to real estate sector, both direct and indirect

The Company does not have any direct or indirect exposure to the real estate sector as at March 31,2020 as well as in the previous year ended March 31, 2019.

XI. Exposure to Capital Market

	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	14,361.79	18,668.00
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	**14,361.79**	**18,668.00**

XII. Miscellaneous

(a) Reserve Bank of India - Registration Number : N-14.03116

(b) Credit Rating

Non Convertible Debentures/Bonds	BWR AA (Stable), CRISIL A+ (Stable), ICRA A+ (Stable), CARE A+ (Stable)
Bank limits (rated on long term/short term scale)	CRISIL A+ (Stable), ICRA A1+ (Stable), CARE A+ (Stable), CARE A1+, ICRA A1+
Commercial Paper Programme	CRISIL A1+, ICRA A1+
Tier II Bonds	CRISIL A+ (Stable)

(c) No penalties have been levied by any regulator during the year ended March 31, 2020 as well as in the previous year ended March 31, 2019.

XIII. Additional Disclosures

(a) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Provisions for depreciation on Investment	590.37	589.21
Provision towards NPA	(4,056.88)	6,580.00
Loss on loans & advances written off	44,112.28	38,577.91
Provision for Standard Assets	(21,075.22)	(39,688.87)

XIV. Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of Advances

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Total Advances to twenty largest borrowers	521,743.93	581,661.35
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	48.10%	43.67%

(b) Concentration of Exposures

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Total Exposure to twenty largest borrowers /customers	521,743.93	581,661.35
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	48.10%	43.67%

(c) Concentration of NPAs

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Total Exposure to top four NPA accounts	56,404.00	51,052.06

(d) Sector-wise NPAs

S. No	**Sector**	**Percentage of NPAs to Total Advances in that sector**	
		Year ended March 31, 2020	**Year ended March 31, 2019**
(i)	Agriculture & allied activities	-	-
(ii)	MSME	-	-
(iii)	Corporate borrowers	6.74%	6.04%
(iv)	Services	-	-
(v)	Unsecured personal loans	-	-
(vi)	Auto loans	-	-
(vii)	Other personal loans	-	-

XV. **Movement of NPAs**

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
(i)	Net NPAs to Net Advances (%)	3.59%	3.12%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	80,468.00	83,837.88
(b)	Additions during the year	14,952.72	23,747.00
(c)	Reductions during the year	20,958.81	27,116.88
(d)	Closing balance	**74,461.91**	80,468.00
(iii)	Movement of Net NPAs		
(a)	Opening balance	40,321.65	51,926.65
(b)	Additions during the year	12,559.50	14,663.30
(c)	Reductions during the year	14,432.49	26,268.30
(d)	Closing balance	**38,448.66**	40,321.65
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	40,145.74	31,911.23
(b)	Provisions made during the year	10,723.76	25,095.36
(c)	Write-off / write-back of excess provisions	14,856.25	16,860.85
(d)	Closing balance	**36,013.25**	40,145.74

XVI. The Company does not have any joint ventures and subsidiaries abroad as at March 31,2020 as well as in the previous year ended March 31, 2019.

XVI. The Company does not have any SPVs sponsored as at March 31,2020 as well as in the previous year ended March 31, 2019.

XVII. **Disclosure of Complaints**

(a) Customer Complaints*

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	792	717
(c)	No. of complaints redressed during the year	792	717
(d)	No. of complaints pending at the end of the year	Nil	Nil

*Representing complaints of infrastructure retail bondholders.

53.3 (as required in terms of RBI circular RBI/2016-17/122 DBR.No.BP.PC.34/21.04.132/2016-17 dated November 10, 2016)

1 Disclosures on flexible structuring of existing loans

Period	No. of borrowers taken up for flexibly structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
FY2018-19	-	-	-		
FY2019-20	-	-	-		

2 Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under standstill period)

No. of accounts where SDR has been invoked	Amount outstanding as on reporting date		Amount outstanding as on report date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on report date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
FY2018-19	-	-	-	-	-	-
FY2019-20		-	-	-	-	-

3 Disclosures on Change in ownership Outside Strategic Debt Restructuring Scheme (accounts which are currently under standstill period)

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on reporting date with respect to the accounts where conversion of debt/invocation of pledge of equity shares is pending		Amount outstanding as on reporting date with respect to the accounts where conversion of debt/invocation of pledge of equity shares has taken place		Amount outstanding as on reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
FY2018-19	32,870.00	-	-	-	32,870.00	-	-	-
FY2019-20	-	-	-	-	-	-	-	-

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI firm registration. 105047W

Sd/-
Rahul Aggarwal
Partner
Membership No. 505676

Place : Gurugram
Date : June 13, 2020

For and on behalf of the Board of Directors

Sd/-
Dr. Pawan Singh
Managing Director and CEO
DIN: 00044987

Sd/-
Naveen Kumar
Whole-time Director
DIN: 00279627

Sd/-
Vishal Goyal (A-19124)
Company Secretary

Sd/-
Sanjay Rustagi
Chief Financial Officer

Place: New Delhi
Date : June 13, 2020

INDEPENDENT AUDITOR'S REPORT
To The Members of
PTC India Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PTC India Financial Services Limited (hereinafter referred to as the "Company") and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Company and its associates as at March 31, 2020, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 51 to the accompanying consolidated financial statements which explains the uncertainties and the management's assessment of the impact, due to the lock-downs and other restrictions/ conditions related to Covid-19 pandemic situation, on Company's operations, financial performance and position as at and for the year ended March 31, 2020, including measurement of expected credit loss (ECL) allowance on loans (financial assets) and assessment of liquidity position in context of moratorium granted to the Company's borrowers with availability of high quality liquid assets and undrawn committed lines from banks/financial institutions to meet its financial obligations in foreseeable future. The extent of COVID-19 impact will depend on future developments, which are highly uncertain.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

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

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Expected Credit Losses (ECL) model As described in the notes to the financial statements, the impairment losses have been determined in accordance with Ind AS 109 Financial Instruments requiring considerable judgment and interpretation in its implementation, which also involved significant judgement by management in measuring the expected credit losses. Key areas of judgment included: • Determining the criteria for a significant increase in credit risk (`SICR')  • Techniques used to determine the Probability of Default (TD') and Loss Given Default (`LGD') • Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows etc. Refer Notes 2 (g), 2 (q), 7 and 44A.2 to the consolidated financial statements.	<u>Principal Audit Procedures</u> We assessed the appropriateness of the Company's policy on Expected Credit Loss recognition on financial instruments with reference to the applicable accounting standards and prudential norms laid down by RBI. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing: • We evaluated and tested the design and tested the operating effectiveness of Company's controls over the data used to determine the impairment reserve, internal credit quality assessments, external credit ratings and methodology followed for computation of ECL. • For Expected Credit Losses computed by the management, we performed the following procedures: (a) Assessed the reasonableness of assumptions and judgement made by management on model adoption and parameters selection; (b) Examined the key data inputs (valuation of collateral, the timing of cash flows and realisations) to the ECL model on a sample basis to assess their accuracy and completeness; (c) Evaluated and tested on sample basis the appropriateness of staging including determination of significant increase in credit risk. (d) Assessed the Company's methodology for ECL provisioning, Classification and Measurement with the assistance of our internal experts; (e) Assessed accuracy and completeness of disclosures made as required by relevant accounting standards.

2	**Impairment of loans to customers** Allowance for impairment losses on loans to customers involves significant judgement by management to determine the timing and amount of the asset to be impaired. Refer Notes 2 (g), 2 (q), 7, 44A.2 to the consolidated financial statements	**Principal Audit Procedures** We assessed the appropriateness of the Company's impairment review and provisioning policy by comparing with the RBI prudential norms and applicable accounting standards ; Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing: • We evaluated and tested the design and operating effectiveness of the relevant controls over the impairment assessments and impairment allowance computations for loans and advances to customers. • We tested the management assumptions, estimates and judgements, which could give rise to material misstatement: a. The completeness and timing of recognition of loss events; b. The measurement of provisions for individual instances of loans which is dependent on the valuation of security provided and the collaterals against each loan, the timing of cash flows and realisations; c. We discussed with management and scrutinised the appropriateness of those key assumptions applied in management's impairment assessment, and compared them with available external evidence where necessary. d. The measurement of modelled provisions, which is dependent upon key assumptions relating to probability of default, loss given default and expected future recoveries; e. Performed procedures to obtain comfort on the accuracy of the impairment calculation process through recalculation of the provision charge based on inputs; f. Assessed accuracy and completeness of disclosures made as required by relevant accounting standards.
3	**Revenue Recognition** Revenue recognition - Interest income on stressed loans assets involves significant management estimates and assumptions in determining both timing and expected realisation from them. Refer Note 2 (c), 22 and 23 to the consolidated financial statements.	**Principal Audit Procedures** We assessed the appropriateness of the Company's revenue recognition policy by comparing with applicable accounting standards and prudential norms laid down by RBI. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing: • Evaluated and tested the design of internal controls relating to revenue recognition on stressed loans and advances. • Tested the operating effectiveness of the Company's controls through combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operations of these controls. • We have performed tests of details, on a sample basis, to review the case contracts entered into with the customers to assess whether interest income recorded is as per the contract terms. • Performed recalculation of interest accrual and tested input data, such as principal amounts, contractual interest rates etc. through substantive testing and tracing to source documents. We also took cognizance of the events arose subsequent to the end of the financial year from them. • Ensured compliance with RBI regulation on revenue recognition for each case.
4	**Evaluation of uncertain tax positions for Income taxes** The Company has material uncertain tax positions relating to matters under litigation for Income taxes. These matters involve significant management judgement to determine the possible outcome of disputes. Refer Note 2 (j), 2 (q) and 33 to the consolidated financial statements.	**Principal Audit Procedures** We obtained details of completed income tax assessments during the year ended March 31, 2020 from the management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions relating to Income taxes. Additionally, we considered the effect of new information in respect of uncertain tax positions to evaluate whether any change was required to management's position on these uncertainties.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors report, Report on Corporate Governance and Management discussion and analysis report of the Company, but does not include the consolidated financial statements and our auditor's report thereon. The Directors report, Report on Corporate Governance and Management discussion and analysis report of the Company is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the Directors report, Report on Corporate Governance and Management discussion and analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and of its associates, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Company and of its associates are responsible for assessing the ability of the Company and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company and its associates or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Company and of its associates are responsible for overseeing the financial reporting process of the Company and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. Attention is invited to Note 52 of the consolidated financial statements, which sets out the position regarding two Associates of the Company for which neither audited nor management accounts for the financial year ended March 31, 2020 were available with the Company for the consolidation purposes. However, since the Company has fully provided for diminution in investment held in these two associates and the Company does not have any further obligation over and above the cost of the investments, in view of the management there is no impact thereof on these consolidated financial statements.

b. The consolidated financial statements of the Company for the year ended March 31, 2019, were audited by another firm of chartered accountants whose report dated May 4, 2019 expressed an unmodified opinion on those statements.

Our opinion on the consolidated financial statements is not modified in respect of the matters stated above.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit of the Company (in the absence of availability of audit reports of the two associates referred to in 'Other Matters' paragraph above) 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 of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company, none of the directors of the Companies is disqualified as on March 31, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which is based on the auditors' reports of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Company's internal financial controls over financial reporting.

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

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company– Refer Note 33 to the consolidated financial statements.

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts– Refer Note 49 to the consolidated financial statements.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company– Refer Note 50 to the consolidated financial statements.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 20505676AAAAAY5139

Place: Gurugram
Date: June 13, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PTC INDIA FINANCIAL SERVICES LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 20505676AAAAAY5139

Place: Gurugram
Date: June 13, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PTC INDIA FINANCIAL SERVICES LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of PTC India Financial Services Limited on the consolidated Financial Statements for the year ended March 31, 2020]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PTC INDIA FINANCIAL SERVICES LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company and its associates as of and for the year ended on that date. Since the auditors' reports of associates are not available, we are unable to comment on the adequacy and operating effectiveness of Internal Financial Controls over Financial Reporting under section 143(3)(i) of the Act in respect of these associates.

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Rahul Aggarwal
Partner
Membership No.: 505676
UDIN: 20505676AAAAAY5139

Place: Gurugram
Date: June 13, 2020

PTC India Financial Services Limited
Consolidated Balance Sheet as at March 31, 2020

(All amounts in Lakhs of ₹ unless otherwise stated)

		Notes	As at March 31, 2020	As at March 31, 2019
A	**ASSETS**			
1	**Financial assets**			
a.	Cash and cash equivalents	3	22,318.00	3,223.49
b.	Bank balances other than (a) above	4	20,964.80	668.24
c.	Derivative financial instruments	5	2,161.77	1,997.22
d.	Trade receivables	6	396.70	861.14
e.	Loans	7	1,036,860.12	1,264,445.23
f.	Investments	8	35,567.57	9,586.99
g.	Other financial assets	9	104.99	52.47
			1,118,373.95	**1,280,834.78**
2	**Non-financial assets**			
a.	Current tax assets (Net)	10	29,366.70	17,028.65
b.	Deferred tax assets (Net)	11	12,564.37	18,637.67
c.	Property, Plant and Equipment	12	1,033.44	1,227.22
d.	Right of use-Buildings	12	1,154.34	-
e.	Intangible asset	13	2.09	4.05
f.	Other non-financial assets	14	1,688.88	1,579.72
			45,809.82	**38,477.31**
	TOTAL ASSETS		**1,164,183.77**	**1,319,312.09**
B	**LIABILITIES AND EQUITY**			
	LIABILITIES			
3	**Financial liabilities**			
a.	Derivative financial instruments	5	-	23.00
b.	Trade Payables			
	(i) total outstanding dues to micro and small enterprises		13.75	13.75
	(ii) total outstanding dues of creditors other than micro and small enterprises		651.32	308.79
c.	Debt securities	15	41,298.10	53,229.44
d.	Borrowings (Other than debt securities)	16	886,193.76	1,038,603.79
e.	Other financial liabilities	17	23,751.21	19,943.24
			951,908.14	**1,112,122.01**
4	**Non-financial liabilities**			
a.	Provisions	18	462.18	348.54
b.	Other non-financial liabilities	19	331.39	186.41
			793.57	**534.95**
5	**Equity**			
a.	Equity share capital	20	64,228.33	64,228.33
b.	Other equity	21	147,253.73	142,426.80
			211,482.06	**206,655.13**
	TOTAL LIABILITIES and EQUITY		**1,164,183.77**	**1,319,312.09**

See accompanying notes forming part of the consolidated financial statements 1-53

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI firm registration. 105047W

Sd/-
Rahul Aggarwal
Partner
Membership No. 505676

Place : Gurugram
Date : June 13, 2020

For and on behalf of the Board of Directors

Sd/-
Dr. Pawan Singh
Managing Director and CEO
DIN: 00044987

Sd/-
Naveen Kumar
Whole-time Director
DIN: 00279627

Sd/-
Vishal Goyal (A-19124)
Company Secretary

Sd/-
Sanjay Rustagi
Chief Financial Officer

Place: New Delhi
Date : June 13, 2020

PTC India Financial Services Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in Lakhs of ₹ unless otherwise stated)

		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
1	**Revenue**			
	a. Revenue from operations			
	(i) Interest income	22	132,425.69	128,517.08
	(ii) Fee and commission income	23	3,486.64	3,474.71
	(iii) Net gain on fair value changes	24	117.80	1,042.59
	(iv) Sale of power		394.88	407.19
	b. Other income	25	546.03	209.65
	Total revenue (a+b)		**136,971.04**	**133,651.22**
2	**Expenses**			
	a. Finance costs	26	94,844.64	94,431.06
	b. Fees and commission expense	27	190.75	116.47
	c. Impairment on financial instruments	28	19,570.55	6,058.25
	d. Employees benefit expenses	29	1,640.92	1,404.39
	e. Depreciation and amortisation expense	30	634.16	272.65
	f. Other expenses	31	2,886.25	3,268.44
	Total expenses (a+b+c+d+e+f)		**119,767.27**	**105,551.26**
3	**Profit before tax, share of net profits of investments accounted for using equity method (1-2)**		**17,203.77**	**28,099.96**
4	**Share of net profit of associated accounted for using equity method**	53	-	-
5	**Profit before tax (1-2)**		**17,203.77**	**28,099.96**
6	**Tax expense**			
	a. Current tax	32	-	-
	b. Deferred tax charge/(benefits)	32	6,203.88	9,685.70
	Total tax expense		**6,203.88**	**9,685.70**
7	**Profit for the year (3-4)**		**10,999.89**	**18,414.26**
8	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	a. Remeasurement loss on defined benefit plans		(37.51)	(3.97)
	Income tax relating to remeasurement loss on defined benefit plans		13.11	1.39
	b. Equity instruments through other comprehensive income		-	(3,203.87)
	Income tax relating to FVTOCI to equity investments		-	-
			(24.40)	**(3,206.45)**
	Items that will be reclassified to profit or loss			
	a. Change in cash flow hedge reserve		(336.16)	(237.90)
	Income tax relating to cash flow hedge reserve		117.47	83.13
			(218.69)	**(154.77)**
	Other comprehensive profit for the year		(243.09)	(3,361.22)
9	**Total comprehensive profit for the year (5+6)**		**10,756.80**	**15,053.04**
	Earnings per equity share:			
	Basic and diluted	47	1.71	2.87

See accompanying notes forming part of the consolidated financial statements 1-53

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI firm registration. 105047W

Sd/-
Rahul Aggarwal
Partner
Membership No. 505676

Place : Gurugram
Date : June 13, 2020

For and on behalf of the Board of Directors

Sd/-
Dr. Pawan Singh
Managing Director and CEO
DIN: 00044987

Sd/-
Naveen Kumar
Whole-time Director
DIN: 00279627

Sd/-
Vishal Goyal (A-19124)
Company Secretary

Sd/-
Sanjay Rustagi
Chief Financial Officer

Place: New Delhi
Date : June 13, 2020

PTC India Financial Services Limited
Consolidated Statement of changes in equity as at March 31, 2020
(All amounts in Lakhs of ₹ unless otherwise stated)

A Equity Share Capital:

	No. of Shares	Amount
Equity Shares of Rs. 10 each, Issued, Subscribed and Fully Paid-up:		
As at April 1, 2018	**642,283,335**	**64,228.33**
Issued during the year	-	-
As at March 31, 2019	**642,283,335**	**64,228.33**
Issued during the year	-	-
As at March 31, 2020	**642,283,335**	**64,228.33**

B Other Equity:

	Reserves and Surplus								Total
	Securities Premium Reserve	Statutory Reserve	Special Reserve	Impairment Reserve	Equity instruments through other comprehensive income	Cash flow hedge reserve	Foreign currency monetary items translation difference account	Retained Earnings	
As at April 1, 2018	61,280.57	29,179.68	29,699.78	-	(14,937.10)	-	(1,749.21)	26,233.02	129,706.74
Add: Profit for the year	-	-	-	-	-	-	-	18,414.26	18,414.26
Add [Less]: Other Comprehensive income	-	-	-	-	(3,203.87)	(154.77)	-	(2.58)	(3,361.22)
Total Comprehensive Income	-	-	-	-	(3,203.87)	(154.77)	-	18,411.68	15,053.04
Transfer from [to] Reserve	-	3,682.85	-	-	-	-	-	(3,682.85)	-
Transfer from reserve for equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners:				-					
Dividends	-	-	-	-	-	-	-	(1,284.57)	(1,284.57)
Corporate dividend tax on dividend	-	-	-	-	-	-	-	(264.05)	(264.05)
Effect of foreign exchange rate variations during the year	-	-	-	-	-	-	(2,451.19)	-	(2,451.19)
Amortisation for the year	-	-	-	-	-	-	1,666.83	-	1,666.83
As at March 31, 2019	61,280.57	32,862.53	29,699.78	-	(18,140.97)	(154.77)	(2,533.57)	39,413.23	142,426.80
As at April 1, 2019	61,280.57	32,862.53	29,699.78	-	(18,140.97)	(154.77)	(2,533.57)	39,413.23	142,426.80
Add: Profit for the year	-	-	-	-	-	-	-	10,999.89	10,999.89
Add [Less]: Other Comprehensive income	-	-	-	-	-	(218.69)	-	(24.40)	(243.09)
Total Comprehensive Income	-	-	-	-	-	(218.69)	-	10,975.49	10,756.80
Transfer from [to] Reserve	-	2,199.98	-	-	-	-	-	(2,199.98)	-
Less: Transfer to Impairment Reserve	-	-	-	5,768.65	-	-	-	(5,768.65)	-
Transactions with owners in their capacity as owners:									
Dividends	-	-	-	-	-	-	-	(5,138.27)	(5,138.27)
Corporate dividend tax on dividend	-	-	-	-	-	-	-	(1,056.19)	(1,056.19)
Effect of foreign exchange rate variations during the year	-	-	-	-	-	-	(1,653.41)	-	(1,653.41)
Amortisation for the year	-	-	-		-	-	1,918.00	-	1,918.00
As at March 31, 2020	61,280.57	35,062.51	29,699.78	5,768.65	(18,140.97)	(373.46)	(2,268.98)	36,225.63	147,253.73

See accompanying notes forming part of the consolidated financial statements 1-53

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI firm registration. 105047W

Sd/-
Rahul Aggarwal
Partner
Membership No. 505676

For and on behalf of the Board of Directors

Sd/-
Dr. Pawan Singh
Managing Director and CEO
DIN: 00044987

Sd/-
Naveen Kumar
Whole-time Director
DIN: 00279627

Sd/-
Vishal Goyal (A-19124)
Company Secretary

Sd/-
Sanjay Rustagi
Chief Financial Officer

Place : Gurugram
Date : June 13, 2020

Place: New Delhi
Date : June 13, 2020

PTC India Financial Services Limited
Consolidated Statement of Cash Flow as at March 31, 2020

(All amounts in Lakhs of ₹ unless otherwise stated)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit after tax	10,999.89	18,414.26
	Adjustments for:		
	Depreciation and amortisation expense	634.16	272.65
	Impairment on financial instruments	19,570.55	6,058.25
	(Gain)/ Loss on sale of property, plant and equipment	0.82	(4.93)
	Finance costs	95,035.39	94,431.06
	Net (Gain)/ Loss on fair value changes	(117.80)	(1,042.59)
	Tax expense	6,203.88	9,685.70
	Operating profit before working capital changes	**132,326.89**	**127,814.40**
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Loan financing	199,448.04	(96,307.35)
	Other loans	5.44	(22.82)
	Other financial assets	(72.05)	122.33
	Other non- financial assets	(109.15)	149.90
	Trade receivables	542.12	(373.11)
	Adjustments for increase / (decrease) in operating liabilities:		
	Other financial liabilities	2,464.86	5,410.20
	Provisions	76.13	33.76
	Trade payables	342.53	(205.40)
	Other non- financial liabilities	144.98	(67.61)
	Cash flow from operating activities post working capital changes	**335,169.79**	**36,554.30**
	Income- tax paid	(12,338.05)	(12,907.34)
	Net cash flow from operating activities (A)	**322,831.74**	**23,646.96**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Capital expenditure on property, plant and equipment, including capital advances	(19.44)	(81.79)
	Proceeds from sale of property, plant and equipment	0.61	9.46
	Purchase of intangible assets	-	(1.44)
	Investment in term desposit	(20,441.24)	-
	Purchase of investments	(20,514.91)	
	Proceeds from sale/ redemption of investments	2,406.78	48.86
	Net cash used in investing activities (B)	**(38,568.20)**	**(24.91)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings	92,614.71	407,434.65
	Repayment of borrowings	(246,016.61)	(293,963.81)
	Proceeds from debt securities	10,000.00	
	Repayment of debt securities	(21,995.89)	(45,456.36)
	Finance costs	(93,576.78)	(92,194.41)
	Dividend paid	(5,138.27)	(1,284.57)
	Tax on dividend	(1,056.19)	(264.05)
	Net cash flow from financing activities (C)	**(265,169.03)**	**(25,728.55)**
	Increase in cash and cash equivalents (A+B+C)	19,094.51	(2,106.50)
	Cash and cash equivalents at the beginning of the year	3,223.49	5,329.99
	Cash and cash equivalents at the end of the year	**22,318.00**	**3,223.49**

See accompanying notes forming part of the consolidated financial statements 1-53

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI firm registration. 105047W

Sd/-
Rahul Aggarwal
Partner
Membership No. 505676

For and on behalf of the Board of Directors

Sd/-
Dr. Pawan Singh
Managing Director and CEO
DIN: 00044987

Sd/-
Naveen Kumar
Whole-time Director
DIN: 00279627

Sd/-
Vishal Goyal (A-19124)
Company Secretary

Sd/-
Sanjay Rustagi
Chief Financial Officer

Place : Gurugram
Date : June 13, 2020

Place: New Delhi
Date : June 13, 2020

PTC India Financial Services Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

1. Company overview/Corporate information

PTC India Financial Services Limited ("PFS") is a registered Non-banking finance company (NBFC) with Reserve Bank of India (RBI) and has been awarded the Infrastructure Finance Company (IFC) status by RBI. PFS is set up with an objective to provide total financing solutions to the energy value chain which includes investing in equity or extending debt to road infrastructure projects and power projects in generation, transmission, distribution, fuel resources and fuel related infrastructure.

The Company's registered office and principal place of business is situated at 7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi - 110066. The shares of the Company are listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange.

The financial statements for the year ended March 31, 2020 were authorized and approved for issue by the Board of Directors on June 13, 2020.

1A. Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in this financial statement.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

2. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written-down method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. Asset costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

b) Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised over a period of 5 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

c) **Revenue recognition**

Interest and processing fee income on loans

Interest and processing fee income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/penal charges, if any, are recognised only when it is reasonable certain that the ultimate collection will be made.

Fee & Commission income

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

d) **Taxation**

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

e) **Employee benefits**

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Where in the employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the

Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

f) **Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

g) **Impairment of financial assets**

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

The Company considers various factors while considering the recoverability of credit impaired advances. These include nature and value of assets, different resolution channels, interest of potential buyers etc. Considering the typical nature of advances given by the Company, there is significant uncertainty and variability in timing of resolution of these advances. In reference to RBI's prudential norms, the Company does not recognize interest income on these advances on a conservative basis, and the provisioning is considered using current estimate of realization.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand (including imprest), demand deposits and short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

i) Equity investment in associates

Investments representing equity interest in associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

j) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

k) Leases

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

For leases entered into as a lessee

Recognition and initial measurement

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

The Company does not have any leases as a lessor.

l) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:
   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iii. **Investments in Security Receipts –** Investments in security receipts are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial and subsequent measurement

The Company uses derivative financial instruments to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss. For the purpose of hedge accounting, hedges are classified as cash flow hedges where Company hedges its exposure to variability in cash flows that is attributable to foreign currency risk and interest rate risk associated with recognised liabilities in the financial statements.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they continue to be highly effective throughout the financial reporting periods for which they are designated.

Accounting for cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

m) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) **Segment reporting**

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

o) **Foreign currency**

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

p) **Government grants**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

q) **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant management estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

r) **Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

s) **Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information and there is no cumulative effect of initially applying this standard which has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 10.24% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

PTC India Financial Services Limited
Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts in Lakhs of ₹ unless otherwuse stated)

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Cash and cash equivalents	**As at March 31, 2020**	**As at March 31, 2019**
Cash on hand	0.25	0.03
Balances with banks:		
- in current accounts	15,507.75	2,608.97
- in deposit accounts with original maturity of less than three months	6,810.00	614.49
	22,318.00	**3,223.49**

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Other bank balances	**As at March 31, 2020**	**As at March 31, 2019**
Balances with banks-		
- in earmarked accounts		
i. Unclaimed share application money lying in escrow account	-	-
i. Unclaimed interest on debentures	461.61	621.36
ii. Unclaimed dividend	61.95	46.88
- in deposit accounts with original maturity of more than three months	20,441.24	-
	20,964.80	**668.24**

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Derivative financial instruments
The Company enters into derivatives for risk management purposes. The Company has various derivative (i.e. cross currency interest rate swaps, call spread and cap spread options) contract which are entered into as an economic hedge of the for foreign currency and interest rate risks of the Company. The Company has designated cross currency swap contracts under cash flow hedge relationship and hedge accounting has been done. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

	As at March 31, 2020			**As at March 31, 2019**		
	Notional amounts	**Fair Value - Assets**	**Fair Value - Liabilities**	**Notional amounts**	**Fair Value - Assets**	**Fair Value - Liabilities**
Currency derivatives						
- Currency and interest rate swaps	10,873.25	782.94	-	11,706.18	-	23.00
- Call spread option	20,827.26	1,377.77	-	25,440.49	1,782.20	-
- Cap spread option		1.06	-		215.02	-
Total derivatives	**31,700.51**	**2,161.77**	**-**	**37,146.67**	**1,997.22**	**23.00**
Included in above are derivatives held for hedging and risk management purposes as follows:						
Cash flow hedging:						
- Currency and interest rate swaps	10,873.25	782.94	-	11,706.18	-	23.00
Undesignated derivatives	20,827.26	1,378.83	-	25,440.49	1,997.22	-
Total derivative financial instruments	**31,700.51**	**2,161.77**	**-**	**37,146.67**	**1,997.22**	**23.00**

5.1 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. Currency and interest rate swap contract meets the hedge accounting criteria as per Ind AS 109 and has been accounted as cash flow hedge. The Company has designated this contract in cash flow hedge relationship from January 1, 2019.

(a) Disclosure of effects of hedge accounting on financial performance
For the year ended March 31, 2020

Type of hedge and risks	Change in the value of hedging instrument gain/ (loss)	Hedge ineffectiveness recognised in statement of profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge Foreign currency and interest rate risk (i) Currency and interest rate swap	(1,660.68)	1,324.52	(336.16)	Gain/ (loss) on fair value changes and loss/ amortisation of foreign currency transaction/ translation

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For derivative contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. currency and interest rate swap contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. foreign currency loan. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of foreign currency loan. The fair value of actual and hypothetical derivatives are represented by mark to market valuation obtained by the Company from the respective authorised dealers.

(b) Movements in cash flow hedging reserve

Particulars	Amount
As at March 31, 2019	**(154.77)**
Add: Changes in fair value of derivative contracts- gain/ (loss)	(1,660.68)
Less: Amount reclassified to profit or loss	1,324.52
Less: Deferred tax relating to above (net)	117.47
As at March 31, 2020	**(373.46)**

5.2 Derivatives not designated as hedging instruments

The Company uses currency and interest rate swaps and Call and Cap spread options to manage its interest rate risk and currency risk arising from USD denominated borrowings. The currency and interest rate call and cap spread options are not designated in a hedging relationship and valued based on the mark to market valuation received from the authorised dealers. The change in fair value of these contracts (mark to market) has been recognised in the Statement of Profit or Loss.

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Trade receivables	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	396.70	447.81
Which have significant increase in credit risk	-	491.01
	396.70	**938.82**
Less: Allowance for impairment loss allowance	-	77.68
	396.70	**861.14**

(i) All amounts are short-term. The net carrying amount of trade receivables is considered a reasonable approximation of their fair value.

(ii) Age of receivables :

Particulars	As at March 31, 2020	As at March 31, 2019
Within the credit period	-	-
Up to 180 days past due	355.22	305.87
More than 180 days	41.48	555.27
	396.70	**861.14**

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Loans	As at March 31, 2020	As at March 31, 2019
At amortised cost		
(i) Term loans*	1,084,717.64	1,337,429.41
(ii) Loans to employees	34.48	39.92
Total - Gross	**1,084,752.12**	**1,337,469.33**
Less: Impairment loss allowance	47,892.00	73,024.10
Total - Net	**1,036,860.12**	**1,264,445.23**
(i) Secured by tangible assets (property, plant and equipment including land and building)**	1,001,514.82	1,277,449.89
(ii) Secured by book debts, inventories, fixed deposit and other working capital items	34,067.78	-
(ii) Secured by intangible assets	-	-
(ii) Covered by bank and government guarantee	49,166.67	60,015.00
(iii) Unsecured	2.85	4.44
Total - Gross	**1,084,752.12**	**1,337,469.33**
Less: Impairment loss allowance	47,892.00	73,024.10
Total - Net	**1,036,860.12**	**1,264,445.23**
Loans in India* **		
(i) Public sector	189,554.62	199,623.01
(ii) Others	895,197.50	1,137,846.32
Total - Gross	**1,084,752.12**	**1,337,469.33**
Less: Impairment loss allowance	47,892.00	73,024.10
Total - Net	**1,036,860.12**	**1,264,445.23**

* Includes interest accrued.
** Based on the net book value of the tangible assets provided as security.
*** The Company does not hold any loans outside India.
The net carrying amount of loans is considered a reasonable approximation of their fair value.
Refer note 44 A on credit risk

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Investments	**As at March 31, 2020**					**As at March 31, 2019**				
	Fair value through statement of profit and loss	**At fair value through other comprehensive income**	**At amortised cost**	**At cost**	**Total**	**Fair value through statement of profit and loss**	**At fair value through other comprehensive income**	**At amortised cost**	**At cost**	**Total**
Investments in India										
Investment in equity instruments										
(a) Investment in associates										
61,121,415 (March 31, 2019: 61,121,415;) equity shares of Rs. 10 held in R.S. India Wind Energy Private Limited	-	-	-	4,737.33	4,737.33	-	-	-	4,737.33	4,737.33
4,390,000 (March 31, 2019:4,390,000) equity shares of Rs.10 held in Varam Bio Energy Private Limited	-	-	-	-	-	-	-	-	-	-
(b) Investment in optionally convertible debentures										
90 (March 31, 2019: 90) optionally convertible debentures of Rs. 10 held in Varam Bio Energy Private Limited	-	-	-	428.58	428.58	-	-	-	428.58	428.58
Total Investment in associates (A+B)				**5,165.91**	**5,165.91**				**5,165.91**	**5,165.91**
Less: Allowance for Impairment Loss (C)				5,165.91	5,165.91				5,165.91	5,165.91
Total Net D= (A+B)-(C)				-	-				-	-

Other investments

Investments	As at March 31, 2020					As at March 31, 2019				
	Fair value through statement of profit and loss	At fair value through other comprehensive income	At amortised cost	At cost	Total	Fair value through statement of profit and loss	At fair value through other comprehensive income	At amortised cost	At cost	Total
Investment in equity instruments										
(a) Investment in other companies (Refer Note (i) below)										
133,385,343 (March 31, 2019: 133,385,343;) equity shares of Rs. 10 held in East Coast Energy Private Limited	-	-	-	-	-	-	-	-	-	-
8,180,000 (31 March 2019: 8,180,000;) equity shares of Rs. 10 held in Adhunik Power and Natural Resources Limited	-	-	-	-	-	-	-	-	-	-
39,831,212 (March 31, 2019: 39,831,212;) equity shares of Rs. 10 held in Athena Chattisgarh Power Limited	-	-	-	-	-	-	-	-	-	-
12,132,677 (March 31, 2019: nil;) equity shares of Rs. 10 Prayagraj Power Generation Company Limited	-	-	-	-	-	-	-	-	-	-
(b) Investment in optionally convertible debentures	-	-	**20,514.91**	-	**20,514.91**	-	-	-	-	-
200 (March 31, 2019: Nil) optionally convertible debentures of Rs. 10,000,000 held in Ostro Energy Private Limited										
Investment in security receipts										
307,470 (March 31, 2019: 307,470) security receipts of face value Rs.1000 each held in Edelweiss Assets Reconstruction Co Ltd (13,200 @ Rs. 960.93 and 294,270 @ Rs. 991.21) held in Adhunik Power and Natural Resources Limited.	3,043.68	-	-	-	3,043.68	3,043.68	-	-	-	3,043.68
233,750 (March 31, 2019: 233,750) security receipts of Rs. 1000 each held in Phoenix ARC Pvt Ltd-Raigarh Champa Rail Infrastructure Private Limited	1,285.63	-	-	-	1,285.63	1,753.13	-	-	-	1,753.13
552,500 (March 31, 2019: 552,500 face value Rs 1000 each) security receipts of Rs. 516 each held in Phoenix ARC Pvt Ltd-Sispara Renewable Pvt Ltd	2,850.90	-	-	-	2,850.90	4,790.18	-	-	-	4,790.18
7,99,500 (March 31, 2019: Nil;) security receipts of Rs. 1000 each held in Phoenix ARC Pvt Ltd-RKM Powergen Pvt Ltd	7,990.00	-	-	-	7,990.00	-	-	-	-	-
Total Investments (A+B)	**15,170.21**	-	**20,514.91**	-	**35,685.12**	**9,586.99**	-	-	-	**9,586.99**
Less: Allowance for Impairment Loss (C)	-	-	117.55	-	117.55	-	-		-	-
Total Net D= (A+B)-(C)	**15,170.21**	-	**20,397.36**	-	**35,567.57**	**9,586.99**	-	-	-	**9,586.99**

Note:

(i) Fair value at initial recognition of investment in other companies is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
East Coast Energy Private Limited	13,338.53	13,338.53
Adhunik Power and Natural Resources Limited	819.32	819.32
Athena Chattisgarh Power Limited	3,983.12	3,983.12
Prayagraj Power Generation Company Limited	-	-
	18,140.97	**18,140.97**

(ii) Investments acquired through invocation of pledge shares (collaterals) has not been considered as an investment.

9	Other financial assets	As at March 31, 2020	As at March 31, 2019
	Security deposits	57.49	52.47
	Others	47.50	-
		104.99	**52.47**

10	Current tax assets (net)	As at March 31, 2020	As at March 31, 2019
	Tax assets		
	Advance income tax	101,783.40	89,445.35
	Taxes paid under dispute*	2,034.37	2,034.37
	Tax liabilities		
	Provision for income tax	74,451.07	74,451.07
		29,366.70	**17,028.65**

*Includes amounts under dispute by company/other party.

11	Deferred tax assets	As at March 31, 2020	As at March 31, 2019
	Tax effect of items constituting deferred tax liabilities		
	Difference between book balance and tax balance of property, plant and equipment and intangible assets	61.47	29.82
	Foreign currency monetary items translation difference account	646.08	885.02
	Special reserve under section 36(1)(viii) of Income-tax Act, 1961	10,378.29	10,378.29
	Financial liabilities measured at amortised cost	661.67	412.07
		11,747.51	**11,705.20**
	Tax effect of items constituting deferred tax assets		
	Provision for employees benefits	161.50	121.79
	Impairment on financial instruments	17,106.62	25,723.54
	Accrued interest deductible on payment	29.40	38.60
	Provision for diminution in value of unquoted non-current trade investments	127.22	99.84
	Financial assets measured at amortised cost	1,423.39	2,177.66
	Tax loss	5,232.22	2,098.31
	Cash flow hedge reserve	200.60	83.13
	Lease liability	30.93	-
		24,311.88	**30,342.87**
	Deferred tax (assets) /liabilities (net)	**(12,564.37)**	**(18,637.67)**

Deferred taxes arising from temporary differences for the year ended 31 March 2020 are summarized as follows:

Deferred tax assets/(liabilities)	As at April 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	As at March 31, 2020
Tax effect of items constituting deferred tax liabilities				
Difference between book balance and tax balance of property, plant and equipment and intangible assets	29.82	31.65	-	61.47
Foreign currency monetary items translation difference account	885.02	(238.94)	-	646.08
Special reserve under section 36(1)(viii) of Income-tax Act, 1961	10,378.29	-	-	10,378.29
Financial liabilities measured at amortised cost	412.07	249.60	-	661.67
	11,705.20	**42.31**	-	**11,747.51**
Tax effect of items constituting deferred tax assets				
Provision for employees benefits	121.79	26.60	13.11	161.50
Impairment on financial instruments	25,723.54	(8,616.92)	-	17,106.62
Accrued interest deductible on payment	38.60	(9.20)	-	29.40
Losses/ diminution in value of investments	99.84	27.38	-	127.22
Financial assets measured at amortised cost	2,177.66	(754.27)	-	1,423.39
Tax loss	2,098.31	3,133.91	-	5,232.22
Cash flow hedge reserve	83.13	-	117.47	200.60
Lease liability	-	30.93	-	30.93
	30,342.87	**(6,161.57)**	**130.58**	**24,311.88**
Deferred tax (assets) /liabilities (net)	**(18,637.67)**	**6,203.88**	**(130.58)**	**(12,564.37)**

*The Company has not elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and it is still under evaluation. Accordingly, the Company has not re-measured its Deferred Tax liabilities basis the rate prescribed in the said section. The impact of this change has not been recognised in the statement of Profit & Loss and other comprehensive income for the year.

12 **Property, plant and equipment**

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

Particulars	Right of use-Buildings	Leasehold improvements	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Computers	Vehicles	Office equipment	Total
Gross carrying amount (at cost)										
As at April 1, 2018	-	**456.24**	-	**11.94**	**3,522.75**	**100.22**	**159.83**	**37.63**	**212.77**	**4,501.38**
Additions	-	-	-	-	-	0.76	34.88	48.00	3.80	87.44
Disposals	-	-	-	-	-	0.93	20.30	19.34	6.57	47.14
As at March 31, 2019	-	**456.24**	-	**11.94**	**3,522.75**	**100.05**	**174.41**	**66.29**	**210.00**	**4,541.68**
Additions	1,574.76	-	3.50		-	-	13.04	-	2.89	1,594.19
Disposals	-	-		-	-	-	7.68	-	2.90	10.58
As at March 31, 2020	**1,574.76**	**456.24**	**3.50**	**11.94**	**3,522.75**	**100.05**	**179.77**	**66.29**	**209.99**	**6,125.29**
Accumulated depreciation										
As at April 1, 2018	-	**301.54**	-	**3.98**	**2,443.75**	**58.94**	**118.68**	**31.49**	**140.12**	**3,098.50**
Charge for the year	-	41.90	-	0.39	137.36	10.68	33.49	2.44	32.31	258.57
Adjustments	-	-	-	-	-	0.82	19.08	17.80	4.91	42.61
As at March 31, 2019	-	**343.44**	-	**4.37**	**2,581.11**	**68.80**	**133.09**	**16.13**	**167.52**	**3,314.46**
Charge for the year	420.42	23.97	-	0.37	120.18	8.10	26.67	15.70	16.79	632.20
Adjustments	-						7.24		1.91	9.15
As at March 31, 2020	**420.42**	**367.41**	-	**4.74**	**2,701.29**	**76.90**	**152.52**	**31.83**	**182.40**	**3,937.51**
Net carrying amount										
As at March 31, 2019	-	**112.80**	-	**7.57**	**941.64**	**31.25**	**41.32**	**50.16**	**42.48**	**1,227.22**
As at March 31, 2020	**1,154.34**	**88.83**	**3.50**	**7.20**	**821.46**	**23.15**	**27.25**	**34.46**	**27.59**	**2,187.78**

(i) Refer note 40 for information on property, plant and equipment pledged as security by the Company.
(ii) Lease of office building is recognised as right-of-use assets in accordance with Ind AS 116. Refer note 45

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Intangible asset	**Computer software**	**Total**
Gross carrying amount (at cost)		
As at April 1, 2018	**263.73**	**263.73**
Additions	1.44	1.44
Disposals	-	-
As at March 31, 2019	**265.17**	**265.17**
Additions	-	-
Disposals	-	-
As at March 31, 2020	**265.17**	**265.17**
Accumulated depreciation		
As at April 1, 2018	**247.04**	**247.04**
Charge for the year	14.08	14.08
Adjustments	-	-
As at March 31, 2019	**261.12**	**261.12**
Charge for the year	1.96	1.96
Adjustments	-	-
As at March 31, 2020	**263.08**	**263.08**
Net carrying amount		
As at March 31, 2019	**4.05**	**4.05**
As at March 31, 2020	**2.09**	**2.09**

14	Other non-financial assets	As at 31 March 2020	As at 31 March 2019
	Capital advances*	1,538.85	1,538.84
	Prepaid expense	64.40	37.80
	Balances with government authorities	85.63	3.08
		1,688.88	**1,579.72**

* Capital advance includes transfer charges Rs.10.26 Crore deposited by the Company to Yamuna Expressway Industrial Development Authority (YEIDA) for transfer of land. YEIDA has forfeited the deposit amount citing the reason as delay in registration. However, the delay is not attributable to the Company. The management assessed that the forfeiture is not justified and exploring legal options against the unjustifiable action of YEIDA.

15	Debt securities	As at 31 March 2020	As at 31 March 2019
	At amortised cost		
	Secured		
	Infrastructure bonds (i)	13,637.35	14,085.66
	Debentures (ii)	27,660.75	39,143.78
	Total	**41,298.10**	**53,229.44**
	Debt securities in India	18,137.35	20,081.72
	Debt securities outside India	23,160.75	33,147.72
		41,298.10	**53,229.44**

(i) Infrastructure bonds

51,272 (March 31, 2019: 52,295) privately placed 8.25%/8.30% secured redeemable non-convertible long-term infrastructure bonds of Rs 5,000 each (Infra Series 1) amounting to Rs 2,563.60 lakhs (March 31, 2019: Rs 2,614.75 lakhs) allotted on March 31, 2011 redeemable at par in 5 to 10 years commenced from March 31, 2016 are secured by way of first charge on the receivables of the assets created from the proceeds of infrastructure bonds and other unencumbered receivables of the Company to provide 100% security coverage. During the year, the company has repaid Rs 51.15 lakhs (March 31, 2019: Rs 145.10 lakhs) under buyback scheme exercised by eligible holders of infrastructure bonds in FY2019-20 as per terms of Infra Series 1. 221,473 (March 31, 2019: 229,460) privately placed 8.93%/9.15% secured redeemable non-convertible long-term infrastructure bonds of Rs 5,000 each (Infra Series 2) amounting to Rs 11,073.65 lakhs (March 31, 2019: Rs 11,473.00 lakhs) allotted on March 30, 2012 redeemable at par in 5 to 15 years commencing from March 30, 2017 are secured by way of first charge on the receivables of the assets created from the proceeds of infrastructure bonds and other receivables of the Company to provide the 100% security coverage. During the year, the company has repaid Rs 399.35 lakhs (March 31, 2019: Rs 811.25 lakhs) under buyback scheme exercised by eligible holders of infrastructure bonds in FY2019-20 as per terms of Infra Series 2.

(ii) Debentures

900 (March 31, 2019: 900) privately placed 10.50% secured redeemable non-convertible debentures of Rs 500,000 each (March 31, 2019: Rs 666,667 each) (Series 3) amounting to Rs 4,500.00 lakhs (March 31, 2019: Rs 6,000.00 lakhs) were allotted on January 27, 2011 redeemable at par in six equal annual instalments commencing from January 26, 2018.

Series 3 debentures are secured by way of mortgage of immovable building and first charge by way of hypothecation of the receivables of the loan assets created from the proceeds of respective debentures. Further, the same have also been secured by pari-passu charge by way of hypothecation of the receivables of loan assets created by the Company out of its own sources which are not charged to any other lender of the Company to the extent of 125% of debentures.

2,135 (March 31, 2019: 2,135) privately placed 9.62% secured redeemable non-convertible debentures of Rs. 670,000 each (March 31, 2019 : Rs 1,000,000 each) (Series 4) amounting to Rs 14,304.50 lakhs (March 31, 2019 : Rs 21,350.00 lakhs were allotted on June 03, 2015 redeemable at par in 3 tranches divided in 33% of face value on May 28, 2019, 33% of face value on May 28, 2021 and balance 34% of face value on May 28, 2025.

Series 4 debentures are secured by way of first charge by way of hypothecation of the specified receivables of the Company comprising asset cover of at least 110% of the amount of the Debentures

1,500 (March 31, 2019: 1,500) privately placed 9.80% secured redeemable non-convertible debentures of Rs. 600,000 each (March 31, 2019 : Rs 800,000 each) (Series 5) amounting to Rs 9,000.00 lakhs (March 31, 2019 : Rs 12,000.00 lakhs were allotted on June 16, 2015 redeemable at par in five equal annual instalments commencing from June 12, 2018.

Series 5 debentures are secured by way of first ranking exclusive charge by way of hypothecation of the identified receivables of the Company comprising asset cover of at least 100% of the amount of the Debentures.

16	Borrowings (other than debt securities)	As at March 31, 2020	As at March 31, 2019
	At amortised cost		
	Secured		
	Loans		
	- from banks (i)	843,090.07	935,608.46
	- from financial institutions (ii)	10,273.68	66,000.00
	-External commercial borrowings from financial institutions (iii)	31,601.45	36,995.33
	Lease liability	1,228.56	-
	Total	**886,193.76**	**1,038,603.79**
	Borrowings in India	854,592.31	1,001,608.46
	Borrowings outside India	31,601.45	36,995.33
	Total	**886,193.76**	**1,038,603.79**

(i) Term loan from bank

Term loans from banks carry interest ranging from 7.80% to 9.75% p.a. The loans carry various repayment schedules according to their respective sanctions and thus are repayable in 12 to 48 quarterly instalments. The loans are secured by first pari-passu charge on receivables of loan assets by way of hypothecation (other than assets created/ to be created in favour of specific lenders) so that lenders should have at least 100%/ 111% security coverage on its outstanding loan at all times during the currency of the loan.

(ii) Term loan from financial institution

Loan from financial institution carry interest of 11% p.a. The loan is repayable in 12 equated monthly instalments. The loan is secured by first pari-passu charge on receivables of loan assets by way of hypothecation (other than assets created/ to be created in favour of specific lenders) so that lenders should have at least 110% security coverage on its outstanding loan at all times during the currency of the loan.

(ii) External commercial borrowings

External Commercial Borrowings ("ECB") carry interest ranging from 3 months LIBOR+1.90% to LIBOR+3.10% p.a. The loans are repayable in 32/36 equal quarterly instalments as per the due dates specified in the respective loan agreements. The borrowings are secured by way of first ranking exclusive charge on all present and future receivables of the eligible loan assets created by the proceeds of ECB. During the year ended March 31, 2020, four quarterly repayments of ECB loans has been made amounting to USD 11,638,888 (Rs. 8,111.11 Lakhs).

17	Other financial liabilities	As at March 31, 2020	As at March 31, 2019
	Interest accrued but not due on borrowings		
	- Term loan	1,397.32	1,581.73
	- Debentures	819.86	1,162.63
	- Infrastructure bonds	10,166.60	8,810.08
	Unclaimed dividend	61.95	46.88
	Unclaimed interest on debentures	461.61	621.36
	Deferred processing/upfront fees	938.67	1,727.23
	Income received in advance	182.20	220.33
	Security deposit from borrowers	9,723.00	5,773.00
		23,751.21	**19,943.24**

18	Provisions	As at March 31, 2020	As at March 31, 2019
	Gratuity	191.04	140.61
	Compensated absences	211.98	178.01
	Other employees benefits	59.16	29.92
		462.18	**348.54**

19	Other non-financial liabilities	As at March 31, 2020	As at March 31, 2019
	Statutory remittances	331.39	186.41
		331.39	**186.41**

20 **Equity share capital**

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Equity share capital		
1,250,000,000 (March 31, 2019: 1,250,000,000) equity shares of Rs.10 each	125,000.00	125,000.00
Authorised Preference share capital		
750,000,000 (March 31, 2019: 750,000,000) preference shares of Rs.10 each	75,000.00	75,000.00
Total	**200,000.00**	**200,000.00**
Issued, subscribed and paid up Equity share capital		
642,283,335 (March 31, 2019: 642,283,335) equity shares of Rs. 10 each fully paid up	64,228.33	64,228.33
	64,228.33	**64,228.33**

Each holder of equity shares is entitled to one vote per share and ranks pari passu. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(i) **Movement in issued, subscribed and paid up Equity Share Capital**

Particulars	Equity Share Capital	
	Number of shares	Amount
As at April 1, 2018	**642,283,335**	**64,228.33**
Add: Equity shares issued during the year	-	-
As at March 31, 2019	**642,283,335**	**64,228.33**
Add: Equity shares issued during the year	-	-
As at March 31, 2020	**642,283,335**	**64,228.33**

(ii) **Shareholders holding more than 5% shares are set out below:**

	As at March 31, 2020		As at March 31, 2019	
Particulars	**Number of shares**	%	**Number of shares**	%
PTC India Limited#	417,450,001	64.99	417,450,001	64.99

Holding company by virtue of holding more than one-half of equity share capital.

(iii) The Company has neither issued equity shares pursuant to contract without payment being received in cash nor any bonus shares in the current year and five years immediately preceding the balance sheet date.

21 **Other equity**

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium account	61,280.57	61,280.57
Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1961)	35,062.51	32,862.53
Special reserve (in terms of Section 36(1)(viii) of the Income tax Act, 1961)	29,699.78	29,699.78
Impairment reserve	5,768.65	-
Equity instruments through other comprehensive income	(18,140.97)	(18,140.97)
Cash flow hedge reserve	(373.46)	(154.77)
Foreign currency monetary items translation difference account	(2,268.98)	(2,533.57)
Retained earnings	36,225.63	39,413.23
Total	**147,253.73**	**142,426.80**

(i) Securities premium account

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	61,280.57	61,280.57
Add: Amount received pursuant to issue of equity shares	-	-
Closing balance	61,280.57	61,280.57

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the relevant statutes.

(ii) Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1961)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	32,862.53	29,179.68
Add: Transferred from Retained earnings	2,199.98	3,682.85
Closing balance	35,062.51	32,862.53

This reserve is maintained in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1961.The reserve is utilised in accordance with the provisions of the relevant statutes.

(iii) Special reserve (in terms of Section 36(1)(viii) of the Income tax Act, 1961)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	29,699.78	29,699.78
Add: Transferred from Retained Earnings	-	-
Closing balance	29,699.78	29,699.78

This reserve is maintained in accordance with the provisions of Section 36(1)(viii) of the Income tax Act, 1961. The reserve is utilised in accordance with the provisions of the relevant statutes.

(iv) Impairment Reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance		
Add: Transferred from Retained Earnings	5,768.65	-
Closing balance	5,768.65	-

This reserve is maintained in accordance with the RBI Circular on Implementation of Ind AS dated March 13, 2020.The reserve is utilised in accordance with the provisions of the relevant circular. Refer note 46

(v) Equity instruments through other comprehensive income

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	(18,140.97)	(14,937.10)
Add: Change in fair value of FVOCI equity investments	-	(3,203.87)
Add/less: Tax impact	-	-
Closing balance	(18,140.97)	(18,140.97)

The Company has elected to recognise changes in fair value of equity investments in other comprehensive income. These changes are accumulated within the "Reserve for equity instruments through other comprehensive income". The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(vi) Cash flow hedge reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**(154.77)**	-
Add: Changes in fair value of derivative contracts- gain/ (loss)	(1,660.68)	(401.50)
Less: Amount reclassified to profit or loss	1,324.52	163.60
Less: Tax impact	117.47	83.13
Closing balance	**(373.46)**	**(154.77)**

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with its foreign currency borrowings. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedge reserve. Amounts recognised in the cash flow hedge reserve is reclassified to profit or loss when hedged item affects profit or loss.

(vii) Foreign currency monetary items translation difference account

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**(2,533.57)**	**(1,749.21)**
Add/(less): Effect of foreign exchange rate variations during the year (net)	(1,653.41)	(2,451.19)
Add/less: Amortisation for the year	1,918.00	1,666.83
Closing balance	**(2,268.98)**	**(2,533.57)**

Foreign currency monetary items translation difference account comprises of the unamortised loss/gain on long term foreign currency monetary items (except derivative financial instruments), for which the Previous GAAP policy is carried forward.

(viii) Retained earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**39,413.23**	**26,233.02**
Add: Net profit for the year	10,999.89	18,414.26
Add: Remeasurement of post-employment benefit obligation, net of tax	(24.40)	(2.58)
Less: Transferred to statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(2,199.98)	(3,682.85)
Less: Trasfer to Impairment Reserve	(5,768.65)	-
Less: Dividend on equity shares [Rs. 0.80 per equity share (March 31, 2019: Re. 0.20 per equity share]	(5,138.27)	(1,284.57)
Less: Tax on equity dividend	(1,056.19)	(264.05)
Closing balance	**36,225.63**	**39,413.23**

Distributions made and proposed

Particulars	As at March 31, 2020	As at March 31, 2019
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended March 31, 2019: Rs. 0.80 per share (March 31, 2018: Rs. 0.20 per share)	5,138.27	1,284.57
Dividend Distribution tax on final dividend	1,056.19	264.05
Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Proposed dividend on Equity Shares:		
Final dividend for the year ended March 31, 2020: Rs. 0.45 per share (March 31, 2019: Rs. 0.80 per share) *	2,890.28	5,138.27
Dividend Distribution tax on proposed dividend	-	1,056.19

* Approved by the Board of Directors of the Company in its meeting held on June 13, 2020.

22	Interest income	For the year ended March 31, 2020	For the year ended March 31, 2019
	Interest income from loan financing	130,834.14	128,433.77
	Interest income from debentures	1,305.56	-
	Interest on fixed deposits	278.96	76.98
	Interest income on other financial assets	7.03	6.33
		132,425.69	**128,517.08**

23	Fee and commission Income	For the year ended March 31, 2020	For the year ended March 31, 2019
	Fee based income	3,486.64	3,474.71
		3,486.64	**3,474.71**

24	Net gain on fair value changes	For the year ended March 31, 2020	For the year ended March 31, 2019
	Net gain /(loss) on financial instruments at fair value through profit or loss		
	- Gain on MTM of derivatives	117.80	1,042.59
		117.80	**1,042.59**

25	Other income	For the year ended March 31, 2020	For the year ended March 31, 2019
	Consultancy and other services	14.09	71.75
	Profit on sale of property, plant and equipment	0.34	4.93
	Interest on income tax refund	3.88	129.42
	Miscellaneous Income	527.72	3.55
		546.03	**209.65**

26	Finance costs (on financial liabilities measured at amortised cost)	For the year ended March 31, 2020	For the year ended March 31, 2019
	Interest expenses on:		
	Borrowings:		
	-On Loans from banks/ financial institutions	84,396.95	79,818.81
	-On External commercial borrowings	2,295.17	2,770.89
	-On lease liability	142.14	-
	Debt securities		
	-On Infra bonds	2,031.11	2,076.76
	-On Debentures	3,094.26	4,130.61
	-On Commercial paper	301.94	3,549.32
	Other interest expenses:		
	- Delayed payment of income tax	0.10	0.97
	- Interest expense on security deposits	658.45	47.99
	Other Borrowing Costs:		
	- Loss/amortisation of foreign currency transaction/transalation	1,924.52	2,035.71
		94,844.64	**94,431.06**

27	Fees and commission expense	For the year ended March 31, 2020	For the year ended March 31, 2019
	Other charges on term loans and other borrowings	190.75	116.47
		190.75	**116.47**

28	Impairment on financial instruments	For the year ended March 31, 2020	For the year ended March 31, 2019
	Impairment loss on financial instruments based on category of financial instrument:		
	Loans*	18,809.82	5,391.36
	Others	760.73	666.89
		19,570.55	**6,058.25**

* Refer note 44 (A.4)

29	Employees benefit expense	For the year ended March 31, 2020	For the year ended March 31, 2019
	Salaries and other allowances	1,439.49	1,241.33
	Contribution to provident fund	61.52	55.41
	Staff welfare expense	139.91	107.65
		1,640.92	**1,404.39**

30	Depreciation and amortisation expense	For the year ended March 31, 2020	For the year ended March 31, 2019
	Depreciation on tangible assets and right-of-use (Refer note 12)	632.20	258.57
	Amortisation on intangible assets (Refer note 13)	1.96	14.08
		634.16	**272.65**

31	Other expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
	Rent	36.19	495.43
	Repairs and maintenance		
	- Plant and equipment	104.69	104.52
	- others	71.79	106.58
	Insurance	20.97	36.96
	Rates and taxes	4.57	68.07
	Communication	28.99	25.90
	Travelling and conveyance	86.77	90.13
	Advertising and business development	74.57	57.56
	Donation	40.67	0.45
	Corporate social responsibility expenses	641.27	916.41
	Legal and professional	1,419.30	1,003.89
	Auditor remuneration:*	-	
	- For statutory audit	18.60	22.25
	- For quarterly audit/limited review	16.92	18.00
	- For tax audit	1.86	2.75
	- For other certification and reporting	7.68	17.15
	- For out of pocket expenses	3.72	0.49
	Loss on sale of property, plant and equipment	0.82	-
	AGM expenses	20.16	23.10
	Bank charges	3.59	1.62
	Directors' sitting fees	87.64	82.84
	Miscellaneous expenses	195.48	194.34
		2,886.25	**3,268.44**

*Previous year figures related to erstwhile auditor. Also, in current year includes Rs. 21.46 paid to erstwhile auditor.

32 Income tax expense

Income tax expense recognised in Statement of profit and loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
In respect of the current year	-	-
	-	-
Deferred tax charge/ (benefits)		
In respect of the current year	6,203.88	9,685.70
	6,203.88	**9,685.70**

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:-

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	17,203.77	28,099.96
Domestic tax rate	34.944%	34.944%
Expected tax expense [A]	**6,011.69**	**9,819.25**
Adjustment for tax-exempt income/ non-deductible expenses	265.97	121.35
Reversal during tax holiday period	(73.78)	(12.99)
Adjustment for change in tax rate during the year	-	(179.81)
Others	-	(62.10)
Total adjustments [B]	**192.19**	**(133.55)**
Actual tax expense [C=A+B]	**6,203.88**	**9,685.70**
Tax expense comprises:		
In respect of the current year	-	-
Deferred tax credit	6,203.88	9,685.70
Tax expense recognized in profit or loss [D]	**6,203.88**	**9,685.70**

Income tax expense recognized in other comprehensive income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income tax relating to cash flow hedge reserve	117.47	83.13
Income tax relating to remeasurement gains/(losses) on defined benefit plans	13.11	1.39
	130.58	**84.52**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	13.11	1.39
Items that will be reclassified to profit or loss	117.47	83.13
	130.58	**84.52**

33 Contingent liabilities and commitments

Particulars	As at March 31, 2020	As at March 31, 2019
a) In respect of following:		
- Income tax matters	3,163.15	3,042.72
b) Commitments		
- Loan financing	38,942.00	91,557.44
- Capital commitments	5,150.00	5,150.00
c) Guarantees furnished to bank	-	-

The above matters are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of the management, have a material effect on financial position of the Company. Amount above does not include the contingencies the likelihood of which is remote.

34 **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006***

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year/period.	13.75	13.75
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year/period.	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
The amount of interest due and payable for the year/period.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year/period.	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

* No interest is payable on outstanding amount.

35 **Change in liabilities arising from financing activities**

Particulars	Debt securities	Borrowings (Other than debt securities)	Total
As at April 1, 2018	**98,048.93**	**924,837.20**	**1,022,886.13**
Cash flows:			
Proceeds from debt securities/borrowings	-	407,434.65	407,434.65
Repayment of debt securities/borrowings	(45,456.36)	(293,963.81)	(339,420.17)
Non-cash:			
Foreign currency fluctuation impact	-	743.86	743.86
Impact of borrowings measured at amortised cost	636.87	(448.11)	188.76
As at March 31, 2019	**53,229.44**	**1,038,603.79**	**1,091,833.23**
Cash flows:			
Proceeds from debt securities/borrowings	10,000.00	92,614.71	102,614.71
Repayment of debt securities/borrowings	(21,995.89)	(246,016.61)	(268,012.50)
Non-cash:			
Lease liability	-	1,228.56	1,228.56
Foreign currency fluctuation impact	-	(264.59)	(264.59)
Impact of borrowings measured at amortised cost	64.55	27.90	92.45
As at March 31, 2020	**41,298.10**	**886,193.76**	**927,491.86**

36 **Disclosures under Ind AS 19 (Employee benefits)**
The details of various employee benefits provided to employees are as under:

Defined contribution plans

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provident fund	61.52	55.41

Defined benefit plans:
The Company has following defined benefit plans for its employees

- Gratuity: The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.
- Post-Retirement Medical Benefit: The Company operates post-employment medical benefits scheme. The liability is recognised on the basis of actuarial valuation."

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk , longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2020 by Mr. K.K. Dharni (FIAI M.No. 00051) , Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Principal assumptions:	**Gratuity/Post Medical retirement benefit**	
	As at March 31, 2020	**As at March 31, 2019**
Discount rate	6.76%	7.65%
Future salary increase	8.50%	9.00%
Retirement age	60/62	60/62
Withdrawal rate	1-3%	1-3%
In service mortality	IALM (2012-14)	IALM (2006-08)

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows :-

Particulars	Gratuity		Post Medical retirement benefit	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Service cost				
Current service cost	27.82	23.93	6.71	3.69
Past service cost and (gain)/Loss from settlements	-	-	-	-
Net interest expense	10.76	10.04	2.29	1.86
Component of defined benefit cost recognised in profit or loss	**38.58**	**33.97**	**9.00**	**5.55**
Remeasurement on the net defined benefit liability:				
Actuarial (gains)/ losses arising from changes in demographic	0.11	-	0.13	-
Actuarial (gains)/ losses arising from changes in financial assumptions	9.46	14.29	7.01	2.80
Actuarial (gains)/ losses arising from experience adjustments	7.70	(10.56)	13.10	(2.56)
Component of defined benefit cost recognised in other comprehensive Income	**17.27**	**3.73**	**20.24**	**0.24**

The Current Service Cost and the net interest expense for the year are included in the Employee benefits expenses line items in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	Gratuity		Post Medical retirement benefit	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of obligation as at the beginning	140.61	130.22	29.92	24.12
Current service cost	27.82	23.93	6.71	3.69
Interest cost	10.76	10.04	2.29	1.86
Past service cost including curtailment gains/ losses	-	-	-	-
Benefits paid	(5.42)	(27.31)	-	-
Net actuarial (gain) / loss recognised	17.27	3.73	20.24	0.24
Present value of obligation as at the end	191.04	140.61	59.16	29.92

The reconciliation of the Company's defined benefit obligations (DBO) and plan assets in respect of defined benefit plans to the amounts presented in the statement of balance sheet is presented below:

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Present Value of funded defined benefit obligation	191.04	140.61
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	191.04	140.61

Particulars	Post Medical retirement benefit	
	As at March 31, 2020	As at March 31, 2019
Present Value of funded defined benefit obligation	59.16	29.92
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	59.16	29.92

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase, mortality, etc. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 0.5 basis points higher (lower), the defined benefit obligation would decrease by Rs. 22.06 lakhs (increase by Rs. 24.41 lakhs) [March 31, 2019: 15.84 lakhs (increase by Rs. 16.98 lakhs)].
- If the expected salary growth increases (decreases) by 0.5 basis points, the defined benefit obligation would increase by Rs. 12.86 lakhs (decrease by Rs. 11.82 lakhs) [March 31, 2019: increase by Rs. 9.96 lakhs (decrease by Rs. 9.14 lakhs)].

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Other disclosures

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2020	As at March 31, 2019
Average duration of the defined benefit obligation (in years)		
Less than 1 year	2.56	2.01
Between 1-2 years	16.77	2.36
Between 2-5 years	44.57	44.01
Over 5 years	186.30	122.14
Total	**250.20**	**170.52**

37 **Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	22,318.00	-	22,318.00	3223.49	-	3,223.49
Bank balances other than (a) above	9,305.81	11,658.99	20,964.80	668.24	-	668.24
Derivative financial instruments	-	2,161.77	2,161.77	-	1,997.22	1,997.22
Trade receivables	396.70	-	396.70	861.14	-	861.14
Loans	85,337.33	951,522.79	1,036,860.12	114,638.00	1,149,807.23	1,264,445.23
Investments	-	35,567.57	35,567.57	-	9,586.99	9,586.99
Other financial assets	-	104.99	104.99	-	52.47	52.47
Non-financial assets						
Current tax assets (Net)	-	29,366.70	29,366.70	-	17,028.65	17,028.65
Deferred tax assets (Net)	-	12,564.37	12,564.37	-	18,637.67	18,637.67
Property, Plant and Equipment	-	1,033.44	1,033.44	-	1,227.22	1,227.22
Right of use-Buildings	-	1,154.34	1,154.34	-	-	-
Intangible asset	-	2.09	2.09	-	4.05	4.05
Other non-financial assets	150.03	1,538.85	1,688.88	8.29	1,571.43	1,579.72
Total Assets	**117,507.87**	**1,046,675.90**	**1,164,183.77**	**119,399.16**	**1,199,912.93**	**1,319,312.09**
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	-	-	-	23.00	23.00
Payables						
Trade Payables						
(i) total outstanding dues to micro and small enterprises	13.75	-	13.75	13.75	-	13.75
(ii) total outstanding dues of creditors other than micro and small enterprises	651.32	-	651.32	308.79	-	308.79
Debt securities	18,137.25	23,160.85	41,298.10	25,500.00	27,729.44	53,229.44
Borrowings (Other than debt securities)	179,638.97	706,554.79	886,193.76	332,635.00	705,968.79	1,038,603.79
Other financial liabilities	14,514.54	9,236.67	23,751.21	12,443.01	7,500.23	19,943.24
Non-Financial Liabilities						
Provisions	7.65	454.53	462.18	6.42	342.12	348.54
Other non-financial liabilities	331.39	-	331.39	186.41	-	186.41
Total Liabilities	**213,294.87**	**739,406.84**	**952,701.71**	**371,093.38**	**741,563.58**	**1,112,656.96**
Net equity	**(95,787.00)**	**307,269.06**	**211,482.06**	**(251,694.22)**	**458,349.35**	**206,655.13**

38 **Segment reporting**

The Company's main business is to provide finance for energy value chain through investment and lending into such projects. All other activities revolve around the main business. The Company does not have any geographic segments. As such, there are no separate reportable segments as per IND AS 108 on "Segment Reporting" as per section 133 of the Companies Act, 2013.

39 **Related party disclosures under Ind AS 24**

Related party disclosures

Name of related parties and their relationship:

Name of related party	**Nature of Relationship**
PTC India Limited	Holding company
PTC Energy Limited	Fellow subsidiary company
R.S. India Wind Energy Private Limited	Associate company
Varam Bio Energy Private Limited	Associate company
PTC Foundation	Trust to Holding company
Key management personnel:	
Shri Deepak Amitabh	Chairman and Non Executive Director
Dr. Pawan Singh	Managing Director and CEO
Shri Naveen Kumar	Whole Time Director
Mrs. Pravin Tripathi	Independent Director
Dr. Rajib K. Mishra	Nominee Director
Shri Kamlesh S. Vikamsey	Independent Director
Shri Santosh B. Nayar	Independent Director
Dr. Nagesh Singh	Independent Director (w.e.f. 30th August 2019)
Shri Rakesh Kacker	Nominee Director (w.e.f. 10th October 2019)
Shri Thomas Mathew T.	Independent Director (w.e.f. 10th October 2019)
Shri H L Bajaj	Independent Director (ceasesd w.e.f 29th June 2019)
Shri Chinmoy Gangopadhyay	Nominee Director (ceased w.e.f 30th April 2019)
Mr. Sanjay Rustagi	Chief Financial Officer
Mr. Vishal Goyal	Company Secretary

Transactions with the key management personnel during the year:

Particulars	**Nature of transaction**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Dr. Pawan Singh	**Remuneration**		
	Short-term benefits	99.51	87.68
	Post-employment benefits	5.78	3.87
	Other long-term benefits	3.88	5.92
		109.17	**97.47**
Shri Naveen Kumar	**Remuneration**		
	Short-term benefits	83.03	68.01
	Post-employment benefits	1.47	1.25
	Other long-term benefits	2.31	2.16
		86.81	**71.42**
Dr. Ashok Haldia	**Remuneration**		
	Short-term benefits	9.21	55.83
	Post-employment benefits	-	15.77
	Other long-term benefits	0.84	27.31
		10.05	**98.91**
Non-Executive Independent Director	Sitting fees	80.40	76.00
	Reimbursement of expenses	0.96	1.04
		81.36	**77.04**

* Includes payment on retirement in the current year.

Transactions with the related parties

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
With Holding company		
Expenses reimbursed	29.77	60.91
Expenses paid	4.73	29.36
Director sitting fees	20.00	16.80
Dividend paid	3,339.60	834.90
With fellow subsidiary company		
Interest income	1,104.04	647.31
Fee based income	60.93	-
Expenses paid	2.94	6.29
Expenses reimbursed	15.29	33.58
With Trust to Holding Company		
Amount paid for CSR spend	620.43	689.60

Loans to fellow subsidiary company

PTC Energy Limited

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Beginning of the year	6,145.66	6,668.69
Loan Disbursed	7,500.00	-
Loan repayments received	(523.04)	(523.03)
Interest charged	1,104.04	647.31
Interest received	(1,104.04)	(647.31)
End of the year	**13,122.62**	**6,145.66**
Balance outstanding at the year end		

Name of related party	Nature	As at March 31, 2020	As at March 31, 2019
PTC Energy Limited	Payables	13.67	32.51
PTC Energy Limited	Receivables- loan given	13,122.62	6,145.66

40 **Details of assets pledged/ hypothecated as security:**

The carrying amounts of assets pledged/ hypothecated as security for current and non-current borrowings are:

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current assets		
Property, plant and equipment	7.20	7.57
Loans	1,084,749.27	1,337,464.89
Trade receivables	396.70	861.14

41 **Capital**

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period.

42.1 Capital management

The capital management objectives of the Company are:

- to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios

- to ensure the ability to continue as a going concern

- to provide an adequate return to shareholders

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares, or sell assets to reduce debt. The Company has a target gearing ratio of 3.00 to 4.50 determined as a proportion of net debt to total equity.

41.2 Regulatory capital

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off- balance sheet items. Out of this, Tier I capital shall not be less than 10%. The BoDs regularly monitors the maintenance of prescribed levels of Capital Risk Adjusted Ratio (CRAR). Further, the Company also ensures compliance of guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

Capital Adequacy Ratio (CAR) and other key financial parameters of the Company are as under:

Capital Adequacy ratio - Tier I	23.03%
Capital Adequacy ratio - Tier II	0.58%
	23.61%

42. Categories of financial instruments

42.1 The Carrying value of financial assets and liabilities are as follows :-

As at March 31, 2020				
Particulars	**Fair value through P&L**	**Fair value through OCI**	**Amortised cost**	**Total**
Financial Assets				
Investments	15,170.21	-	20,397.36	35,567.57
Loans	-	-	1,036,860.12	1,036,860.12
Derivative assets	1,378.83	782.94	-	2,161.77
Trade Receivables	-	-	396.70	396.70
Cash and cash equivalents	-	-	22,318.00	22,318.00
Bank balances other than above	-	-	20,964.80	20,964.80
Other financial assets	-	-	104.99	104.99
Total financial assets	**16,549.04**	**782.94**	**1,101,041.97**	**1,118,373.95**
Debt Securities	-	-	41,298.10	41,298.10
Borrowings (Other than debt securities)	-	-	886,193.76	886,193.76
Derivative liabilities	-	-	-	-
Trade payables	-	-	665.07	665.07
Other financial liabilities	-	-	23,751.21	23,751.21
Total financial liabilities	-	-	**951,908.14**	**951,908.14**

As at March 31, 2019				
Particulars	**Fair value through P&L**	**Fair value through OCI**	**Amortised cost**	**Total**
Financial Assets				
Investments	9,586.99	-	-	9,586.99
Loans	-	-	1,264,445.23	1,264,445.23
Derivative assets	1,997.22	-	-	1,997.22
Trade Receivables	-	-	861.14	861.14
Cash and cash equivalents	-	-	3,223.49	3,223.49
Bank balances other than above	-	-	668.24	668.24
Other financial assets	-	-	52.47	52.47
Total financial assets	**11,584.21**	**-**	**1,269,250.57**	**1,280,834.78**
Debt Securities	-	-	53,229.44	53,229.44
Borrowings (Other than debt securities)	-	-	1,038,603.79	1,038,603.79
Derivative liabilities	-	23.00	-	23.00
Trade payables	-	-	322.54	322.54
Other financial liabilities	-	-	19,943.24	19,943.24
Total financial liabilities	**-**	**23.00**	**1,112,099.01**	**1,112,122.01**

43. Fair value measurement of financial assets and liabilities

"Financial assets and financial liabilities measured at fair value in the Statement of Balance Sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability."

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at March 31, 2020:

	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets carried at FVOCI	-	-	-	-
Investments	-	-	15,170.21	15,170.21
Derivative instruments (net)	-	2,161.77	-	2,161.77

As at March 31, 2019

	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets carried at FVOCI	-	-	-	-
Investments	-	-	9,586.99	9,586.99
Derivative instruments (net)	-	1,974.22	-	1,974.22

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2020 and March 31, 2019 :

Particulars	**Investments**	**Unlisted equity securities***	**Total**
As at March 31, 2019	**9,586.99**	**-**	**9,586.99**
Acquisitions	7,990.00	-	7,990.00
Gains/(losses) recognized in profit or loss	(472.82)	-	(472.82)
Gains/(losses) recognized in other comprehensive income	-	-	-
Disposal/acquisition	(1,933.96)	-	(1,933.96)
As at March 31, 2020	**15,170.21**	**-**	**15,170.21**

There are no financial liabilities measured at fair value on recurring basis. There were no transfers between the 3 levels in the reporting periods.

* Net of provision.

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial statements approximate their fair values.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Infrastructure Bonds	13,637.35	13,637.35	14,085.66	14,087.75
Debentures	27,660.75	28,126.48	39,143.78	39,268.41

Particulars	Fair value hierarchy As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial Liabilities at amortised cost				
Infrastructure Bonds	-	-	13,637.35	13,637.35
Debentures		-	28,126.48	28,126.48

Particulars	Fair value hierarchy As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial Liabilities at amortised cost				
Infrastructure Bonds	-	-	14,087.75	14,087.75
Debentures	-	-	39,268.41	39,268.41

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:-

-Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments, as described below:

a) Security receipts are valued with reference to sale price observable in the market.

b) The Company's foreign currency and interest rate derivative contracts are not traded in active markets. Fair valuation of such instruments are provided by the dealer who are recognised banks and use widely acceptable techniques. The effects of non-observable inputs are not significant for foreign currency forward contracts.

The Company performs valuations in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

-Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

-Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. as such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

44 Financial risk management

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Loan receivables, Cash and bank balances, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Expected loss analysis	Credit risk analysis, diversification of customers/asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	"Rolling cash flow forecasts"	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Derivative contracts/hedging
Market risk - interest rate	Non-current borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security price	Investments in equity securities	Sensitivity analysis	Portfolio diversification, exposure limits

The Board has the overall responsibility of risk management which take care of managing overall risk in the organization. In accordance with the RBI guidelines to enable NBFCs to adopt best practices and greater transparency in their operations, the Board of Directors of the Company has constituted a Risk Management Committee to review risk management in relation to various risks, namely, market risk, credit risk, and operational risk, including Asset Liability Management.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company has established various internal risk management process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Credit risk arises from loans financing, cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions, as shown below:

Particulars	**Balance as at March 31, 2020**	**Balance as at March 31, 2019**
Loans	1,036,860.12	1,264,445.23
Investments in Debentures	20,397.36	-
Trade receivables	396.70	861.14
Cash and cash equivalents	22,318.00	3,223.49
Other bank balances	20,964.80	668.24
Other financials asset	104.99	52.47

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system and external ratings.

From credit risk perspective, the Company's lending portfolio can be segregated into following broad categories:

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

The company provides for expected credit loss based on the following:

Nature	**Assets covered**	**Basis of expected credit loss**
Low credit risk	Trade receivables, Cash and cash equivalents, other bank balances, loans, Investments and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss
High credit risk	Loans	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Low credit risk		
Trade receivables	396.70	938.82
Cash and cash equivalents	22,318.00	3,223.49
Bank balances other than above	20,964.80	668.24
Loans	884,873.76	1,134,991.61
Investment in Debentures	20,514.91	-
Other financial assets	104.99	52.47
Moderate credit risk		
Loans	104,553.33	67,694.74
High credit risk		
Loans	95,325.03	134,782.98
Investments in Debentures	428.58	428.58

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Trade receivables measured at amortized cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously.

Loans

Credit risk related to borrower's are mitigated by considering collateral's from borrower's. The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become one year past due.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b) Credit risk exposure

b) ii) Expected credit loss for loans

A.1 Credit risk measurement

The Company measures credit risk of its exposure using:

(a) Internal Rating: Internal ratings are based on board approved policy that guides credit analysis to place borrowers in watch list based on specific risk factors such as project progress schedule, promoter's contribution, PPA status etc.

(b) External rating: PFS also captures external rating of their borrowers done by RBI approved rating agencies like ICRA, Care etc.

These two together helps the Company in better monitoring of its borrowers. The staging criteria for ECL computation is also driven by these two criteria. Staging of an account gets impacted by taking into consideration both internal rating and external rating.

A.2 Expected credit loss measurement

A.2.1 Significant increase in credit risk and credit impaired financial assets

The Company considers a financial instrument to have experienced a significant increase based on the staging criteria, which is aligned with ECL policy of the Company.

As per ECL policy, stage 2 contains all loan assets that are not defaulted as at reporting date, but have experienced a significant increase in credit risk since initial recognition (i.e. two notch downgrade in internal/ external risk rating or loan account with overdue of more than 30 days) or classified as high risk as per internal risk assessment.

A.2.2 Definition of default

The Company defines a financial instrument as in default, any borrower whose contractual payments are due for more than 90 days is termed as default, which is in line with RBI guidelines.

A.2.3 Explanation of inputs, assumptions and estimation techniques

Probability of default (PD) computation model

Probability of Default is the likelihood that the borrower will not be able to meets its obligations as and when it falls due.

Transition Matrix Approach was used for estimation of PD. ICRA's one-year transition matrix was used as the base probability of default matrix.

Stage 1: 12-month PDs were taken directly from one-year transition matrix and so, Point in Time (PIT) conversion was not done, as it is already giving PIT PDs.

Stage 2: PD for second year onwards was estimated using Matrix Multiplication Approach. As a matter of following a best practice, it was decided to keep the PDs constant after 5th year.

Stage 3: As the accounts classified into stage 3 are non-performing assets so probability of default was assumed to be 100%.

Loss given default (LGD) computation model

Loss Given Default is the percentage of total exposure which the borrower would not be able to recover in case of default.

Workout LGD approach has been used for LGD estimation.

LGD= (Economic loss + Cost of Recovery)/EAD

As at March 31, 2020, the Company has classified its few loans (financial assets) under stage III criteria, as enumerated in Ind AS 109, and the projects/ assets, underlying such loans, are either pending for resolution under Insolvency and Bankruptcy Code (IBC) or under litigation. For measuring expected credit loss allowance (ECL) for loans wherein underlying projects/ assets have been under IBC proceedings, wherever available, the fair value attributable to the secured portion of such loans has been measured based on external evidence i.e. valuation of such projects/ assets as shared by the Resolution Professional (RP), appointed by NCLT under resolution proceedings, with the consortium of creditors, including the Company. The actual outcome in these cases is dependent upon the final settlement by the RP in accordance with IBC framework. For other loans under stage III, the fair value attributable to the secured portion of such loans has been measured based on other evidences, including one time settlement offer from the customer, valuation exercise done either by the consortium of lenders or by the Company, settlement proposals under discussions between the borrowers and the consortium of lenders/ Company.

For loans under stage I and stage II, the management has determined the value of secured portion, on the basis of best information available with the Company, including value of assets/ projects in the available balance sheets of the borrowers, technical and cost certificates provided by the experts and valuation exercise performed by external professionals either appointed by the Company or consortium of lenders, including the Company.

The conclusive assessment of the impact in the subsequent period, related to expected credit loss allowance of loan assets, is dependent upon the circumstances as they evolve, including final settlement of resolution of projects/ assets of borrowers under IBC. Refer Note 52.

Basis of calculating loss rates

First step involved in ECL computation is staging of the assets into three categories. Staging of the financial assets depend on the deterioration of the credit quality of the assets over its lifetime. Performing assets fall under Stage I, Underperforming assets fall under Stage II and Impaired assets(non-performing) fall under Stage III.

The following points were considered for stage wise classification of credit exposures:

1. Stage III exposures were exposures where actual default events have occurred i.e. all credit exposures classified as Doubtful or Sub-Standard, or where significant deterioration in credit quality was envisaged.
2. Stage II exposure were exposures which were not considered impaired asset but were classified as 'Stressed Accounts' or were flagged as High-Risk Category.
3. All other accounts not meeting the first two criteria were classified as Stage 1 accounts.

Quantitative and qualitative factors considered along with quantification i.r.t loss rates

Impact of specific risk factors was taken into account while staging of accounts and computation of PD. External credit rating was also used for staging criteria. The industry of the borrower was also considered for classification of the borrower. If a borrower belonged to an industry under stress, then the borrower was classified as stage 2 or 3 account.

For computation of loss given default, haircuts on collateral, based on subjective parameters were used.

- Sector/Sub-sector

- Source of Power Generation

- PPA Status

- COD Status

A.2.4 Forward looking information incorporated in ECL models

"The PDs were derived using the Relationship of historic default rates of the portfolio and respective macroeconomic variable (GDP growth rate). Worst, Base, Mild and Best scenarios were created for all the macroeconomic variable and default rates were estimated for all the four scenarios. The scenarios were arrived at by creating bins based on mean, minimum, maximum and standard deviation of the macro variable for the observed range of data. The differential default rates between the Base scenario and the Best, Worst and Mild scenarios were created/built to compute the shock factors. These shock factors were then added to the base PD term structure, which was arrived using the Matrix multiplication technique, thereby creating four different PD term structures for the four Scenarios. These shocked PDs were used to compute lifetime ECL for stage 1 and stage 2 accounts."

A.3 Credit risk exposure and impairment loss allowance

	As at March 31, 2020		**As at March 31, 2019**	
	Exposure	**Impairment allowance**	**Exposure**	**Impairment allowance**
Credit impaired loan assets (Default event triggered) (Stage III)	95,325.03	40,822.57	134,782.98	66,475.76
"Loan assets having significant increase in credit risk (Stage II)"	104,553.33	2,378.90	67,694.74	1,793.27
Other loan assets (Stage I)*	884,873.76	4,690.53	1,134,951.69	4,755.07
Total	**1,084,752.12**	**47,892.00**	**1,337,429.41**	**73,024.10**

*Includes loans amounting to Rs 34.48 lakhs given to employees.

A.3.1 Collateral and other credit enhancements

Loans are secured by :

i. Hypothecation of assets and/or

ii. Mortgage of property and /or

iii. Trust and retention account and /or

iv. Bank guarantee, Company guarantee or personal guarantee and / or

v. Assignment of receivables or rights and / or

vi. Pledge of shares and / or

vii. Undertaking to create a security

A.4 **Loss allowance**

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Loss allowance	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Loans and advances to customers at amortised Cost				
Balance as at April 1, 2018	**5,078.65**	**9,768.03**	**91,363.97**	**106,210.65**
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(116.07)	116.07		-
Transfer to Lifetime ECL credit impaired		(9,083.71)	9,083.71	-
Net remeasurement of loss allowance	(207.51)	992.88	4,605.99	5,391.36
Write offs	-	-	(38,577.91)	(38,577.91)
Balance as at March 31, 2019	**4,755.07**	**1,793.27**	**66,475.76**	**73,024.10**
Loans and advances to customers at amortised Cost				
Balance as at April 1, 2019	**4,755.07**	**1,793.27**	**66,475.76**	**73,024.10**
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(1,189.78)	1,189.78	-	-
Transfer to Lifetime ECL credit impaired	-	(7,631.54)	7,631.54	-
Net remeasurement of loss allowance	1,125.24	7,027.39	10,663.15	18,815.78
Write offs	-	-	(43,947.88)	(43,947.88)
Balance as at March 31, 2020	**4,690.53**	**2,378.90**	**40,822.57**	**47,892.00**

Impairment on financial instruments (Note 28) amounting to Rs. 19,570.55 includes Rs. 18,815.78 lakhs as ECL on loan instruments (as mentioned above), Rs. 117.55 lakhs as ECL on investments (Refer A.6 below), Rs. 164.40 lakhs as trade receivables written off during the year and Rs. 472.82 crores as changes in fair value of investments recognised through statement of profit and loss.

The following table further explains changes in the gross carrying amount of the Loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Gross Exposure	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Loans and advances to customers at amortised Cost				
Balance as at 1 April, 2018	**1,062,854.56**	**52,247.58**	**171,725.51**	**1,286,827.65**
Transfer to/from 12 months ECL	-	-	-	-
Transfer to/from life time ECL not credit impaired	(37,622.31)	37,622.31	-	-
Transfer to/from Lifetime ECL credit impaired	-	(23,747.00)	23,747.00	-
New Financial assets originated or purchased	403,143.00	5,210.00	166.00	408,519.00
Financial Assets that have been derecognised	(293,423.56)	(3,638.15)	(22,277.62)	(319,339.33)
Write offs	-	-	(38,577.91)	(38,577.91)
Balance as at March 31, 2019	**1,134,951.69**	**67,694.74**	**134,782.98**	**1,337,429.41**
Loans and advances to customers at amortised Cost				
Balance as at 1 April, 2019	**1,134,951.69**	**67,694.74**	**134,782.98**	**1,337,429.41**
Transfer to/from 12 months ECL	-	-	-	-
Transfer to/from life time ECL not credit impaired	(55,832.85)	55,832.85	-	-
Transfer to/from Lifetime ECL credit impaired	-	(34,125.14)	34,125.14	-
New Financial assets originated or purchased	222,086.71	16,957.30	-	239,044.01
Financial Assets that have been derecognised	(416,366.27)	(1,806.42)	(29,635.21)	(447,807.90)
Write offs	-	-	(43,947.88)	(43,947.88)
Balance as at March 31, 2020	**884,839.28**	**104,553.33**	**95,325.03**	**1,084,717.64**

A.5 **Concentration of credit risk**

The Company monitors concentration of credit risk by type of industry in which the borrower operates, further bifurcated into type of borrower, whether state or private.

Industry	**As at March 31, 2020**	**As at April 1, 2019**
Gross carrying amount of loans		
Concentration by industry		
Thermal	123,919.93	187,493.47
Renewable energy	554,786.68	780,200.58
Hydro	20,777.04	23,215.81
Others*	385,268.47	346,519.55
	1,084,752.12	**1,337,429.41**

*Includes loans amounting to Rs 34.48 lakhs given to employees.

A.6 **Write off policy**

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

ii) **Expected credit losses for financial assets other than loans and derivative financial instruments**

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed below:

As at March 31, 2020	**Estimated gross carrying amount at default**	**Expected probability of default**	**Expected credit losses**	**Carrying amount net of impairment provision**
Cash and cash equivalents	22,318.00	0%	-	22,318.00
Other bank balance	20,964.80	0%	-	20,964.80
Investments	20,514.91	1%	117.55	20,397.36
Trade receivables	396.70	0%	-	396.70
Other financial assets	104.99	0%	-	104.99

As at March 31, 2019	**Estimated gross carrying amount at default**	**Expected probability of default**	**Expected credit losses**	**Carrying amount net of impairment provision**
Cash and cash equivalents	3,223.49	0%	-	3,223.49
Other bank balance	668.24	0%	-	668.24
Trade receivables	938.82	8%	77.68	861.14
Other financial assets	52.47	0%	-	52.47

B) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management of the Company monitors forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows(including interest income and interest expense). The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.

The tables below analyse the financial assets and liabilities of the Company into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

Maturities of financial assets

March 31, 2020	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade receivables	396.70	-	-	-	396.70
Cash and Cash Equivalents	16,031.56				16,031.56
Fixed Deposit with banks (other than above)	15,592.25	11,658.99	-	-	27,251.24
Derivative assets	-	474.14	904.68	782.95	2,161.77
Loans	163,564.87	357,574.50	266,659.40	931,842.41	1,719,641.18
Other financial assets	-	47.50	57.49	-	104.99
Total	**195,585.38**	**369,755.13**	**267,621.57**	**932,625.36**	**1,765,587.44**

March 31, 2019	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade receivables	861.14	-	-	-	861.14
Fixed Deposit with banks	674.49	-	-	-	674.49
Derivative assets	-	1,997.22	-	-	1,997.22
Loans	227,112.00	358,370.00	348,822.00	1,239,300.69	2,173,604.69
Other financial assets	-	-	52.47	-	52.47
Total	**228,647.63**	**360,367.22**	**348,874.47**	**1,239,300.69**	**2,177,190.01**

Maturities of financial liabilities

March 31, 2020	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings	285,340.20	381,581.62	299,531.34	278,597.72	1,245,050.88
Lease liability	492.25	918.86	-	-	1,411.11
Derivative liabilities	-	-	-	-	-
Trade payables	665.07	-	-	-	665.07
Other financial liabilities	14,514.54	4,888.67	-	4,348.00	23,751.21
Total	**301,012.06**	**387,389.15**	**299,531.34**	**282,945.72**	**1,270,878.27**

March 31, 2019	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings	422,011.00	359,704.00	293,254.00	350,626.00	1,425,595.00
Derivative liabilities	-	-	23.00	-	23.00
Trade payables	322.54	-	-	-	322.54
Other financial liabilities	12,443.01	3,152.23	-	4,348.00	19,943.24
Total	**434,776.55**	**362,856.23**	**293,277.00**	**354,974.00**	**1,445,883.78**

Note: To address the risk of mismatch between pay-out of liabilities and realisation of assets in next one year, the Company has adequate unused limits, including short term working capital limits, duly sanctioned by the banks.

C) Market Risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. The policy on foreign exchange risk management covers the management of foreign exchange risk related to existing and future foreign currency loans or any other foreign exchange risks derived from borrowing and lending. The objective of the policy is to serve as a guideline for transactions to be undertaken for hedging of foreign exchange related risks. It also provides guiding parameters within which the Asset Liability Management Committee can take decisions for managing the above mentioned risks. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. The Company as per its overall strategy uses derivative contracts to mitigate its risks associated with fluctuations in foreign currency and interest rates on borrowings. The Company does not use derivative contracts for speculative purposes.

Foreign currency risk exposure:

The exposure to foreign currency risk at the end of the reporting period, translated to INR at closing rate, is as follows

Particulars	As at March 31, 2020	As at March 31, 2019
Financial liabilities (USD)		
Foreign currency loan (INR)	31,700.51	37,146.67
Net exposure to foreign currency risk (liabilities)	**31,700.51**	**37,146.67**

Sensitivity

The sensitivity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at March 31, 2020	As at March 31, 2019
USD sensitivity*		
INR/USD- increase by 531 bp (March 31, 2019: 680 bp)	1,683.30	1,729.95
INR/USD- decrease by 531 bp (March 31, 2019: 680 bp)	(1,683.30)	(1,729.95)

* Holding all other variables constant

b) **Interest rate risk**

i) Liabilities

The policy of the Company is to minimise interest rate cash flow risk exposures on long-term loans and borrowings. As at March 31, 2020, the Company is exposed to changes in market interest rates through loans and bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	875,778.43	930,689.23
Fixed rate borrowing	51,713.43	161,144.00
Total borrowings	**927,491.86**	**1,091,833.23**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at March 31, 2020	As at March 31, 2019
Interest sensitivity*		
Interest rates – increase by 100 basis points (March 31, 2019:100 bps)	(8,757.78)	(9,306.89)
Interest rates – decrease by 100 basis points (March 31, 2019:100 bps)	8,757.78	9,306.89

* Holding all other variables constant

ii) **Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Below is the overall exposure of the loans:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Variable rate loans	964,253.55	1,214,716.04
Fixed rate loans*	120,498.57	122,713.37
Total loans	**1,084,752.12**	**1,337,429.41**

* Includes loans amounting to Rs 34.48 lakhs given to employees.

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Interest sensitivity*		
Interest rates – increase by 100 basis points (March 31, 2019:100 bps)	9,642.54	12,147.16
Interest rates – decrease by 100 basis points (March 31, 2019:100 bps)	(9,642.54)	(12,147.16)

* Holding all other variables constant

c) **Price risk**

Exposure

The Company's exposure to price risk arises from investments held and classified in the balance sheet at fair value through profit and loss. To manage the price risk arising from investments in equity securities, the Company diversifies its portfolio of assets.

Price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity price have been 10% higher/ lower:

- Other comprehensive income for the year ended March 31, 2020 would increase / decrease by Nil (for the year ended March 31, 2019: Rs. 3,203.87) as a result of the changes in fair value of equity investments measured at FVTOCI.

45 **Ind AS 116 Leases**

This note explains the impact of the adoption of Ind AS 116 Leases on company's financial statements and discloses the new accounting policies that have been applied from 1 April 2019.

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases, using the "Modified Retrospective Approach" for transition. Based on the same and as permitted under the specific transitional provisions in the standard the company has not restated the comparative figures. On transition, the adoption of new standard has resulted in the recognition of right-of-use asset, classified in a consistent manner to its property, plant and equipment and a corresponding lease liability being measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019.

The Company has leases for office building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

(a) On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 10.24%.

(b) The lease liabilities as at 01 April 2019 can be reconciled to the operating lease commitments as of 1 April 2019 as follows:

Operating lease commitments as at 31 March 2019	**1,879.91**
Discounting impact (using incremental borrowing rate)	(324.69)
Lease liabilities as at 01 April 2019	**1,555.22**

(c) The following are amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	420.42
Interest expense on lease liabilities	142.14
	562.56

The Company had total cash outflows for leases of Rs. 468.81 lacs for the period ending 31 March 2020.

Please refer note 44(b) for maturity analysis of lease liability.

46 **Comparison between ECL as per Ind AS 109 and provision as per RBI norms**

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets	Stage 1	884,839.28	4,690.53	880,148.75	3,539.36	1,151.17
Standard	Stage 2	104,553.33	2,378.90	102,174.43	1,009.40	1,369.50
Subtotal		**989,392.61**	**7,069.43**	**982,323.18**	**4,548.76**	**2,520.67**
Non-Performing Assets (NPA)						
Substandard	Stage 3	14,952.72	2,393.22	12,559.50	1,500.00	893.22
Doubtful - upto 1 year	Stage 3	21,292.12	5,238.32	16,053.80	6,845.97	(1,607.65)
1 to 3 years	Stage 3	49,080.19	25,673.42	23,406.77	27,352.42	(1,679.00)
More than 3 years	Stage 3	10,000.00	7,517.61	2,482.39	9,999.61	(2,482.00)
Subtotal for doubtful (Refer Note)		**80,372.31**	**38,429.35**	**41,942.96**	**44,198.00**	**(5,768.65)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**95,325.03**	**40,822.57**	**54,502.46**	**45,698.00**	**(4,875.43)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 3					
Subtotal		-	-	-	-	-
Total	Stage 1	**884,839.28**	**4,690.53**	**880,148.75**	**3,539.36**	**1,151.17**
	Stage 2	**104,553.33**	**2,378.90**	**102,174.43**	**1,009.40**	**1,369.50**
	Stage 3	**95,325.03**	**40,822.57**	**54,502.46**	**45,698.00**	**-4,875.43**

Note: Rs 5,768.65 lakhs (being the excess of provision required as per IRACP norms and ECL Provision required under INDAS 109) has been recognised as "Impairment Reserve" in the Balance Sheet. Refer Note 21.

47 **Earnings per share**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Basic earnings per share	1.71	2.87
b) Diluted earnings per share	1.71	2.87

c) Reconciliations of earnings used in calculating earnings per share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Earnings per share		
Profits attributable to the equity holders of the company used in calculating basic and diluted earnings per share	10,999.89	18,414.26

d) Weighted average number of shares used as the denominator

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	642,283,335	642,283,335

Note: There are no potential equity shares in the Company.

48 **Expenditure on Corporate Social Responsibility**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Gross amount required to be spent (including unspent amount of Rs 0.76 lakhs (Previous year Rs. 2,247.11 lakhs)	642.03	3,198.11
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	641.27	916.41

49 The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

50 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, if any.

51 **Impact of Covid-19**

"COVID-19 virus, a global pandemic has affected the world economy including India leading to significant decline in economic activity and volatility in the financial markets. Govt. announced various relief packages to support all segment. In line with Govt. initiative, RBI issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020. The Company has granted a moratorium of upto six months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to the eligible borrowers those who applied for moratorium. Company allowed moratorium to borrowers which constitute 50% of loan book, even after allowing moratorium, Company has sufficient liquidity in form of High Quality Liquid Assets (HQLA) and undrawn lines of credit to meet its financial obligation in near future (Refer Note 44 B). Company do not foresee any significant concern in case of borrowers where projects have been commissioned/ completed, considering 50% of loan book constitute renewable energy which are commissioned projects and have must run status. However, it would be difficult to assess the impact on borrower's ability to service the debt where projects are under construction considering construction activities halted due to lockdown restriction. However respective Govt. Authorities have issued the circulars for allowing extension in SCOD. The overall growth of PFS business during FY has been impacted due to various factors including lockdown situation in country as activities related to clearances, land acquisition for new/under construction projects specifically in renewable and road sectors.

As also mentioned in Note 44 A.2.3, the Company has considered external information (i.e. valuation report, one time settlement (OTS) proposal, asset value as per their last financials with applicable haircut as per ECL methodology) to determine the impairment. However, the eventual outcome for NPA and stress assets may be different because of future economic conditions which may emerge due to outbreak of COVID 19. "

52 "(a) In the year 2014-15, based on an independent investigation into the affairs of R. S. India Wind Energy Private Limited (Associate), the Company had concluded that in earlier years, the Associate and its promoters had misrepresented various facts to it and induced it to make investments aggregating Rs. 6,112.14 lacs in the Associate. The Company had filed a criminal complaint against the Associate and its promoters and is taking suitable steps both under civil and criminal law to safeguard its investments and to recover the same. Pending outcome thereof, the Company has fully provided for the diminution in value of investment held in this Associate.

(b) Further, the financial statements for the year ended March 31, 2020 of RS India Wind Energy India Private Limited (RSIWEPL) and Varam Bio Energy Pvt Ltd, associates of the Company are not available for consolidation purposes. However, in view of the management, since the Company has made full provision for diminution for its investments held in these 2 Associates and there is no further obligation over and above the cost of the investments, there will be no impact thereof on these financial statements in terms of the requirements of Ind AS–28 "Investments in Associates and Joint Ventures"."

53. Schedule-III additional disclosure on Consolidated Financial Statements As on 31st March, 2020

As at and for the year ended March 31, 2020

Name of the entity in the group	Country of incorporation	Net Asset, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1		2	3	4	5				
Parent									
PTC India Financial Services Limited	India	100.00	211,482.06	100.00	10,999.89	100.00	(243.09)	100.00	10,756.80
Associates (Investments as per the equity method)									
Indian									
R.S. India Wind Energy Private Limited	India	-	-	-	-	-	-	-	-
Varam Bio Energy Private Limited	India	-	-	-	-	-	-	-	-
Total		**100.00**	**211,482.06**	**100.00**	**10,999.89**	**100.00**	**(243.09)**	**100.00**	**10,756.80**

As at and for the year ended March 31, 2019

Name of the entity in the group	Country of incorporation	Net Asset, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1		2	3	4	5				
Parent									
PTC India Financial Services Limited	India	100.00	206,655.13	100.00	18,414.26	100.00	(3,361.22)	100.00	15,053.04
Associates (Investments as per the equity method)									
Indian									
R.S. India Wind Energy Private Limited	India	-	-	-	-	-	-	-	-
Varam Bio Energy Private Limited	India	-	-	-	-	-	-	-	-
Total		**100.00**	**206,655.13**	**100.00**	**18,414.26**	**100.00**	**(3,361.22)**	**100.00**	**15,053.04**

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI firm registration. 105047W

Sd/-
Rahul Aggarwal
Partner
Membership No. 505676

Place : Gurugram
Date : June 13, 2020

For and on behalf of the Board of Directors

Sd/-
Dr. Pawan Singh
Managing Director and CEO
DIN: 00044987

Sd/-
Naveen Kumar
Whole-time Director
DIN: 00279627

Sd/-
Vishal Goyal (A-19124)
Company Secretary

Sd/-
Sanjay Rustagi
Chief Financial Officer

Place: New Delhi
Date : June 13, 2020

PTC India Financial Services Limited

(A subsidiary of PTC India Limited)

CIN: L65999DL2006PLC153373

Registered Office: 7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi – 110 066, India
Tel: +91 11 26737300, Fax: +91 11 26737373
Website: www.ptcfinancial.com E-mail: info@ptcfinancial.com

FORM FOR ECS MANDATE/BANK MANDATE

UNIT: PTC India Financial Services Limited

I/We____ do hereby authorize the Company:-

1) Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Service (ECS)

2) Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me

Folio No:
Name of the 1st Shareholder:
Name of the Bank:
Branch:
Bank Address with Pin code:
Bank Account Number:
Account Type (Savings/Current/Others):
9 Digit MICR Code number: (Please provide a cancelled / Photo copy cheque)
Registered Address:

Signature of 1st holder	Signature of 2nd holder	Signature of 3rd holder

(Please provide an attested copy of PAN Card of the 1st holder along with this request)

NOTES

Financing with Responsibility

Design & Printed at MP Printers, Noida 201305

PTC India Financial Services Ltd.
(A Subsidiary of PTC India Limited)
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