



INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

Our Company was incorporated on March 11, 1987 in New Delhi under the Companies Act, 1956, as a public limited company and obtained a certificate for commencement of business on March 21, 1987. Our Company was notified as a public financial institution under Section 4A of the Companies Act, 1956 on October 17, 1995, by the Department of Company Affairs, Ministry of Finance, Government of India. Further, the Reserve Bank of India granted a certificate of registration to our Company on January 23, 2008, permitting us to carry on the business of Non-Banking Financial Company without accepting public deposits. For further details in relation to changes in the registered office of our Company, see "History and Certain Corporate Matters - Changes in the Registered Office" on page 122.

Registered Office: India Habitat Centre, East Court, Core 4 'A', 1st Floor, Lodhi Road, New Delhi - 110003; Tel: +91 (11) 24682214

Corporate Office: 3rd Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi - 110066; Tel: +91 (11) 26717400-12

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Website: www.ireda.in; **Corporate Identity Number:** U65100DL1987GOI027265

OUR PROMOTER: PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF NEW AND RENEWABLE ENERGY, GOVERNMENT OF INDIA

INITIAL PUBLIC OFFERING OF UP TO 139,000,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) (THE "ISSUE PRICE") AGGREGATING UP TO ₹ [•] MILLION, (THE "ISSUE"). THE ISSUE INCLUDES A RESERVATION OF UP TO 695,000 EQUITY SHARES AGGREGATING TO ₹ [•] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) ("EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE NET ISSUE. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE UP TO 15.05% AND 14.97%, RESPECTIVELY, OF OUR POST ISSUE PAID-UP EQUITY SHARE CAPITAL.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE ISSUE PRICE IS [•] TIMES THE FACE VALUE OF THE EQUITY SHARES. OUR COMPANY MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs"), OFFER A DISCOUNT OF UP TO 5% (EQUIVALENT TO ₹ [•]) ON THE ISSUE PRICE TO RETAIL INDIVIDUAL BIDDERS (THE "RETAIL DISCOUNT") AND OF UP TO 5% (EQUIVALENT TO ₹ [•]) ON THE ISSUE PRICE TO THE ELIGIBLE EMPLOYEES (THE "EMPLOYEE DISCOUNT"). THE PRICE BAND, THE RETAIL DISCOUNT, THE EMPLOYEE DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED IN [•] EDITIONS OF [•] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [•] EDITIONS OF [•] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE IN THE PLACE WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to Self-Certified Banks ("SCSBs"), the Sponsor Bank and other Designated Intermediaries, as applicable.

This Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"). This Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. Further, up to 695,000 Equity Shares shall be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Issue Price. All Bidders are mandatorily required to participate in the Issue through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts (including UPI ID, in case of RIBs) which will be blocked by the SCSBs, or the bank accounts linked with the UPI ID, as applicable, to participate in the Issue. For details, see "Issue Procedure" beginning on page 349.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The issue price/ floor price/ price band should not be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 21.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [•] and [•], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [•]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 364.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE ISSUE

YES Securities (India) Limited IFC Tower 1&2, Unit no. 602A 6 th Floor, Senapati Bapat Marg Elphinstone Road Mumbai 400013 Tel: +91 (22) 3012 6919 E-mail: ireda.ipo@ysil.in Website: www.yesinvest.in Contact Person: Nikhil Bhiwapurkar/ Pratik Pednekar	Elara Capital (India) Private Limited Indiabulls Finance Centre Tower 3, 21 st Floor Senapati Bapat Marg Elphinstone Road West Mumbai 400013 Tel: +91 (22) 6164 8599 E-mail: ireda.ipo@elaracapital.com Website: www.elaracapital.com Contact person: Kunal Safari	IDBI Capital Markets & Securities Limited 6 th Floor, IDBI Tower WTC Complex Cuffe Parade Mumbai 400005 Tel: +91 (22) 2217 1700 E-mail: ipo.ireda@idbicapital.com Website: www.idbicapital.com Contact Person: Sumit Singh	SBI Capital Markets Limited 202, Maker Tower E Cuffe Parade Mumbai 400005 Tel: +91 (22) 2217 8300 E-mail: ireda.ipo@sbicaps.com Website: www.sbicaps.com Contact Person: Karan Savardekar	Link Intime India Private Limited C-101, 1 st Floor, 247 Park Lal Bhadur Shastri Marg Vikhroli (West) Mumbai 400083 Tel: +91 (22) 4918 6200 E-mail: ireda.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan

BID/ISSUE PROGRAMME

BID/ ISSUE OPENS ON	[•]
BID/ ISSUE CLOSES ON	[•]*

* Our Company may, in consultation with the BRLMs, consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or the Articles of Association, Memorandum of Association, or policies shall be to such legislation, act or regulation, as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in “Statement of Special Tax Benefits”, “Financial Information”, “Main Provisions of Articles of Association”, “Outstanding Litigation and Material Developments” and “Key Regulations and Policies in India” beginning on pages 75, 144, 360, 320, and 118, respectively, shall have the meaning ascribed to such terms in these respective sections.

General Terms

Term	Description
“our Company”, “the Company”, “IREDA” or “the Issuer”	Indian Renewable Energy Development Agency Limited, a company incorporated under the Companies Act, 1956 and having its registered office at India Habitat Centre, East Court, Core 4 ‘A’, 1 st Floor, Lodhi Road, New Delhi – 110003 and corporate office at 3 rd Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi – 110066
“we”, “us” or “our”	Unless the context otherwise indicates or implies, our Company and its joint venture company, on a consolidated basis

Company Related Terms

Term	Description
Articles of Association	Articles of association of our Company, as amended
Audit Committee	The audit committee of the Board, as described in “ <i>Our Management</i> ” on pages 133 to 136
“Auditors” or “Statutory Auditors”	Statutory auditors of our Company, namely, Jain Chopra & Company, Chartered Accountants
“Board” or “Board of Directors”	Board of directors of our Company as constituted from time to time, or a duly committee constituted thereof
CAG	Comptroller and Auditor General of India
“Chief Financial Officer” or “CFO”	The chief financial officer of our Company
Corporate Office	The corporate office of our Company located at 3 rd Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi – 110066
CSR	Corporate Social Responsibility
Corporate Social Responsibility Committee	The corporate social responsibility committee of the Board, as described in “ <i>Our Management</i> ” on page 138
Director(s)	Director(s) on the Board
Equity Shares	Equity shares of our Company of face value of ₹10 each
Executive Director(s)	Executive Director(s) on the Board
Group Company(ies)	Companies which are covered under the applicable accounting standards and other companies as considered material by our Board, pursuant to a policy on materiality of group companies approved by our Board on July 29, 2019. For details, see “ <i>Our Group Company</i> ” beginning on page 327
Independent Director(s)	Independent Director(s) on the Board

Term	Description
IPO Committee	The IPO committee of the Board, as described in “ <i>Our Management</i> ” on page 138
Key Managerial Personnel	Key managerial personnel of our Company in terms of the SEBI ICDR Regulations, the Companies Act, 2013 and as disclosed in “ <i>Our Management</i> ” on pages 140 to 141
“Memorandum of Association” or “MoA”	Memorandum of association of our Company, as amended
MNRE	Ministry of New and Renewable Energy, Government of India
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in “ <i>Our Management</i> ” on pages 136 to 137
Promoter	The President of India, acting through the Ministry of New and Renewable Energy, Government of India
“Registrar of Companies” or “RoC”	Registrar of Companies, National Capital Territory of Delhi and Haryana
Restated Financial Statements	Restated consolidated financial statements of our Company for the Fiscals ended March 31, 2019, 2018 and 2017 (prepared in accordance with Ind AS read with Section 133 of the Companies Act, 2013) which comprises the restated Ind AS consolidated statement of assets and liabilities, the restated Ind AS consolidated statement of profit and loss, the restated Ind AS consolidated statement of cash flows and the restated consolidated statement of changes in equity together with the annexures and notes thereto and the examination report thereon
Registered Office	The registered office of our Company located at India Habitat Centre, East Court, Core 4 ‘A’, 1 st Floor, Lodhi Road, New Delhi – 110003
Shareholder(s)	Equity shareholders of our Company, from time to time
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board, as described in “ <i>Our Management</i> ” on pages 137 to 138

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the ASBA Form
“Allot” or “Allotment” or “Allotted”	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Issue to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
“Application Supported by Blocked Amount” or “ASBA”	An application, whether physical or electronic, used by ASBA Bidders to make a Bid by authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIIs using UPI, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIIs
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB and will include a bank account of an RIB linked with UPI, as specified in the ASBA Form submitted by Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	Collectively, the Refund Bank, Public Issue Account Bank and Sponsor Bank
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue, as described in “ <i>Issue Procedure</i> ” beginning on page 349

Term	Description
Bid	An indication to make an offer during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the ASBA Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, less the Retail Discount and Employee Discount, as the case may be, upon submission of the Bid
Bid Lot	[●] Equity Shares
Bid/ Issue Closing Date	The date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is located). In case of any revisions, the extended Bid/ Issue Closing Date shall also be notified on the websites and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank.
Bid/ Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is located)
Bid/ Issue Period	<p>The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company may, in consultation with the BRLMs, consider closing the Bid/ Issue Period for the QIB Category one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.</p>
Bidder/ ASBA Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the ASBA Form
Bidding Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
“Book Running Lead Managers” or “BRLMs”	The book running lead managers to the Issue namely, YES Securities (India) Limited, Elara Capital (India) Private Limited, IDBI Capital Markets & Securities Limited and SBI Capital Markets Limited
Broker Centres	<p>Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker</p> <p>The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)</p>
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client ID	Client identification number maintained with one of the Depositories in relation to demat account

Term	Description
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Cut-off Price	Issue Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band Only Retail Individual Bidders (for bidding up to ₹ 200,000, net of Retail Discount) and Eligible Employees (for bidding up to ₹ 500,000, net of Employee Discount) are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation and bank account details and UPI ID, wherever applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIBs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus following which Equity Shares will be Allotted in the Issue
Designated Intermediaries	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
“Draft Red Herring Prospectus” or “DRHP” or “Offer Document”	This draft red herring prospectus dated July 29, 2019 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Elara Capital	Elara Capital (India) Private Limited

Term	Description
Eligible Employee	<p>All or any of the following:</p> <p>(a) A permanent and full-time employee of our Company (excluding such employees not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines), as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent and full-time employee of our Company or any of our Subsidiaries until the submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form; or</p> <p>(b) a Director of our Company, whether a whole-time Director or otherwise, not holding either himself/herself or through their relatives or through any body corporate, directly or indirectly, more than 10% of the outstanding Equity Shares (excluding other Directors not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines) as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company until submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form.</p> <p>An employee, who is recruited against regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a ‘permanent and a full time employee’.</p> <p>The maximum bid amount under the Employee Reservation Portion by an Eligible Employee cannot exceed ₹ 500,000</p>
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Discount	A discount of up to 5% (equivalent of up to ₹ [●]) on the Issue Price, which may be offered to Eligible Employees Bidding in the Employee Reservation Portion, subject to the Bid Amount not exceeding ₹ 500,000, net of discount.
Employee Reservation Portion	The portion of the Issue, being up to 695,000 Equity Shares has been reserved for allocation and Allotment to Eligible Employees on a proportionate basis, as detailed in “ <i>Issue Procedure</i> ” beginning on page 349 pursuant to resolution dated July 29, 2019 as passed by our Board
First Bidder	Bidder whose name shall be mentioned in the ASBA Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
General Information Document	The general information document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and UPI Circulars.
Issue	<p>The initial public offer of up to 139,000,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million.</p> <p>The Issue includes a reservation of up to 695,000 equity shares aggregating to ₹ [●] million for subscription by Eligible Employees.</p>
IDBI Capital	IDBI Capital Markets & Securities Limited
Issue Agreement	The agreement dated July 29, 2019 amongst our Company and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue

Term	Description
Issue Price	The final price (net of Retail Discount and Employee Discount, as applicable) within the Price Band at which Equity Shares will be Allotted to successful Bidders in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company in consultation with the Book Running Lead Managers on the Pricing Date in accordance with the Book-building Process and the Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” beginning on page 69
Maximum RIB Allottees	Maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Portion, or 3,457,625 Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Issue	The Issue less Employee Reservation Portion Pursuant to a resolution dated July 29, 2019 as passed by our Board, up to 695,000 Equity Shares have been reserved for allocation and Allotment on a proportionate basis for Eligible Employees Bidding in the Employee Reservation Portion
Net Proceeds	Proceeds of the Issue less our Company’s share of the Issue related expenses. For further information about use of the Issue Proceeds and the Issue related expenses, see “ <i>Objects of the Issue</i> ” beginning on page 69
“Non-Institutional Bidder” or “NIBs”	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of 20,745,750 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian	A non-resident Indian as defined under the FEMA Regulations
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLMs, and will be advertised, in [●] editions of the [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi where our Registered Office is located), at least two Working Days prior to the Bid/ Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company in consultation with the BRLMs, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	Bank account to be opened with the Public Issue Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the ASBA Accounts on the Designated Date

Term	Description
Public Issue Account Bank	The bank with which the Public Issue Account is opened for collection of Bid Amounts from ASBA Account on the Designated Date, in this case being [●]
“QIB Category” or “QIB Portion”	The portion of the Issue being not more than 50% of the Issue consisting of 69,152,500 Equity Shares which shall be Allotted to QIBs
“Qualified Institutional Buyers” or “QIBs” or “QIB Bidders”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
“Red Herring Prospectus” or “RHP”	<p>The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto</p> <p>The Red Herring Prospectus will be registered with the RoC at least three working days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date</p>
Refund Account(s)	The ‘No-lien’ and ‘non-interest bearing’ account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount shall be made
Refund Bank(s)	[●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids
Registrar Agreement	The agreement dated July 29, 2019 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the lists available on the websites of BSE and NSE
“Registrar to the Issue” or “Registrar”	Link Intime India Private Limited
“Retail Individual Bidder(s)” or “Retail Individual Investor(s)” or “RIB(s)” or “RII(s)”	Bidders who have Bid for the Equity Shares for an amount not more than ₹200,000, net of Retail Discount, in any of the bidding options in the Issue (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Discount	Discount of up to 5% (equivalent to ₹ [●]) to the Issue Price which may be given to Retail Individual Bidders bidding in the Retail Portion, by our Company in consultation with the BRLMs
Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of 48,406,750 Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price
Revision Form	<p>Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable.</p> <p>QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise or withdraw their Bids until Bid/ Issue Closing Date.</p>
SBICAP	SBI Capital Markets Limited

Term	Description
“Self Certified Syndicate Bank(s)” or “SCSB(s)”	The banks registered with SEBI, offering services, (i) in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or such other website as updated from time to time, and (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the BRLMs to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●]
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	Agreement to be entered into among our Company, the BRLMs and the Syndicate Members in relation to collection of ASBA Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate	Together, the BRLMs and the Syndicate Members
“Systemically Important Non-Banking Financial Company” or “NBFC-SI”	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	BRLMs and Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date, but prior to the filing of the Prospectus with the RoC
UPI	Unified payments interface, a payment mechanism that allows instant transfer of money between any two persons bank accounts using a payment address which uniquely identifies a person’s bank account, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	The request initiated by the Sponsor Bank and received by an RII using the UPI Mechanism to authorise blocking of funds on the UPI mobile or other application equivalent to the Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an RII to make an ASBA Bid in the Issue in accordance with the UPI Circulars
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges. “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018

Term	Description
YES Securities	YES Securities (India) Limited

Technical/ Industry Related Terms

Term	Description
Air Act	Air (Prevention and Control of Pollution) Act, 1981
CCI	Competition Commission of India
CIBIL	Credit Information Bureau (India) Limited
Competition Act	Competition Act, 2002
Consumer Protection Act	Consumer Protection Act, 1986
Copyright Act	Copyright Act, 1957
DRT	Debt Recovery Tribunal
Environment Protection Act	The Environment Protection Act 1986
FDI Policy	The extant Consolidated Foreign Direct Investment Policy notified by DIPP from time to time, in this case the Consolidated Foreign Direct Investment Policy notified by notification D/o IPP F. No. 5(1)/2017-FC-1 dated the August 28, 2017 effective from August 28, 2017
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
Industrial Disputes Act	Industrial Disputes Act, 1947
Industrial Disputes Amendment Act	Industrial Disputes (Amendment) Act, 2010
ISDA	International Swaps and Derivatives Association
KYC	Know your customer
MRP	Maximum Retail Price
ODIs	Overseas derivative instruments
PFI	Public Financial Institution
Securities Act/ U.S. Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
USD/US\$	United States Dollars
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Water Cess Act	Water (Prevention and Control of Pollution) Cess Act, 1977
Workmen's Compensation Act	Workmen's Compensation Act, 1923

Conventional and General Terms/ Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupees
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
“AS” or “Accounting Standards”	Accounting Standards issued by the ICAI
Banking Regulation Act	Banking Regulation Act, 1949
“Bn” or “bn”	Billion
BSE	BSE Limited

Term	Description
CAGR	Compound annual growth rate
Category I FPI(s)	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II FPI(s)	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III FPI(s)	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
CRAR	Capital to risk (weighted) assets ratio, or capital adequacy ratio
CY	Calendar year
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director identification number
DP ID	Depository participant’s identification
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, taxes, depreciation and amortization, which is calculated by adding finance cost and depreciation and amortization expense to profit before exceptional items
EGM	Extraordinary general meeting
EPS	Earnings per share
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
“Financial Year” or “Fiscal” or “fiscal” or “Fiscal Year” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	The erstwhile Foreign Investment Promotion Board
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
“GoI” or “Government”	Government of India
GST	Goods and services tax
ICAI	The Institute of Chartered Accountants of India
IMF	International Monetary Fund
“Income Tax Act” or “IT Act”	Income Tax Act, 1961

Term	Description
Ind AS	Indian accounting standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2016
ISO	International Organization for Standardization
IST	Indian Standard Time
MCLR	Marginal cost of funds based lending rate
MCA	Ministry of Corporate Affairs, Government of India
“Mn” or “mn”	Million
MT	Metric Tonne
“N.A.” or “NA”	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NBFC	Non-banking financial company
NEFT	National electronic fund transfer
No.	Number
Notified Sections	The sections of the Companies Act, 2013 that were notified by the Ministry of Corporate Affairs, Government of India
NPCI	National Payments Corporation of India
NR	Non-resident
NRE Account	Non resident external account
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an ‘Overseas Citizen of India’ cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRO Account	Non resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price/ earnings ratio
PAN	Permanent account number
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real time gross settlement

Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
STT	Securities transaction tax
Trademarks Act	Trade Marks Act, 1999
“U.S.” or “USA” or “United States”	United States of America, its territories and possessions, any state of the United States and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States
US Internal Revenue Code	U.S. Internal Revenue Code of 1986, as amended
US Investment Company Act	U.S. Investment Company Act of 1940, as amended
US Persons	U.S. person as defined in Rule902(k) of Regulation S under the Securities Act
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Statements. The Restated Financial Statements included in this Draft Red Herring Prospectus are as at and for the Fiscals ended March 31, 2019, March 31, 2018 and March 31, 2017, and have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI. For further information, see “*Financial Information*” beginning on page 144.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a calendar year.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Pursuant to the SEBI circular dated March 31, 2016, our Company was required to prepare financial statements under Indian Accounting Standards (“**IND AS**”) for accounting periods beginning on or after April 1, 2018. For details, see “*Risk Factors - We have prepared our financial statements from April 1, 2018 onwards under the Indian Accounting Standards (“Ind AS”). Our Restated Financial Statements included in this DRHP have been prepared under Ind-AS and may not be comparable to our historical financial statements prepared under Indian GAAP. Significant differences exist between Ind-AS and other reporting standards, such as US GAAP, which may be material to investors’ assessments of our financial condition.*” on page 38.

Consequent to the introduction of Goods and Service Tax (“**GST**”) central excise and value added tax have been subsumed into GST. In accordance with Ind AS 18, GST is not considered a part of revenue unlike excise duties which used to be included in revenue prior to July 1, 2017. Accordingly, our results of operations and our EBITDA for Fiscal 2018 are not directly comparable with the previous Fiscals.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” are to United States Dollar, the official currency of the United States; and
- “Euro” or “€” are to Euro, the official currency of the European Union.
- “JPY” or “¥” are to Japanese Yen, the official currency of Japan.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between Rupee and US\$ (in Rupees per US\$), Euro (€) (in Rupees per Euro) and Japanese Yen (¥) (in Rupees per 100 JPY):

(Amount in ₹, unless otherwise specified)

Currency	As at		
	March 31, 2019	March 31, 2018	March 31, 2017
1 US\$	69.17	65.04	64.84
1 Euro	77.70	80.62	69.25
100 JPY	62.52	61.54	57.96

Source: RBI Reference Rate and www.fbil.org.in:

Note: Exchange rate is rounded off to two decimal places.

- (1) Exchange rate as on March 29, 2019 as RBI reference rate is not available for March 31, 2019 and March 30, 2019, being a Saturday and Sunday respectively.
- (2) Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and two public holidays, respectively.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as other industry publications and sources

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our business and financial performance could suffer if we are unable to effectively manage our growing asset portfolio and control the level of our NPAs.
- Volatility in interest rates could adversely affect our business, net interest income and net interest margin, which in turn would adversely affect our business, results of operations and financial condition.
- Our credit ratings were downgraded by Fitch in December 2018 and Moody’s changed the outlook in January 2019. Any further downgrading in our credit ratings could adversely affect our business, results of operations and financial condition.
- We operate in a highly competitive environment and increased competition in lending to the renewable energy sector could have a material adverse effect on our business, results of operations and financial condition.
- Distress in the NBFC sector and other factors may affect our access to funds at commercially acceptable terms and affect our lending capacity adversely.
- Projects and schemes for generating electricity and energy through renewable sources have inherent risks and, to the extent they materialize, could adversely affect our business, results of operations and financial condition.
- There are outstanding litigations against our Company, our Directors and our Group Company and any adverse outcome in any of these litigations may have an adverse impact on our business, results of operations and financial condition.
- Our level of indebtedness and the restrictive covenants in our borrowing agreements that we have with our lenders could adversely affect our ability to react to changes in our business environment, limit our flexibility in managing our business and maintaining the growth of our loan portfolio, which may in turn have a material adverse effect on our business, results of operations and financial condition.
- Our consolidated audited financial statements as at, and for the fiscal year ended, March 31, 2019, based on which our Restated Financial Statements as, as at, and for the fiscal year ended, March 31, 2019, are subject to any observations and guidance given by the Comptroller and Auditor General of India.
- Our business is entirely concentrated in, and dependent on, the Indian renewable energy sector, which in general has many challenges and effective addressing of these risks are key to the growth of the sector. If risks in the sector are not managed effectively, the sector growth will suffer, and our business and operations will in turn also be adversely affected.

For further discussion on factors that could cause actual results to differ from expectations, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 21, 92 and 295, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect

the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the BRLMs will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF THE OFFER DOCUMENT

Summary of Business

We are a domestic financial institution with over 30 years of experience in the Indian renewable energy sector. We provide financial assistance to renewable energy projects, companies and manufacturers in India for power generation, equipment supply and fuel source projects including wind, solar, hydro, biomass, co-generation and waste to energy as well as energy efficiency and conservation. Our comprehensive suite of financial products and services includes various fund-based financial products including long-term and short-term project and manufacturing loans, take out financing, bridge loans, securitization of project receivables, various financing schemes for renewable energy suppliers, manufacturers, contractors and non-fund based assistance.

Summary of Industry

As at June 30, 2019, the renewable energy-based power generation in India as reported by the MNRE was 80,467.22 MW. (Source: MNRE website, <https://mnre.gov.in>) This installed capacity included 36,368.47 MW from wind power; 29,549.34 MW from solar power; 4,604.80 from small hydro power; and 9,944.61 MW from biopower including biomass and gasification, bagasse cogeneration and waste to power. (Source: MNRE website, <https://mnre.gov.in>).

The MNRE has set a target of renewable energy capacity addition of 175 GW by 2022, comprising 100 GW of solar power, 60 GW of wind power 10 GW of biomass power and 5 GW of small hydro power. (Source: MNRE Annual Report 2017-18; MNRE Annual Report 2016-17).

Promoter

Our promoter is the President of India, acting through the Ministry of New and Renewable Energy, Government of India.

Issue Size

Issue ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Up to 139,000,000 Equity Shares, aggregating up to ₹ [●] million
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- (1) The Issue has been authorized by a resolution of our Board dated July 29, 2019 and by a special resolution of our Shareholders pursuant to their resolution dated September 22, 2017.
- (2) Retail Discount of up to 5% to the Issue Price may be offered to the Retail Individual Bidder(s) bidding in the Retail Portion.
- (3) The issue includes a reservation of up to 695,000 equity shares aggregating to ₹ [●] million for subscription by Eligible Employees ("Employee Reservation Portion").
- (4) Employee Discount of up to 5% to the Issue Price may be offered to the Eligible Employees bidding in the Employee Reservation Portion.

Objects of the Issue

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(In ₹ million)

S. No.	Particulars	Amount	Estimated Utilisation of Net Proceeds in Fiscal 2020
1.	Augmenting our capital base to meet our future capital requirements and on lending	4,100.00	4,100.00
2.	General corporate purposes*	[●]	[●]
Total**		[●]	[●]

* The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

** To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

Pre-Issue Shareholding of Promoter

S. No.	Category of Shareholder	No. of Equity Shares	% of total paid up Equity Share capital
1.	Promoter*	784,600,000	100

* Including equity shares held by the nominees of the Promoter.

Summary of Financial Information

(in ₹ million other than earnings per share (basis and diluted) and net asset value per equity share)

Particulars	Fiscal		
	2019	2018	2017
Share capital	7,846.00	7,846.00	7,846.00
Net worth	27,712.69	25,477.60	25,225.67
Revenue (total income)	20,265.91	18,169.21	13,342.31
Profit after tax	2,310.95	4,053.60	2,100.74
Earnings per share (basic and diluted)			
- Basic	2.95	5.17	2.68*
- Diluted	2.95	5.17	2.68*
Net asset value per equity share	35.32	31.17	30.94 *
Total borrowings	187,455.33	149,852.08	127,771.09

* The face value of equity shares of the Company was changed from ₹ 1,000 per equity share to ₹ 10 per equity shares and accordingly the number of ordinary shares outstanding were adjusted from 7,846,000 to 784,600,000 w.e.f. November 28, 2017. The earnings per share and net asset value per equity share figures captured in the table for Fiscal 2017 are based on post face value adjustments.

Qualifications of the Auditors

The Restated Financial Statements do not contain any qualification that have not been given effect to by the Auditors.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company as on the date of this Draft Red Herring Prospectus is provided below:

Type of Proceedings	Number of cases	Amount* (in ₹ million)
Cases against our Company		
Other pending material litigation	1	150
Direct and indirect taxes	8	1,319.60
Total	9	1,469.60
Cases by our Company		
Criminal proceedings	168	5,510.36
Other pending material litigation	29	9,385.20
Total	197	14,895.56

* To the extent quantifiable.

For further details of the outstanding litigation proceedings, see “Outstanding Litigation and Material Developments” beginning on page 320.

Risk Factors

Please see “Risk Factors” beginning on page 21.

Summary of Contingent Liabilities of our Company

The total of our contingent liabilities that have not been provided for as at March 31, 2019, 2018 and 2017 were ₹12,178.58 million, ₹7,853.47 million and ₹7,682.97 million, respectively, details of which are as follows:

(amounts in ₹ millions)

Contingent Liabilities	As at March 31,		
	2019	2018	2017
Income Tax cases	1,319.60	1,043.48	744.45
Bank Guarantee issued in favour of BSE Ltd. as a security for receiving subscription of public issue of Tax Free Bonds by IndusInd Bank and secured by way of lien on Fixed Deposit Receipts (FDR).	-	-	141.60
Guarantee issued under IREDA's Guarantee Assistance to RE Suppliers / Manufacturers / EPC Contractors “Scheme for Bid Security”	667.60	100.00	-

Contingent Liabilities	As at March 31,		
	2019	2018	2017
Guarantee - unconditional and recoverable partial credit guarantee under IREDA's Credit Enhancement Scheme	900.00	900.00	-
Guarantee issued towards creation of Payment Security Fund	1,440.00	-	-
Letter of comfort issued and outstanding	7,851.38	5,809.99	6,796.92
Total	12,178.58	7,853.47	7,682.97

For further details of our contingent liabilities as at March 31, 2019, 2018 and 2017, see “*Note 38 para 4 – Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"*” in “*Financial Information –Notes to Restated Financial Statements for the years ended March 31, 2019, 2018 and 2017*” on page 205.

Summary of Related Party Transactions

The details of our related party transactions for period Fiscals 2019, 2018 and 2017 are as follows:

(amounts in ₹ millions)

Particulars	Fiscal		
	2019	2018	2017
Compensation to Related Parties			
Praveen Kumar - Chairman & Managing Director	-	-	-
Kuljit Singh Popli - Chairman & Managing Director (erstwhile)	9.78	6.09	5.47
Satish Kumar Bhargava - Director (Finance)	7.70	5.85	4.63
Chintan Navinbhai Shah - Director (Technical)	3.40	0.25	-
B.V. Rao - Director (Technical) (erstwhile)	-	-	3.40
Surender Suyal - Company Secretary	4.54	3.74	2.87
Abhishek Mahawar - Independent Director	0.58	0.38	-
Indu Bala - Independent Director	0.26	0.22	-
Gangidi Manohar Reddy - Independent Director	0.52	-	-
Madhusri M. Swamy - Independent Director	0.44	-	-
Sanjay Kumar Jain - Independent Director	0.04	-	-
Loans to KMP – (Balance at end of the year including interest)			
Praveen Kumar - Chairman & Managing Director	-	-	-
Kuljit Singh Popli - Chairman & Managing Director (erstwhile)	-	-	0.12
Satish Kumar Bhargava - Director (Finance)	-	0.07	0.14
Chintan Navinbhai Shah - Director (Technical)	-	-	-
B.V. Rao - Director (Technical) (erstwhile)	-	-	-
Surender Suyal - Company Secretary	1.42	1.18	1.34
Loans from KMP	-	-	-
Transactions entered with Govt. and Govt. Entities			
Ministry of New & Renewable Energy (MNRE) - Administrative Ministry	955.55	900.35	17,104.61
M.P. Windfarms Limited – Associate			
Sale of Services	-	-	0.60
Services Aailed	0.53	0.51	0.47
Services Aailed - Consultancy (Tax Exclusive)	1.00	-	0.73
D P S Dhaked, Managing Director's Remuneration	0.60	0.60	0.63

For details of the related party transactions and as reported in the Restated Financial Statements, see “*Financial Information*” beginning on page 144.

Financing Arrangements

There have been no financing arrangements whereby our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by our Promoter in the one year preceding the date of this Draft Red Herring Prospectus

Our Promoter has not acquired any Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Average Cost of Acquisition

The average cost of acquisition per Equity Share to our Promoter as at the date of this Draft Red Herring Prospectus is:

Name	Number of Equity Shares held	Average cost of Acquisition per Equity Share (in ₹)*
Promoter		
The President of India through Ministry of New and Renewable Energy	784,600,000	10.00

* Including Equity Shares held by the nominees of the Promoter.

Details of pre-Issue Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split/ Consolidation of Equity Shares in the last one year

Our Company has not undertaken any split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in the equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. We have described the risks and uncertainties that our management believes are material but the risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries. If anyone or some combination of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, cash flows, financial condition and prospects could suffer and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and the risks involved. Prospective investors should consult their own tax, financial and legal advisors about the particular consequences to such investors of an investment in this Issue. To obtain a complete understanding of our business, you should read this section in conjunction with the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operation", and "Financial Information".

This Draft Red Herring Prospectus also contains forward-looking statements, which refer to future events that involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see "Forward-Looking Statements" on page 15.

Unless otherwise indicated, this "Risk Factors" section has been prepared on the basis of our Restated Financial Statements.

In this "Risk Factors" section amounts of outstanding loans and advances does not include front end fee adjustments.

INTERNAL RISKS

1. Our business and financial performance could suffer if we are unable to effectively manage our growing asset portfolio and control the level of our NPAs.

As at March 31, 2019, 2018 and 2017, the total value of our gross NPAs was ₹13,084.68 million, ₹9,973.70 million and ₹8,175.70 million, respectively. Our gross NPAs represented 6.12%, 6.30% and 6.01% of our loans and advances as at March 31, 2019, 2018 and 2017, respectively. Our net NPAs represented 3.74%, 3.84% and 3.76% of our loans and advances as at March 31, 2019, 2018 and 2017, respectively. In Fiscal 2019, the RBI withdrew the exemptions from their prudential norms which were previously available to all Government NBFCs ND SI vide their circular dated 31st May 2018. As per the revised RBI norms, the NPA classification, as at March 31, 2019, provides that an NPA includes any loan asset that is in default for more than 120 days and, as at March 31, 2020, shall include any loan asset that is in default for more than 90 days. The change in the prudential norms was one of the reasons for the increase in our NPAs in absolute value terms in Fiscal 2019 from Fiscal 2018. In addition, the increases in our net NPAs and gross NPAs has been primarily due to an increase in credit problems in biomass, co-generation and small hydro power projects which have been affected by factors including project delays, rise in the biomass price, national calamities (droughts and floods), delay in payments from State Electricity Distribution Companies ("DISCOMs") and other regulatory and tariff related issues. As at March 31, 2019, small hydro, co-generation, wind and biomass power projects constituted 30.73%, 26.02%, 19.66% and 11.17% respectively of our gross NPAs, and as at March 31, 2018, small hydro, co-generation, wind and biomass power projects constituted 34.53%, 26.13%, 6.54% and 14.90% respectively of our gross NPAs. In response to these issues, we reduced our funding of biomass, co-generation and small hydro power projects to not more than 50% of the project cost. For some of the projects which have fallen into stressed category/NPAs due to delays in implementation or completion, our management, after evaluating the merits of the project credentials, has decided to continue to support the project and allowed loan drawdowns with the sole objective of achieving project completion.

Although we are increasing our efforts to improve collections and to foreclose on existing impaired loans in a timely manner, there cannot be any assurance that we will be successful in our efforts or that the overall quality of our loan portfolio will not deteriorate in the future. If we are unsuccessful in controlling or reducing our impaired loans, if there is a significant increase in impaired loans, or if there is deterioration in the quality of the assets that we hold as security, our future financial performance could be materially and adversely affected.

While we had already made provisions with respect to 40.40% of our gross NPAs (including floating provisions) as at March 31, 2019, we may need to make further provisions if recoveries with respect to such NPAs do not materialize in time or at all. Any increase in NPAs will reduce the net interest-earning asset base and increase provisioning requirements, thereby adversely affecting our results of operations and financial condition. Any significant increase in

provisions would materially and adversely impact our financial performance. In addition, renewable energy project borrowers are subject to numerous risks. See “*Risk Factors - Projects and schemes for generating electricity and energy through renewable sources have inherent risks and, to the extent they materialize, could adversely affect our business, results of operations and financial condition*” on page 24. Various factors beyond our control, like changes in electricity tariffs, prolonged recessionary conditions in the world economy, a sharp and sustained rise in the interest rates, developments in the Indian economy, changes in Indian laws, regulations and policies and other factors beyond our control could have an adverse impact on the quality of our loan portfolio. Further, certain assets classified as restructured may subsequently be classified as delinquent or non-performing if a borrower fails to restore its financial viability and honour its loan servicing obligations. There can be no assurance that the debt restructuring criteria approved by us will be adequate or successful and that borrowers will be able to meet their obligations under restructured advances. Any resulting increase in delinquency levels may adversely impact our business, financial condition and results of operations.

2. *Volatility in interest rates could adversely affect our business, net interest income and net interest margin, which in turn would adversely affect our business, results of operations and financial condition.*

Our business depends on interest income from our loans and advances made by us and the interest rates at which we borrow from banks and/or financial institutions. Accordingly, we are affected by volatility in interest rates in our borrowing and lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Furthermore, the rise in inflation and consequent fluctuation in interest rates, repo rates (the rates at which the RBI lends to commercial banks) and reverse repo rates (the rates at which the RBI borrows from commercial banks) has led to revision in the interest rates on loans provided by banks and financial institutions. Due to these factors, interest rates in India have experienced a relatively high degree of volatility.

Our net interest margins are determined by the cost of our funding relative to the pricing of our loan products. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control. If we suffer a decline in net interest margins, we would be required to increase our lending activity in order to maintain our profitability. In case we are not able to do so we may suffer reduced profitability or losses which may adversely affect our business, results of operations and financial condition.

Furthermore, the majority of the loans taken and provided by us are long-term in nature and are fixed rate loans. However, our portfolio includes loans where the interest rates are subject to periodic resets. When interest rates decline, we may be subject to greater repricing and prepayment risks. During periods of low interest rates, our borrowers may seek to reduce their borrowing cost by asking to reprice loans. When assets are repriced, the spread on loans, which is the difference between the average yield on loans and the average cost of funds, could be affected. If we reprice loans, our financial results may be adversely affected in the period in which the repricing occurs. To the extent that our borrowers prepay loans, the return on our capital may be impaired as any prepayment premium we receive may not fully compensate us for the redeployment of such funds elsewhere. When interest rates increase, we may be unable to pass on such increase to the borrowers in full by increasing the corresponding borrowing interest rates and increase in the interest rate on reset may also result in the borrowers’ prepayment of such loans. Such prepaid loans may not be immediately redeployed by us which may result in loss of interest income. Our inability to effectively and efficiently manage such interest rate variations over the duration of the project loans may adversely affect our business, results of operations and financial condition.

3. *Our credit ratings were downgraded by Fitch in December 2018 and Moody’s changed the outlook in January 2019. Any further downgrading in our credit ratings could adversely affect our business, results of operations and financial condition.*

Our external credit ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. Rating agencies may reduce, or indicate their intention to reduce, the ratings at any time.

In Fiscal 2019, in respect of our US\$300 million Masala Bonds issued internationally, Fitch Ratings downgraded our Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDR) as well as our senior unsecured rating to ‘BB+’ from ‘BBB-’. The Outlook is Stable. Fitch Ratings also downgraded the Short-Term IDR to ‘B’ from ‘F3’. The key reason for downgrade according to Fitch was our concentrated business model, moderate capitalisation against our high-risk appetite and volatile asset quality, which is vulnerable to sharp deterioration due to the characteristics of the renewable-energy sector in India.

Further, in Fiscal 2019, Moody’s affirmed our Baa3 local and foreign currency issuer rating but changed the rating outlook to negative from stable. In addition, Moody’s affirmed our (P)Baa3/(P)P-3 rating assigned to our senior unsecured medium-term note program and our Baa3 rating assigned to our senior unsecured debt issued under this medium-term note program; however, it has changed the outlook to negative. Moody’s reported that the key reason that they assigned a negative outlook was the deterioration in our financial performance, due to an increase in problem assets,

as well as a significant decline in our profitability, driven by certain changes in accounting norms.

Our ability to raise further borrowings at an attractive pricing in the form of bank loans or bond offerings in international markets may be adversely affected by these rating downgrades by Fitch and by the change in outlook given by Moody's. In Fiscal 2019, we did not issue any Masala bonds due to unfavourable international market conditions after this rating downgrade by Fitch. We, however, raised domestic taxable bonds for an aggregate value of ₹8,650 million in two tranches of ₹2,750 million and ₹5,900 million.

There can be no assurance that we will not experience any further downgrade in our debt ratings in future. The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in our ratings. Any further reduction in, or withdrawal of, our ratings may increase our borrowing costs, limit our access to equity and debt capital markets and adversely affect our ability to engage in business transactions, particularly longer term transactions, or retain our customers, thereby affecting our net interest income and net interest margin. In addition, any further downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements in the future. This, in turn, could reduce our liquidity and have an adverse effect on our business, results of operations and financial condition.

4. *We operate in a highly competitive environment and increased competition in lending to the renewable energy sector could have a material adverse effect on our business, results of operations and financial condition.*

The financial and banking sector in India is highly competitive and we compete with a number of public sector finance companies, public sector banks, private banks (including foreign banks), financial institutions and other NBFCs. Competition in our industry depends on, among other factors, the ongoing evolution of GoI policies relating to the industry, the entry of new participants into the industry and the extent to which there is consolidation among banks, financial institutions and NBFCs in India. Many of our competitors may have larger resources or balance sheet sizes than us and may have considerable financing resources. In addition, since we are a non-deposit accepting NBFC, we may have restricted access to funds in comparison to banks and deposit taking NBFCs. Our ability to compete effectively is dependent on our ability to maintain a low effective cost of funds. With the growth of our business, we are dependent on funding from the equity and debt markets and commercial borrowings. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans to renewable energy projects. This is a significant challenge for us, as there are limits to the extent to which higher costs of funds can be passed on to borrowers, thus potentially affecting our net interest income. In addition, competition in the renewable energy sector may become more intense due to the increased interest in the sector among domestic and international banks and finance companies, and we may incur additional expenses relating to customer acquisition and retention, further reducing our operating margins.

5. *Distress in the NBFC sector and other factors may affect our access to funds at commercially acceptable terms and affect our lending capacity adversely.*

According to the RBI, recent developments in the Indian domestic financial markets have brought the focus on the NBFC sector (including housing finance companies or HFCs) especially with regard to their exposures, quality of assets and asset-liability mismatches (ALM). (Source: RBI, Financial Stability Report, June 2019). In September 2018, Infrastructure Leasing & Financial Services Limited ("IL&FS") reported that it defaulted on several of its bank loan repayment obligations. There has also been certain reports and allegations against other NBFCs in India whose rating have been downgraded due to defaults on their debt securities. These reports led to tight liquidity in the NBFC sector in India in late 2018 and 2019. There was also volatility in the Indian equity and debt securities market due to the distress in the NBFC sector. The RBI has suggested that the liquidity stress in NBFCs since September 2018 was due to an increase in funding costs and also difficulties in market access in some cases. (Source: RBI, Financial Stability Report, June 2019)

Our ability to borrow on acceptable terms and at competitive rates depends on various factors including, our credit ratings, our capital adequacy ratios, foreign exchange rates and volatility in interest and exchange rates, the regulatory environment, liquidity in the markets, policy initiatives in India, developments in the international markets affecting the Indian economy and the perception of investors, and our current and future results of operations and financial condition. The unavailability of funding for our business at commercially acceptable terms, or at all, may adversely affect our capacity to lend in the future and would therefore have an adverse effect on our business, results of operations and financial condition.

In addition, precipitated the NBFC liquidity crises, we took a provision for our investment of ₹ 689.91 million in commercial paper of Infrastructure Leasing & Financial Services Limited (IL&FS). This provision adversely affected our profitability in Fiscal 2019.

In light of the liquidity stress in the NBFC sector, the RBI has issued a draft circular on May 24, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies' which will require the

NBFCs to ensure maintenance of sufficient liquidity, including a cushion of unencumbered, high-quality liquid assets to withstand a range of stress events; establish diversified funding strategy; and monitor the risk of intra-group transfers. The draft proposes to introduce Liquidity Coverage Ratio (LCR) for all deposit taking NBFCs; and non-deposit taking NBFCs with an asset size of ₹50,000 million and above. All the measures outlined in the draft circular could increase the cost of funding for NBFCs and may also restrict our lending operations.

6. *Projects and schemes for generating electricity and energy through renewable sources have inherent risks and, to the extent they materialize, could adversely affect our business, results of operations and financial condition.*

Our business mainly comprises financing of projects and schemes for the generation of energy through utilization of renewable sources of energy and projects involving energy efficiency and conservation measures. These projects and schemes carry technology as well as sector specific risks, some of which include:

- political, regulatory, fiscal, monetary, legal actions and policies that may adversely affect the viability of projects to which we lend;
- the fact that renewable energy projects are intermittent, seasonal and prone to vagaries of nature;
- decrease in tariff for solar power;
- delays in the construction and operation of projects to which we lend;
- adverse changes in demand for, or the price of, energy generated or distributed by the projects to which we lend;
- the willingness and ability of off-takers to pay for the energy produced by projects to which we lend;
- environmental challenges and changes in environmental regulations may result in time and cost overrun there by impacting the project viability;
- potential defaults under financing arrangements of project companies and their equity investors;
- failure of co-lenders with us under consortium lending arrangements to perform on their contractual obligations;
- failure of third parties such as contractors, sub-contractors and others to perform on their contractual obligations in respect of projects to which we lend;
- adverse changes in the overall economic environment in India;
- adverse fluctuations in interest rates or currency exchange rates;
- lack of infrastructural facilities for transmission of power from generating stations to DISCOMs; and
- economic, political and social instability or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve.

These or other risks relating to the renewable energy projects we finance could materially adversely affect our business, results of operations and financial condition.

7. *There are outstanding litigations against our Company and any adverse outcome in any of these litigations may have an adverse impact on our business, results of operations and financial condition.*

Our Company is currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters, actions by regulatory/ statutory authorities and matters above the materiality threshold involving our Company have been set out below.

Type of Proceedings	Number of cases	Amount* (in ₹ million)
Cases against our Company		
Other pending material litigation	1	150
Direct taxes	8	1,319.60
Total	9	1,469.60
Cases by our Company		
Criminal proceedings	168	5,510.36
Other pending material litigation	29	9,385.20
Total	197	14,895.56

* To the extent quantifiable.

For further details, see “*Outstanding Litigation and Other Material Developments*” beginning on page 320. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. If the courts or tribunals rule against us or our Company, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

8. *Our level of indebtedness and the restrictive covenants in our borrowing agreements that we have with our lenders could adversely affect our ability to react to changes in our business environment, limit our flexibility in managing*

our business and maintaining the growth of our loan portfolio, which may in turn have a material adverse effect on our business, results of operations and financial condition.

As at March 31, 2019, our indebtedness aggregated ₹187,455.33 million. A substantive portion of our funding is obtained through credit facilities and loans provided by bilateral and multilateral institutions and issuance of bonds. A high level of indebtedness could:

- in the event our cash flows do not increase in the same proportion, require us to dedicate a substantial portion of our cash flows from operations to payments in respect of our indebtedness, thereby reducing the availability of cash flow to fund our working capital requirements, capital expenditures and other general corporate expenditures;
- increase our vulnerability to adverse general economic and industry conditions;
- limit our flexibility in planning for, or reacting to, competition and/or changes in our business or industry;
- limit our ability to borrow additional funds; and
- place us at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

There are restrictive covenants in agreements we have with our lenders. These restrictive covenants require us to intimate and/or seek the prior permission of these lenders for various activities, including, among other things, affecting undertaking any merger, amalgamation, utilizing loans for purposes other than those set out in the financing agreement, and raising further capital. As of the date of this DRHP, we have not obtained consents in relation to the Issue from SBICAP Trustee Company Limited and European Investment Bank. Such financing agreements may also require us to comply with certain covenants and conditions such as maintaining certain financial ratios. We are currently not in compliance with certain financial and non-financial covenants for our international lines of credit under our financing documents with the Asian Development Bank in relation to maintenance of gross non-performing loan level. Additionally, there have been breaches in the past under our financing arrangements with Nordic Investment Bank in relation to maintenance of debt equity ratio. We have also in the past obtained waiver from Agence Francaise De Developpement in respect of breaches of the credit-exposure ratio. In the event of any breach of any covenant contained in these financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Furthermore, financing arrangements also contain cross default provisions which could automatically trigger defaults under other financing arrangements. As of the date of this DRHP, none of our lenders have issued any notice of default or required us to repay any part of our borrowings as a result of such breaches. Any failure to comply with these covenants in the future could constitute an event of default under the relevant loan agreements.

Any or a combination of some or all of these factors may result in a failure to maintain the growth of our loan portfolio, which may in turn have a material adverse effect on our business, results of operations and financial condition.

9. Our audited financial statements as at, and for the fiscal year ended, March 31, 2019, based on which our Restated Financial Statements as, as at, and for the fiscal year ended, March 31, 2019 have been prepared, are subject to any observations and guidance given by the Comptroller and Auditor General of India.

As we are a PFI, wholly owned by our Promoter (the President of India acting through the Ministry of New and Renewable Energy, Government of India), our annual financial accounts are subject to audit by the Comptroller and Auditor General of India (the “CAG”). Our consolidated audited financial statements as at and for the fiscal year ended, March 31, 2019, were approved by our Board in its meeting dated May 30, 2019. The CAG’s audit of our audited financial statements as at and for the fiscal year ended, March 31, 2019, has completed, and we expect final observations and guidance, if any, will be given to us by the CAG shortly. Our Restated Financial Statements as at, and for the fiscal year ended, March 31, 2019, included in this Draft Red Herring Prospectus have been prepared based on our consolidated audited financial statements which are subject to any final observations and guidance by the CAG.

10. Our business is entirely concentrated in, and dependent on, the Indian renewable energy sector, which in general has many challenges and effective addressing of these risks are key to the growth of the sector. If risks in the sector are not managed effectively, the sector growth will suffer, and our business and operations will in turn also be adversely affected.

Our business is entirely concentrated in, and dependent on, the Indian renewable energy sector. The MNRE has set a target of renewable energy capacity addition of 175 GW by 2022, comprising 100 GW solar, 60 GW wind, 10 GW biomass and 5 GW small hydro. (Source: MNRE website) Any adverse situation of achieving this target may also affect our business.

The viability of the renewable energy sector is linked to a favourable policy framework and the related fiscal and financial incentives available thereunder. Reduction or withdrawal of these benefits may impact the sector adversely. Issues relating to land availability, grid evacuation, infrastructure, open access permission, grid management problem arising from the variable and intermittent nature of solar and wind power, tariff related uncertainties, prolonged project

commissioning periods on account of delay in approvals from the state governments due to a lack of single window clearances, large capital outlay, frequent policy changes can affect project viability during the implementation and operational stages, with negative impact on debt servicing capability of our borrowers and in turn will also adversely affect our business and operations.

A separate draft Renewable Energy Act aimed at creating an institutional, economic and policy framework at the national level was under formulation and is proposed to be tabled at the parliament. This act would cover, inter alia, critical issues of grid planning, grid operation and grid management, including cost sharing of each of these aspects, as well as also the stipulation and compliance of mandatory national renewable purchase obligation targets and establishment of a national renewable energy fund.

11. In Fiscal 2019, the RBI prudential norms have become applicable to us and if the level of non-performing assets in our loan portfolio were to increase above approved RBI levels, our business, results of operations and financial condition would be adversely affected.

In the past, our gross and net NPAs have been as follows:

	Gross NPAs as percentage of total loans	Net NPAs as percentage of total loans
As at March 31, 2019	6.12%	3.74%
As at March 31, 2018	6.30%	3.84%
As at March 31, 2017	6.01%	3.76%

Being a non-banking financing company wholly-owned by the Promoter, until Fiscal 2019 we were exempt from prudential norms as prescribed by the RBI, and, accordingly, we made provisioning in terms of prudential norms as approved by our Board of Directors.

In Fiscal 2019, the RBI withdrew the exemptions from their prudential norms which were previously available to all Government NBFCs ND SI vide their circular, dated May 31, 2018. As per the revised RBI norms, the NPA classification, as at March 31, 2019, provides that an NPA includes any loan asset that is in default for more than 120 days and, as at March 31, 2020, shall include any loan asset that is in default for more than 90 days. The change in the prudential norms was responsible in part for the increase in our NPAs in absolute value terms in Fiscal 2019 from Fiscal 2018. Our provisions on account of NPAs for Fiscal 2019, Fiscal 2018 and Fiscal 2017, were ₹1,968.74 million, ₹984.75 million, and ₹1,628.50 million, respectively. In addition, the change in the prudential norms was one of the reasons for the decrease in our profit after tax in Fiscal 2019 because certain loans totalling ₹743.29 million that had been written off were recharacterized as an exceptional item in Fiscal 2019.

In 2010, our Company applied to RBI to be classified as an infrastructure finance company (“IFC”) to avail ourselves of the lending and borrowing benefits afforded to IFCs. Our Company has not received any intimation from the RBI in this context. We cannot assure you that if classified as an IFC, our Company would not be subject to any additional compliances or norms which may have an adverse impact on our business, results of operations and financial condition.

12. The poor health of the State DISCOMs may lead to delays in payments to renewable energy projects that we finance. This poses a risk which may adversely affect the repayment capability of our borrowers.

The power off-take from the renewable energy projects is largely through long term power purchase agreements (“PPAs”) with the State DISCOMs. However, many of the DISCOMs in India are in poor financial health as noted in the Ministry of Power’s report entitled “State Distribution Utilities Sixth Annual Integrated Rating”, dated July 2018, where 21 out of 41 utilities have been assigned a rating of B or less, indicating “Below Average Operational and Financial Performance Capability”. According to the report, the cost coverage ratio for most entities (25 out of 41 rated) remained low due to a substantial increase in expenses and non-cost reflective tariffs.

The financial problems experienced by the DISCOMs often results in delayed payments to the renewable energy power generators and irregular payment cycles of our renewable energy project borrowers. This may affect the repayment capability of our borrowers and in turn may adversely affect our business, results of operations and financial condition.

Furthermore, if such borrowers are unable to manage their cash flow and other financial risks applicable to such borrowers, our NPAs could increase which would also adversely affect our business, financial condition and results of operations.

13. *Certain DISCOMs that purchase electricity from our borrowers and certain states have sought revision in the terms of their existing PPA. A downward revision in the tariffs could negatively affect the cash flows and financial conditions of our borrowers and may affect their repayment capabilities.*

The newly elected government in the state of have sought to revise the terms of the PPAs executed with the solar and wind power developers operating in such states, including for downward revision in tariffs. In the past, the Supreme Court of India and the Appellate Tribunal of Electricity (“APTEL”) have held that PPAs entered into with distribution utilities can be modified only in limited circumstances such as for consumer interest (while balancing the recovery of the cost of power) or by mutual agreement of the parties, and the APTEL has also held in another case that tariff fixed under a PPAs cannot be revised. However, a legal or regulatory dispute in this regard or an adverse outcome for our borrowers could result in deterioration in their receivables under the PPAs. If our borrowers do not receive payments under their PPAs, they may not have sufficient cash flows to meet their repayment obligations towards us.

The High Court of Andhra Pradesh has already stayed the matter, dated July 25, 2019, and the matter is currently sub judice, payments to all the renewable energy developers in such states by customers may get affected until the matter is resolved. Further, a negative revision in the tariff could have a material adverse effect on our borrowers’ business, cash flows, financial condition and results of operation. This may affect the repayment capability of our borrowers and in turn may adversely affect our business, results of operations and financial condition.

14. *We may be unable to secure funding on commercially acceptable terms and at competitive rates, which could adversely affect our business, results of operations and financial condition.*

Our business is dependent upon our timely access to, and the costs associated with, our borrowings. Our total finance cost for Fiscal 2019, Fiscal 2018 and Fiscal 2017 was ₹12,347.92 million, ₹10,691.60 million and ₹7,866.66 million, respectively, and comprised 75.73%, 84.35% and 77.75% of our total expenditure in the same respective periods. Our borrowings primarily include secured and unsecured long-term bonds and secured and unsecured term loans obtained from various domestic and multilateral and bilateral institutions. Our ability to borrow on acceptable terms and at competitive rates depends on various factors including, our credit ratings, our capital adequacy ratios, foreign exchange rates and volatility in interest and exchange rates, the regulatory environment, liquidity in the markets, policy initiatives in India, developments in the international markets affecting the Indian economy and the perception of investors, and our current and future results of operations and financial condition.

A major factor that determines interest rates on our borrowings is our credit ratings. Our ability to raise further borrowings at attractive pricing in the form of bank loans or bond offerings in international markets may be adversely affected by recent rating downgrades by Fitch and by a change in outlook to “negative” given by Moody’s. For details on these adverse changes to our credit ratings, see the risk factor above entitled “*Our credit ratings were downgraded by Fitch in December 2018 and Moody’s changed the outlook in January 2019. Any further downgrading in our credit ratings could adversely affect our business, results of operations and financial condition.*”

These recent credit rating downgrades and negative outlooks, and any further downgrade or negative credit rating reports, could increase interest rates for our new borrowings and could adversely affect our ability to borrow in the future. To honour our lending commitments, therefore, we may be required to avail ourselves of loans at high costs, which may in turn affect our spread on loans and our financial condition. Furthermore, due to our nature and tenure of the loans, it may not be possible for us to pre-pay the existing loans by incurring additional indebtedness without payment of penalty and interest.

Furthermore, an increase in debt would lead to leveraging the balance sheet, thereby exerting pressure on the financial covenants that we are required to maintain under our various loan agreements. In such an event, we cannot assure you that we would continue to be in compliance with our loan agreements conditions in the future. Any future default under a loan agreement may further affect our availability of funding.

Unavailability of borrowings at commercially acceptable terms, or at all, may adversely affect our capacity to lend in the future and would therefore have an adverse effect on our business, results of operations and financial condition.

15. *We are exposed to fluctuations in foreign exchange rates, which in turn could adversely affect our results of operation and financial condition.*

As at March 31, 2019, we had foreign currency borrowings of ₹99,104.94 million. We may seek to obtain additional foreign currency borrowings in the future. We are therefore affected by adverse movements in foreign exchange rates. If the rupee depreciates against the currencies in which we borrow in, it will result in a higher outflow in relation to the foreign currency denominated loan. Although we look to hedge more than 60% of our outstanding foreign currency loans in accordance with our foreign exchange and derivatives risk management policy, our hedges may not cover sufficiently, or at all, an increase in foreign currency loans resulting from the depreciation of the rupee against such currencies due to

tenure mismatch of the hedges with the loan tenure. Volatility in foreign exchange rates could adversely affect our business, results of operations and financial condition.

16. *If we are unable to manage our growth effectively, our business, results of operations and financial condition could be adversely affected.*

In Fiscal 2019, Fiscal 2018 and Fiscal 2017, our profit before tax on a consolidated basis was ₹3,217.79 million, ₹5,494.64 million and ₹3,127.93 million, respectively, and our profit after tax on a consolidated basis was ₹2,310.95 million, ₹4,053.60 million and ₹2,100.74 million, respectively. Our loans and advances (on a gross basis before amortisation and front-end fee adjustments) outstanding increased from ₹136,046.64 million as at March 31, 2017 to ₹213,886.69 million as at March 31, 2019, at a CAGR of 25.39%. This business growth and future business growth could place significant demands on our operational, credit, financial and other internal risk controls. Rapid growth could expose us to a wide range of increased risks, including business risks, such as the possibility that some of our loans may become impaired faster than anticipated, as well as operational risks, fraud risks and regulatory and legal risks. Our growth may also exert pressure on our capital adequacy, making management of asset quality increasingly important. Our growth also increases the challenges involved in preserving and improving our internal administrative, technological and physical infrastructure. Addressing the challenges arising from our growth would put significant demands on our management and other resources.

Although we started our operations in 1987, our loans and advances have been increasing, showing a CAGR of 25.39% over last three fiscal years on a consolidated basis. Accordingly, a large part of our loan portfolio is relatively new and unseasoned.

We intend to grow our loan portfolio, income and profits by leveraging on inherent strengths towards providing loans at competitive rates, entering into consortium and/or co-financing with other lenders for financing large size renewable energy projects, by diversifying customer and financial portfolio and maintaining strong asset quality through continued focus on risk management among others.

We cannot assure you that we will be able to sustain our growth or that we will be able to further expand our loan portfolio. As we grow and diversify, we may not be able to implement, manage or execute our strategy efficiently in a timely manner or at all, which could adversely affect our business, results of operations and financial condition.

17. *We are subject to credit and market risks including risks from our hedging activities. If any such risks were to materialize, our cost of funds could be adversely affected.*

Our revenues depend on our ability to efficiently manage our credit and market risks. We are required to identify, and mark-to-market, changes in the value of financial instruments caused by changes in market prices or interest rates. Our earnings depend on the effectiveness of our management of credit quality and risk concentration, the accuracy of valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove to be inaccurate or are not predictive of actual results, we could incur higher than anticipated losses. Although we believe that we have adequate risk management policies and procedures in place as disclosed in “Our Business” on page 92, we may still be exposed to unidentified or unanticipated risks, which could lead to material losses and an adverse effect on our business, results of operations and financial condition.

We currently hold, and have in the past held, derivative contracts, including forward exchange contracts, currency and interest rate swaps and principal only swaps. We believe that these forward exchange contracts, and cross currency swaps have the effect of reducing the volatility of our profit and reducing our exposure to foreign exchange and interest rate risk. If, in the future, foreign exchange rates or interest rates move contrary to our expectations, or if our risk management procedures prove to be inadequate, we could incur derivative-related or other charges and opportunity losses independent of the relative strength of our business, which could affect our results of operations and financial condition.

18. *We are subject to capital adequacy requirements and other requirements imposed by the RBI. Any failure to meet these requirements or any change by the RBI in the regulatory regime for Government NBFCs, may adversely affect our business, results of operations and financial condition.*

We are a non-deposit taking systemically important NBFC, and we were maintaining a CRAR above the threshold limit of 15% for the NBFCs in periods through March 31, 2018. In Fiscal 2019, the RBI withdrew the exemptions from their prudential norms which were previously available to all Government NBFCs ND SI vide their circular, dated May 31, 2018. The RBI in a circular, dated May 31, 2018, provided new CRAR requirements for Government owned NBFCs which is 10.0% as on March 31, 2019; and is required to be 12% by March 31, 2020; 13% by March 31, 2021 and 15% by March 31, 2022. Our CRAR was 16.32% as at March 31, 2019.

The RBI continues to prescribe higher risk weights to unrated loan exposure to Banks than NBFCs. If the RBI prescribes

such a requirement of higher risk weights on a NBFC like us, it will have significant impact on Tier 1 capital requirements. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier 1 capital to continue to meet applicable capital adequacy ratios. Any equity financing, if available at all, may be on terms that may not be favourable to us.

There may be future changes in the regulatory system or in the enforcement of the laws and regulations, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls that could have an adverse effect on non-deposit taking NBFCs. In addition, we are required to make various filings with the RBI, the RoC and other relevant authorities pursuant to the provisions of the RBI regulations, Companies Act and other regulations. If we fail to comply with these requirements, or a regulator claims we have not complied with such requirements, we may be subject to penalties. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses in complying with such laws and regulations, which could materially and adversely affect our business. In addition, any historical or future failure to comply with the terms and conditions of our existing regulatory or statutory approvals may cause us to lose or become unable to renew such approvals. For further details, see “Regulations and Policies” on page 118.

Our Company, continues to follow exposure norms as prescribed by RBI and approved by our Board of Directors, which are set out below:

Lending Ceilings	Percentage
Lending to any single borrower	15+5*
Lending to any single group of borrowers	25+10*

**As per RBI guidelines, the NBFC may exceed the concentration of credit by 5% for any single borrower and by 10% for a single group of borrowers for infrastructure loans. Since Renewable Energy projects falls under the infrastructure category, the 5% and 10% additional exposure limits are available to us.*

Further, the RBI has relaxed the credit concentration norms for a period of 2 years vide their letter dated February 11, 2019 subject to a prudential framework to be approved by the Board. Accordingly, in March 27, 2019, the Board approved a framework wherein we may exceed the group exposure ceiling of 35% in respect of the applicants having appropriate credentials in the renewable energy sector.

In addition, the RBI conducts periodic on-site inspections on matters relating to, among other things, our portfolio, risk management systems, credit concentration risk, counterparty credit risk, internal controls, credit allocation and regulatory compliance. Any significant deficiencies identified by the RBI that we are unable to rectify to the RBI's satisfaction could lead to sanctions and penalties imposed by the RBI, as well as expose us to increased business and credit risks.

19. Any increase in or realization of our contingent liabilities could have a material adverse effect on our business, results of operations and financial condition.

The total of our contingent liabilities that have not been provided for as at March 31, 2019, 2018 and 2017 were ₹12,178.58 million, ₹7,853.47 million and ₹7,682.97 million, respectively, details of which are as follows:

(amounts in ₹ millions)

Contingent Liabilities	As at March 31,		
	2019	2018	2017
Income Tax cases	1,319.60	1,043.48	744.45
Bank Guarantee issued in favour of BSE Ltd. as a security for receiving subscription of public issue of Tax Free Bonds by IndusInd Bank and secured by way of lien on Fixed Deposit Receipts (FDR).	-	-	141.60
Guarantee issued under IREDA's Guarantee Assistance to RE Suppliers / Manufacturers / EPC Contractors "Scheme for Bid Security"	667.60	100.00	-
Guarantee - unconditional and recoverable partial credit guarantee under IREDA's Credit Enhancement Scheme	900.00	900.00	-
Guarantee issued towards creation of Payment Security Fund	1,440.00	-	-

Contingent Liabilities	As at March 31,		
	2019	2018	2017
Letter of comfort issued and outstanding	7,851.38	5,809.99	6,796.92
Total	12,178.58	7,853.47	7,682.97

For further details of our contingent liabilities as at March 31, 2019, 2018 and 2017, see “*Note 38 Para 4 – Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets ” in “Financial Information –Notes to Restated Financial Statements for the years ended March 31, 2019, 2018 and 2017”* on page 205.

There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. In the event that the level of contingent liabilities increases, it could have a material adverse effect on our business, results of operations and financial condition. If any of our contingent liabilities materialize, our liquidity, business, results of operations and financial condition could be adversely affected.

- 20. *We may fail to obtain certain regulatory approvals in the ordinary course of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses which may have a material adverse effect on the continuity of our business and may impede our effective operations in the future. In addition, our business is subject to periodic inspections by the RBI, and our non-compliance with observations made by the RBI during these inspections could expose us to penalties and restrictions.***

We may require certain new regulatory approvals, sanctions, licenses, registrations and permissions for operating and expanding our business. We may not receive or be able to renew such approvals in the time frames anticipated by us, or at all, which could adversely affect our business. If we do not receive, renew or maintain the regulatory approvals required to operate our business in a timely manner or at all, we may be subjected to sanctions and penalties pursuant to inspection and supervision by regulatory authorities, including the RBI and it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

In addition to the numerous conditions required for the registration as an NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time frame anticipated by us, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

The RBI conducts periodic on-site inspections on all matters addressing our operations as a NBFC and relating to, among other things, our portfolio, risk management systems, credit concentration risk, internal controls, credit allocation and regulatory compliance. During the course of finalizing this inspection, the RBI inspection team shares its findings and recommendations with us and provides us an opportunity to provide clarifications, additional information and, where necessary, justification for a different position, if any, then that observed by the RBI. The RBI incorporates such findings in its final inspection report and, upon final determination by the RBI of the inspection results, we are required to take actions specified therein by the RBI to its satisfaction, including, without limitation, requiring us to make provisions, impose internal limits on lending to certain sectors and tighten controls and compliance measures and restricting our lending and investment activities. Any significant deficiencies identified by the RBI that we are unable to rectify to the RBI’s satisfaction could lead to sanctions and penalties imposed by the RBI, as well as expose us to increased risks.

Any failure to meet regulatory requirements could materially and adversely affect our reputation, business, financial condition, cash flows, results of operations, pending applications or requests with the regulators and our ability to obtain the regulatory permits and approvals required to expand our business.

- 21. *We operate a 50 MW solar project in Kerala which may be subject to tariff changes by Kerala State Electricity Regulatory Commission (KSERC) which may adversely affect the financial viability of the project.***

We were the developer, and we are now the operator, of a 50 MW Solar Photovoltaic Project in 200 MW Kasaragod Solar Park in the State of Kerala. The project was part commissioned in December 2016 and fully commissioned in September 2017. We have entered a power purchase agreement with the Kerala State Electricity Board Limited for the project, which has set the tariff rate ₹4.95/unit, subject to approval of the KSERC. The KSERC has passed an order for the tariff to be set at ₹ 3.83/ unit, and, accordingly, the power generation revenue for the project has been accounted for at this rate in Fiscal 2018 and Fiscal 2019. Any further downward revision of the tariff rates by the KSERC may adversely

affect the financial viability of the project.

Further, we are eligible for certain special tax benefits in respect of the project which might not be available to us in future which also could adversely affect the profitability of the project. For further information see the risk factor above entitled “*Risk Factors - Projects and schemes for generating electricity and energy through renewable sources have inherent risks and, to the extent they materialize, could adversely affect our business, results of operations and financial condition*” on page 24.

22. *We have concentrations of loans in certain States and any economic downturn in those States or natural disasters affecting those States or change in regulations in those States affecting our renewable energy borrowers could lead to increases in defaults by borrowers in those States.*

As at March 31, 2019, we had loans and advances outstanding in 28 States and Union Territories. Set forth below is a table showing the total outstanding loans for projects located in the various States and Union Territories where the totals of those loans exceeded 1% of our total loans and advance as at March 31, 2019 and as a percentage of our total loans and advances as at that date.

	Loans outstanding at March 31, 2019	Percentage of total loans and advances at March 31, 2019
State or Territory	(in ₹ millions)	
Andhra Pradesh	53,347.02	24.94%
Karnataka	35,057.40	16.39%
Tamil Nadu	20,665.72	9.66%
Maharashtra	18,367.91	8.59%
Rajasthan	12,293.94	5.75%
Uttar Pradesh	10,822.78	5.06%
Gujarat	9,272.30	4.34%
Telangana	8,990.95	4.20%
Himachal Pradesh	8,316.45	3.89%
Madhya Pradesh	6,129.05	2.87%
New Delhi	4,764.25	2.23%
Punjab	4,283.51	2.00%
Uttarakhand	4,017.04	1.88%
Orissa	3,898.04	1.82%
Chhattisgarh	3,219.96	1.51%
Sikkim	2,156.51	1.01%

Any material economic downturn or any other adverse developments, such as political unrest or a significant natural disaster, in the above States or any change in regulations in the above States adversely affecting our renewable energy borrowers, could lead to increases in defaults by borrowers in those States. As a result, we would experience increased delinquency risk from the borrowers with projects concentrated in that States, which could materially and adversely affect our business, financial condition and results of operations.

23. *We have a concentration of loans to certain customers, and if the financial conditions of these customers deteriorate, our asset quality, financial condition and results of operations could be materially and adversely affected.*

We monitor concentration of exposures to borrowers and calculate customer exposure as required by the RBI. As at March 31, 2019, the aggregate loan outstanding to our 20 largest borrowers for long term loans amounted to ₹69,836.45

million, representing 32.65% of our total outstanding as at such date. Our single largest borrower on such date had an outstanding of ₹5,836.55 million, representing 2.73% of our total outstanding as at such date. If any of our 20 largest customer exposures become non-performing, the credit quality of our portfolio and our business and financial results, as well as the market price of our Equity Shares, could be materially and adversely affected.

24. *We may face asset-liability mismatches that could adversely affect our cash flows, financial condition and results of operations.*

In past, our funding requirements primarily have been met through a combination of equity investments by the Government, the issuance of secured and unsecured non-convertible debentures and unsecured long-term loans made available from domestic as well as multilateral and bilateral institutions. As at March 31, 2019, 99.94% of our total borrowings were long-term borrowings (excluding current maturities of long-term borrowings) and 77.28% of our loan portfolio were long-term loans (excluding current maturities of long-term loans). We may face liquidity risks due to mismatches in the maturity of our assets and liabilities. For further details, see “*Selected Statistical Information – Maturity Pattern*” on pages 285 to 286. The maturity of long-term domestic borrowing with bullet payments, primarily in the tenor of 5-20 years, amounts to ₹47,334.08 million, which was 25.23% of the total borrowing as at March 31, 2019. Our lending is for a term period of 10 to 20 years. Our Masala bonds of an amount of ₹19,500 million are maturing in 2022. In order to minimize the asset liability mismatch in 2022, we plan to match our short term lending with a similar maturity. If we are unable to effectively manage our funding requirement and the financing we provide (which may be aggravated if our borrowers are unable to repay any of the financing facilities we grant to them or if we are unable to obtain additional credit facilities in a timely and cost effective manner, or at all), we may have mismatches in our assets and liabilities, which in turn may adversely affect our liquidity, results of operations and financial condition.

25. *Our borrowers that relied upon Renewable Energy Certificates (RECs) as part of their project cash flow and financial models may experience financial and cash flow issues as the market for RECs has not been realized as originally expected.*

Renewable Purchase Obligations (RPOs) are the obligation imposed by the Electricity Act, 2003 on the State DISCOMs and other large consumers of power to either buy electricity generated by specified renewable energy sources, or buy, in lieu of that, renewable energy certificates (“RECs”) from the market. RECs are issued to companies that produce power from renewable power and to the eligible distribution licensee.

The Central Electricity Regulatory Commission (CERC) has taken a position that it does not have the jurisdiction to enforce the RPOs in the States and that the responsibility of setting RPO targets and implementation rests with the State Electricity Regulatory Commissions (SERCs). To date, some of the SERCs have not enforced RPOs. Furthermore, the market for RECs has not been matured as originally expected when the legislation was adopted. As a result, some of our borrowers that relied upon RECs as part of their project cash flow and financial models may experience cash flow shortfalls and other financial issues which in turn could increase our NPAs and adversely affect our business, results of operations and financial condition.

26. *Our Company as well as our borrowers are required to comply with Government Policies in relation to our business. If we fail to comply with these policies or if we or our clients are required to comply with new or additional regulations or guidelines requiring reorganizing or restructuring, there may be an adverse effect on our business, results of operations and financial condition.*

We are a ‘Government Company’ under Section 2(45) of the Companies Act, 2013, and wholly owned by the Promoter. Our business and our sector depend, directly and indirectly, on the policies and support of the Government in many significant ways, including with respect to the cost of our capital, the financial strength of our borrowers, the management and growth of our business and our sector. Like any other public sector undertaking, the Government can influence key decisions about our Company, including with respect to the appointment and removal of members of our Board. We are required to follow the public policy directives of the Government by concentrating our financing on specific projects or sectors in the public interest.

Our borrowers are significantly impacted by the Government policies and support in a variety of ways. In particular, the Government has in the past made sustained increases to budgetary allocations towards projects and schemes generating energy through non-conventional and renewable material to encourage greater private sector participation. Since governmental entities are responsible for awarding concessions and maintenance contracts and are parties to the development and operation of such renewable energy projects, any withdrawal of support or adverse changes in their policies may lead to our financing agreements being restructured or renegotiated and could adversely affect our business, results of operations and financial condition.

27. *If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition and results of operations.*

We have adopted a comprehensive risk management policy. For details, see “Our Business–Risk Management” on page 111. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not be able to predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses.

If we fail to effectively implement our risk management policies, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

We also take steps to establish and maintain compliance and disclosure procedures, systems and controls, and to maintain internal controls over financial reporting to produce reliable financial reports and prevent financial fraud. However, internal controls over financial reporting are reviewed on an ongoing basis as risks evolve, and the processes to maintain such internal controls involve human diligence and compliance and are subject to lapses in judgement and breakdowns resulting from human error. To the extent that there are lapses in judgement or breakdowns resulting from human error, the accuracy of our financial reporting could be affected, resulting in a loss of investor confidence and could adversely affect our reputation, business, results of operations and financial condition.

28. *The success of our business depends on our ability to attract and retain our senior management and high-quality employees, and the loss of their services could have a material adverse effect on our business, results of operations and financial condition.*

The success of our business to a large extent depends on the continued service of our senior management and various professionals and specialists, including information technology specialists, finance professionals, legal professionals and risk management specialists. Our senior and middle management personnel have significant experience and in-depth industry knowledge and expertise. As a result of ever-increasing market competition in the financial sector, the market demand and competition for experienced management personnel and finance professionals and specialists has intensified. We face a challenge to recruit and retain skilled personnel knowledgeable in the renewable energy sector to which we lend. Our business and financial condition could suffer if we are unable to retain our senior management, or other high-quality personnel, or cannot adequately and timely replace them upon their departure.

Moreover, we may be required to increase substantially the number of our professionals and specialists in connection with any future growth plans, and we may face difficulties in doing so due to the competition for such personnel. Our failure to retain or replace competent personnel could materially impair our ability to implement any plan for growth and expansion. Competition for quality employees among finance companies and other business institutions may also necessitate increases in compensation and commissions, which would increase operating costs and reduce our profitability. As a Government owned company, however, we may face difficulty in raising compensation in line with private industry employee expectations.

29. *If our borrowers default on their obligations to us we may be unable to foreclose on their loans on a timely basis, or at all, or realize the expected value of our collateral and this may have a material adverse effect on our results of operations and financial condition*

Although we endeavour to obtain adequate security or implement quasi-security arrangements in connection with our loans, many of our loans for project financing are secured against project assets. In addition, in connection with certain of our loans, we have been able to obtain only partial security or have made disbursements prior to adequate security having been created or perfected. Any security or collateral that we have obtained may not be adequate to cover repayment of our loans or interest payments thereon, and we may not be able to recover the expected value of such security or collateral in a timely manner, or at all.

Our loans are typically secured by various movable and immovable assets and/or other collateral. We seek a first ranking pari-passu charge on the relevant project assets for loans extended on a senior basis. In addition, some of our loans may

relate to imperfect security packages. The value of certain kinds of assets may decline due to operational risks that are inherent to power sector projects, the nature of the asset secured in our favour and any adverse market or economic conditions in India or globally. The value of the security or collateral obtained may also decline due to an imperfection in the title or difficulty in locating movable assets. Although some legislation in India provide for various rights of creditors for the effective realization of collateral in the event of default, there can be no assurance that we will be able to enforce such rights in a timely manner, or at all. Furthermore, inadequate security documentation or imperfection in title to security or collateral, requirement of regulatory approvals for enforcement of security or collateral, or fraudulent transfers by borrowers may cause delays in enforcing such securities.

In Fiscal 2019, we had ₹249.06 million of bad debt written off, which constituted loans that were in default. In Fiscal 2019, of our loan accounts in the EEC sector was settled on the basis of a decision of the joint lenders, and the joint lenders including our Company had to write off the principal amount outstanding.

In addition, as per the Prudential Framework for Resolution of Stressed Assets Directions issued by RBI on June 7, 2019 (“**RBI Directions**”), lenders shall recognise financial stress in loan accounts, immediately in default, by classifying such assets as special mention accounts as per the categories mentioned in the RBI Directions. The lenders are required to sign an inter-creditor agreement which shall, *inter alia*, provide that the decision taken by 75% of the lenders by value and 60% of the lenders by number binds all lenders. Under the RBI Directions, if we fund 25% or more of the loans availed by the buyer for the purchase of the specific asset, we could be forced to agree to an extended restructuring of debt, which may not be in our interests. However, any such debt restructuring in future could lead to an unexpected loss that could adversely affect our business, financial condition or results of operations.

30. *The escrow account mechanism and the trust and retention account arrangements implemented by us as a quasi-security mechanism in connection with the payment obligations of our borrowers may not be effective, which could adversely affect our results of operations and financial condition.*

We generally implement security and quasi-security arrangements in relation to our term loans. We take security by way of a mortgage on project land and buildings and hypothecation of project assets including plant and machinery. In addition, we often take an additional security through a charge on asset collateral such as pledges of shares held by promoters, personal guarantees and corporate guarantees.

We also use trust and retention account arrangements to provide us with payment security. The trust and retention account arrangements are effective in the event that revenue from the end users or other receipts, as applicable, is received by our borrowers and deposited in the relevant escrow accounts or trust and retention accounts. Although we monitor the flow into the trust and retention accounts, we do not have any arrangement in place to ensure that such revenue is received or deposited in such accounts and the effectiveness of the trust and retention account arrangements is limited to that extent. If end users do not make payments to our borrowers, the trust and retention account arrangements will not be effective in ensuring the timely repayment of our loans, which may adversely affect our results of operations and financial condition. In addition, as we diversify our loan portfolio and enter new business opportunities, we may not be able to implement such or similar quasi- security mechanisms or arrangements and there can be no assurance that even if such mechanisms and arrangements are implemented, they will be effective.

31. *We have granted loans to private sector borrowers on a non-recourse or limited recourse basis, which increases the risk of non-recovery and may adversely affect our financial condition.*

As at March 31, 2019, our loan and advances outstanding (on gross basis before amortisation and front-end fee adjustments) amounted to ₹213,886.69 million (including short term loans), of which 91.64% were loans to private sector borrowers. Under the terms of our loans to our private borrowers, our loans are secured by project assets, and in certain cases, we also obtain additional collateral in the form of a pledge of shares by the relevant promoter or sponsor guarantee or mortgage of immovable properties. The ability of our borrowers to perform their obligations under our loans will depend primarily on the financial condition and results of the relevant projects, which may be affected by many factors beyond the borrowers’ control, including competition, operating costs, regulatory issues and other risks. If borrowers with non-recourse or limited recourse loans were to be adversely affected by these or other factors and were unable to meet their obligations, the value of the underlying assets available to repay the loans may become insufficient to pay the full principal and interest on the loans, which could expose us to significant losses.

32. *Our borrowers’ insurance of assets may not be adequate to protect them against all potential losses to which they may be subject to, which could affect our ability to recover the loan amounts due to us.*

Under our loan agreements, where loans are extended on the basis of charge on assets, our borrowers are required to create a charge on their assets in our favour in the form of a hypothecation, a mortgage or both. In addition, the terms and conditions of the loan agreements require our borrowers to maintain insurance against damage caused by any disasters including floods, fires and earthquakes or theft on their charged assets as collateral against the loan granted by us. However, in certain cases, our borrowers may not have the required insurance coverage, they have not renewed the

insurance policies or the amount of insurance coverage may be less than the replacement costs of all covered property and is therefore insufficient to cover all financial losses that our borrowers may suffer. In the event the assets charged in our favour are damaged due to reasons, including among others, floods, fires and earthquakes, it may affect our ability to recover the loan amounts due to us.

33. *A sanctioned loan may not be disbursed in full, but if we are called upon to disburse more of our sanctioned loans in a given period than we had anticipated, we may have to borrow more funds under cash credit/overdraft facilities, which may subject us to a higher interest rate expense than our long-term sources of funding.*

A sanctioned loan may not be disbursed in full due to many factors such as compliance with the conditions precedent by the borrower and the borrower deciding not to avail the loan from us or deciding to borrow a lesser sum than the actual sanctioned amount. In addition, due to the long gestation period of some of the projects that we finance, it may take three to four years before the entire sanctioned loan amount for a project gets disbursed. In the Fiscal 2019, we sanctioned ₹119,418.70 million, and we disbursed ₹93,853.66 million (disbursement figure includes those against previous sanctions) as at March 31, 2019, 78.59% of loans sanctioned during Fiscal 2019.

Given that a high percentage of our sanctioned loan amounts are not disbursed, you are cautioned not to place undue reliance on the sanctioned loan amounts set forth in this Draft Red Herring Prospectus.

In order to decrease our borrowing costs, we endeavour to match our anticipated borrowing requirements for a given period with the expected amount required for disbursement in such period. If we are called upon to disburse more of our sanctioned loans in a given period than we had anticipated, we may have to utilize these cash credit/overdraft facilities, which typically subject us to a higher interest expense than our long-term sources of funding. As a result, our results of operation and financial condition and results of operations may be adversely affected.

34. *We have had negative cash flows from operations in recent periods. There is no assurance that such negative cash flows from operations shall not recur in the future.*

Our cash outflows relating to loans and advances we disburse (net of any repayments we receive) is reflected in our cash flow from operating activities whereas the cash inflows from external funding we procure (net of any repayments of such funding) to disburse these loans and advances are reflected in our cash flows from financing activities. However, our net cash flow from operating activities has been negative amounting to (₹46,895.25 million), (₹18,460.90 million), and (₹12,815.15 million), respectively, for Fiscal 2019, Fiscal 2018 and Fiscal 2017, as a result of an increase in our lending operations. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Summary of Cash Flows*” on page 311.

Such negative cash flows led to a net decrease in cash and cash equivalents for respective years. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, see “*Financial Information*” beginning on page 144.

35. *We have in the past had certain non-compliances with the terms of our Debt Listing Agreement with the Stock Exchanges for listing of our public and privately placed debt securities.*

Our debt securities are listed on the Stock Exchanges. We have entered into the Debt Listing Agreement with the Stock Exchanges for listing of our public and privately placed debt securities. In terms of the provisions of the SEBI Listing Regulations and Debt Listing Agreement (as may be applicable), we are required to make periodic filings and disclosure to the Stock Exchanges. Although we have been making periodic disclosure to the holders of our debt securities listed on the Stock Exchanges, there have been some delays in meeting the stipulated time period as required under the Debt Listing Agreement (as applicable earlier) and the SEBI Listing Regulations with regard to an auditor’s certificate confirming compliance with certain financial covenants. We have always provided this certificate but due to the time needed for the auditor to compile and review the information required to furnish this specific certificate, it has in the past been provided after the applicable deadline. However, as of the date of this Draft Red Herring Prospectus, we have not received any notices or penalties from the Stock Exchanges or SEBI to show cause as to why we have not complied with the terms of the Debt Listing Agreement and the SEBI Listing Regulations.

While we will take adequate measures to comply with the SEBI Listing Regulations in the future, we cannot assure you that we will be able to immediately comply with all the requirements of the Listing Regulations. There can be no assurance that the Stock Exchanges or SEBI will not take any regulatory action against us for past non-compliance of the provisions of the SEBI Listing Agreement. The requirement for compliance with such applicable regulations presents risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, if the interpretations of the regulators and authorities are different, or we may be subject to penalties and our business could be adversely affected. Further, to ensure compliance with the requirements of the SEBI Listing Regulations, we may need to allocate additional resources, which may increase its regulatory compliance costs and divert management attention. In the instance, any regulatory action is taken against us, this may have an adverse effect on our business, results of operations

and financial condition.

36. *Provisions relating to the formulation of policies governing our appointment and remuneration of Directors and appointment of our statutory auditors (as prescribed under with the SEBI Listing Regulations) are not included in the terms of reference of our Nomination and Remuneration Committee and Audit Committee.*

In accordance with the MCA notification dated June 5, 2015, the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and pursuant to our Articles, matters pertaining to, among others, appointment, remuneration and performance evaluation of our Directors are determined by the President of India through the administrative ministry. Further, our Statutory Auditors are appointed by the Comptroller and Auditor General of India. Accordingly, in so far as the above-mentioned matters are concerned, the terms of reference of our Nomination and Remuneration Committee and Audit Committee only allow these committees to take on record the actions of the President of India or the Comptroller and Auditor General of India, as the case may be. In the absence of any specific dispensation granted by SEBI with regard to the terms of reference of our Nomination and Remuneration Committee and Audit Committee, there can be no assurance that we will be in compliance with the provisions of the SEBI Listing Regulations in this regard.

37. *As a financial institution focused on financing of renewable energy and energy efficiency, we have received certain grants and tax benefits and our borrowers have received certain tax benefits, subsidies and incentives in the past. We cannot assure you that such grants, benefits, subsidies and incentives will be available to us and/or our borrowers in the future, which may have an adverse effect on our business, profits, results of operations and financial condition.*

We provide finance towards promotion and development of renewable sources of energy and have benefited from certain tax regulations and incentives that accord favourable treatment towards such sector. Furthermore, our Company is also eligible for certain tax benefits and incentives as a “Public Financial Institution”, as defined under Section 2(72) of the Companies Act, 2013. As a consequence, our operations have been subject to relatively low tax liabilities. We cannot assure you that we would continue to be eligible for such lower taxes or any other benefits. If the laws or regulations regarding the tax benefits applicable to us or the energy sector as a whole were to change, our taxable income and tax liability may increase to that extent, which would adversely affect our financial results. Additionally, if such tax benefits were not available or significantly reduced, renewable energy projects could be considered less attractive which could negatively affect the sector and have an adverse effect on our business, results of operations and financial condition.

If the central government or the state government policies are not favourable for renewable energy business, our business will be adversely affected. Furthermore, if the laws or regulations regarding the incentives applicable to the renewable energy sector as a whole were to change, the cost of operation of the projects funded by us may increase to that extent, which may have an adverse effect on our financial results.

38. *While several properties used by our Company for the purposes of its operations are owned by our Company, the title deed is not in our Company’s name. Any termination of the contractual agreements in connection with such properties or our failure to renew the same could adversely affect our business, results of operations and financial condition.*

Currently, all properties used by us for the purposes of our operations, including the property where our registered office is situated, are owned by us. Although the title deed in respect of two properties, our registered office and our corporate office are not in our Company’s name, the allotment is in our Company’s name. For further details, see “Our Business - Property” page 117. Any termination of the contractual agreements in connection with such properties which are not registered in our name or our failure to renew the same in a timely manner, or at all, could adversely affect our business, results of operations and financial condition.

39. *We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis.*

We are required to comply with applicable anti-money-laundering (AML) and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed Know Your Customer (KYC) procedures and the consequent risk of fraud and money laundering by dishonest customers and assessment of penalties and/or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. In March 2017, we revised our AML and KYC policies to be in accordance with RBI guidelines.

Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the relevant government agencies to whom we report. Our business and reputation could suffer if any such parties use or attempt to use our business for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable legal requirements. Incidents described above or any similar incidents in the future may materially and adversely affect our

business and/or reputation.

40. *Weaknesses, disruptions, failures or Cybersecurity Events in our IT systems could adversely impact our business.*

We rely on IT systems in connection with financial controls, risk management and transaction processing. We may be subject to disruptions of our IT systems, arising from events that are wholly or partially beyond our control (including, for example, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, or loss of support services from third parties such as internet backbone providers). In the event we experience systems interruptions, errors or downtime, this may give rise to deterioration in customer service and loss or liability to us and it may materially and adversely affect our business, results of operations and financial condition.

Further, we are dependent on various external vendors for certain elements of our operations and are exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to us (or will be subject to the same risk of operational errors by their respective employees) and the risk that their (or their vendors) business continuity and data security systems prove to be inadequate. If our external vendors or service providers fail to perform any of these functions, it could materially and adversely affect our business and results of operations.

We rely on the security of such platforms for the secure processing, storage and transmission of confidential information. Examples of significant cybersecurity events are unauthorized access, computer viruses, deceptive communications (phishing), ransom ware, malware or other malicious code or cyber-attack, catastrophic events, system failures and disruptions and other events that could have security consequences (each, a “**Cybersecurity Event**”). A Cybersecurity Event could materially impact our ability to adequately manage and value our loan portfolio, provide efficient and secure services to our clients, and regulators, and to timely and accurately report our financial results. Although we have implemented controls and have taken protective measures to reduce the risk of Cybersecurity Events, we cannot reasonably anticipate or prevent rapidly evolving types of cyber-attacks and such measures may be insufficient to prevent a Cybersecurity Event. Cybersecurity Events could expose us to a risk of loss or misuse of our information, litigation, reputational damage, violations of applicable privacy and other laws, fines, penalties or losses that are either not insured against or not fully covered by insurance maintained. We may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities.

41. *Our business may be subject to negative publicity, which could have a material adverse effect on our business, results of operations and financial condition.*

Our business is, to a large extent, reliant on the strength of our brand and our reputation as a provider of financial assistance for projects relating to new and renewable sources of energy as well as energy efficiency and conservation. The high media scrutiny and public attention that the renewable energy and financial services sectors are subjected to, in addition with increasing consumer activism in India, increases the risk of negative publicity and damage to our brand if we are presented in a negative light. Litigation, employee misconduct, operational failures, regulatory investigations, press speculation and negative publicity, amongst others relating to us, whether founded or unfounded, could damage our brand or our reputation. Negative publicity could be based, for instance, on allegations that we have failed to comply with regulatory requirements or result from failure in business continuity or performance of our information technology systems, loss of customer data or confidential information, or unsatisfactory service and support levels.

Any damage to our brand or our reputation could hamper the trust placed in the brand and cause existing customers, intermediaries, financial partners or investors to withdraw their business or to reconsider doing business with us. Furthermore, negative publicity may result in increased regulation and legislative scrutiny of industry practices as well as increased litigation, which may further increase our costs of doing business and adversely affect our profitability. Negative publicity may also influence market or rating agencies’ perception of us, which could make it more difficult for us to maintain our credit rating. Therefore, any damage to our brand or our reputation could have a material adverse effect on our business, results of operations and financial condition.

42. *If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.*

We maintain insurance coverage consistent with industry practice in India to cover certain risks associated with our business. For details on our insurance policies, see “*Our Business–Insurance*” on page 116. We cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. Even if such losses are insured, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.

43. *We have prepared our financial statements from April 1, 2018 onwards under the Indian Accounting Standards (“Ind AS”). Our Restated Financial Statements included in this DRHP have been prepared under Ind-AS and may not be comparable to our historical financial statements prepared under Indian GAAP. Significant differences exist between Ind-AS and other reporting standards, such as US GAAP, which may be material to investors’ assessments of our financial condition.*

We currently prepare our financial statements under Ind AS, and our Restated Financial Statements have been prepared under Ind AS. The Companies (Indian Accounting Standards) Rules, 2015 (“IAS Rules”), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Ind AS. Ind AS is different in many respects from Indian GAAP under which our historical accounts before April 1, 2018 were prepared. All NBFCs having a net worth of more than ₹5,000.00 million were required to mandatorily adopt Ind AS for the accounting period beginning from April 1, 2018, with comparatives for the period ending on March 31, 2017. We began preparing our financial statements under Ind AS beginning from April 1, 2018. Accordingly, our historical Indian GAAP financial statements are not comparable to the Consolidated Restated Financial Statements included in this DRHP.

No attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to US GAAP or any other principles or to base it on any other standards. Ind AS differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including US GAAP. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on your familiarity with Ind AS, the Companies Act, and the regulations framed thereunder. Any reliance by persons not familiar with Ind AS, or these laws and regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

44. *Our Company will continue to be controlled by the Promoter following this Issue.*

After the completion of the Issue, the Promoter will hold majority of the paid-up Equity Share capital of our Company. Consequently, the Promoter acting through the MNRE will continue to control us and will have the power to elect and remove the Directors and therefore determine the outcome of most proposals for corporate action requiring approval of the Board or the shareholders, including with respect to the payment of dividends, preparation of budgets, capital expenditure, and transactions with other public sector companies. We continue to be a public sector undertaking under the Companies Act, and the GoI may issue directives with respect to the conduct of our business or its affairs or change in control or impose other restrictions in terms of our Articles of Association. For further information on the Articles of Association, see “Main Provisions of the Articles of Association” on page 360.

45. *The interests of the Promoter as our controlling shareholder may conflict with the interests of other shareholders.*

Under our Articles of Association, the Promoter, by holding a majority of our Equity Share capital may issue directives with respect to the conduct of our business or our affairs for as long as we remain a Government company, as defined under the Companies Act. The interests of the Promoter may be different from our interests or the interests of other shareholders. As a result, the Promoter may take actions with respect to our business and the businesses of our peers and competitors, designed to serve the public interest in India and not necessarily to maximize profits. In addition, as a result of our controlling ownership by the Promoter, we are required to adhere to certain restrictions with respect to the types of investments we may make using our cash balances, which may restrict us from entering into certain investments providing a higher rate of return. The Promoter will retain control over the decisions requiring adoption by our shareholders and could exercise its powers of control, delay or defer or initiate a change of control of our Company or a change in our capital structure, delay or defer a merger, consolidation, or discourage a merger with another public sector undertaking.

46. *Our ability to pay dividends in the future will depend on number of factors, including our profit after tax for the fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by us, and the payments will be subject to the CPSE Capital Restructuring Guidelines.*

Our ability to pay dividends in the future will depend on number of factors, including our profit after tax for the fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by us. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends in the future.

In accordance with the CPSE Capital Restructuring Guidelines issued in May 27, 2016, our Company is required to pay a minimum annual dividend of 30% of its PAT or 5% of its net worth, whichever is higher, subject to the maximum

dividend permitted under the extant legal provisions and the conditions mentioned in the aforesaid CPSE Capital Restructuring Guidelines, unless an exemption is provided in accordance with the guidelines. For further details, see “Dividend Policy” on page 143.

47. *Third party industry and industry-related statistical data in this Draft Red Herring Prospectus may be inaccurate, incomplete or unreliable.*

We have not independently verified data obtained from industry publications and other sources referred to in this Draft Red Herring Prospectus. In addition, such data may also be produced on different bases from those used in the industry publications we have referenced. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Therefore, discussions of matters relating to India, its economy, the financial services industry, the renewable energy sector are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete or unreliable. Accordingly, investors should not place undue reliance or base their investment decisions solely on the basis of such information.

48. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.*

We have entered into various transactions with related parties. While we believe that all such transactions have been conducted on an arm’s length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operations and financial condition or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For details on our related party transactions, see “Restated Financial Statements – Related Party Disclosures” beginning on page 211.

49. *Deployment of the Net Proceeds is entirely at our discretion and the Net Proceeds might not be applied in ways that increase the value of your investment. Further, it is not subject to any monitoring by any independent agency.*

Our funding requirements and the deployment of the proceeds of the Issue are purely based on our management’s estimates and have not been appraised by any bank or financial institution. We may have to revise such estimates from time to time and consequently our funding requirements may also change. We currently intend to use the Net Proceeds from the Fresh Issue towards augmentation of our capital base to meet our future capital requirements and on-lending. Further, as our Company is a public financial institution, we are not required to appoint a monitoring agency in relation to the Issue under Regulation 41 of the SEBI ICDR Regulations, and the deployment of the funds towards the objects of the Issue is entirely at the discretion of our management.

50. *Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency.*

We intend to use the Net Proceeds for the purposes described in “Objects of the Issue” on page 69. Our funding requirements are based on management estimates and our current business plans and have not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of proceeds. If we are unable to deploy the proceeds of the Issue in a timely or an efficient manner, it may affect our business and results of operations.

51. *Our Company has granted loans and advances to one of our KMPs*

As at March 31, 2019, our Company has granted loans to Surender Suyal, one of our Key Managerial Personnel in relation to house building advance (₹ 0.307 million) and vehicle advance (₹ 0.515 million) other than the remuneration, perquisites and remuneration of expenses paid to him.

External Risks

52. *Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations and financial condition.*

We are incorporated in India and all of our funded projects, companies to which we have extended borrowings are located in India. As a result, our results of operations and financial condition are significantly affected by factors influencing the Indian economy. Any slowdown in economic growth in India could adversely affect us, including our ability to grow our asset portfolio, the quality of our assets and our ability to implement our strategy. In addition, an

increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and our business, results of operations and financial condition.

53. Recent global economic conditions have been unprecedented and challenging and continue to affect the Indian market, which may adversely affect our business, results of operations and financial condition.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of Fiscal 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any of these factors could depress economic activity and restrict our access to capital, which could have a material adverse effect on our business, results of operations and financial condition and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

54. Difficulties faced by other financial institutions or the Indian financial sector generally could adversely affect us.

We are exposed to the risks of the Indian financial system, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counterparty, which can be exacerbated during periods of market illiquidity. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions. This in turn could adversely affect our business, results of operations and financial condition.

55. Any downgrade of credit ratings of India may adversely affect our ability to raise debt financing. India's sovereign ratings reflect an assessment of the Indian government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due.

No assurance can be given that any statistical rating organization will not downgrade the credit ratings of India. Any such downgrade could adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance.

56. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. Further declines in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the Equity Shares.

57. Our ability to raise foreign capital may be constrained by Indian law, which may adversely affect our business, financial condition, cash flows and results of operations.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business, financial condition, cash flows and results of operations.

58. If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business, and results of operations.

Any change in tax laws, including for indirect taxes, may result in us no longer being able to enjoy the existing exemptions / benefits, available to us, which could adversely impact our profitability. If there is an upward revision to the currently applicable special corporate tax rates, our tax burden will increase. Other benefits such as inapplicability of minimum alternate tax rates, as applicable to other corporates, exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds.

The Government has announced the interim union budget for the Financial Year 2020. Further, the Finance Act, 2019 (the “**Finance Act**”) has made various amendments. Further, the Government has also announced the union budget for Financial Year 2020, pursuant to which the Finance (No.2) Bill, 2019 proposes to introduce the various amendments. As such, there is no certainty on the impact that the Finance (No. 2) Bill, 2019 may have on our business and operations or on the industry in which we operate.

We cannot predict whether any tax laws or regulations impacting loans or financial products will be enacted, the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have a material adverse effect business, results of operations and financial condition.

59. *A significant change in the GoI’s economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.*

Our business and customers are located in India or are related to and influenced by the Indian economy. The Indian government has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Government policies could adversely affect business and economic conditions in India, our ability to implement our strategy and our future financial performance. Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector. The leadership of India is subject to change and election results are sometimes not along expected lines. It is difficult to predict the economic policies that will be pursued by the Government of India. The rate of economic liberalization could change and specific laws and policies affecting finance companies, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. Any significant change in India’s economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

60. *Communal disturbances, riots, terrorist attacks, other acts of violence or war involving India and/or other countries, health epidemics and natural calamities or similar events that are beyond our control could adversely affect India’s economy and the financial markets, result in loss of client confidence, and adversely affect the price of our Equity Shares, our business results of operations and financial condition.*

India has experienced communal disturbances, terrorist attacks and riots during recent years. Any major hostilities or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India’s economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well as global equity markets generally. Such acts could negatively impact business sentiment and consumer confidence, which could adversely affect our business and results of operations.

India and other countries may enter armed conflict or war with other countries or extend pre-existing hostilities. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This could adversely affect client confidence in India, which could have a negative impact on the economies of India and other countries, on the markets for our products and services and on our business.

Since 2003, outbreaks of Severe Acute Respiratory Syndrome in Asia, avian influenza across Asia and Europe, Ebola virus in western Africa, and Influenza A (H1N1) across the world have adversely affected a number of countries and companies. Any future outbreak of infectious diseases or other serious public health epidemics may have a negative impact on the economies, financial markets and level of business activity in affected areas, which may adversely affect our business.

India has also experienced natural calamities such as earthquakes, floods, drought and a tsunami in the recent past. The length and severity of these natural disasters determine the extent of their impact on the Indian economy. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy.

Such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares, and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO THE EQUITY SHARES

- 61. *Our Equity Shares have not been publicly traded prior to this Issue. After this Issue, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.***

Prior to this Issue, there has been no public market for our Equity Shares. An active trading market on the Stock Exchanges may not develop or be sustained after this Issue. Moreover, the Issue Price is intended to be determined through a book-building process and may not be indicative of the price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter.

The trading price of our Equity Shares after this Issue may be subject to significant fluctuations in response to factors including general economic, political and social factors, developments in India's fiscal regime, variations in our operating results, volatility in Indian and global securities markets, developments in our business as well as our industry and market perception regarding investments in our business, changes in the estimates of our performance or recommendations by financial analysts, research analysts' recommendations, announcements by third parties or governmental entities of significant claims or proceedings against us, new laws and governmental regulations applicable to our industry, additions or departures of key management personnel, changes in exchange rates, any large claims made under one of our policies and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. The trading price of our Equity Shares may also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us and/or are unrelated to our business or operating results.

- 62. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

- 63. *Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

- 64. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

- 65. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Issue.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until closure of the Issue.

Therefore, QIBs and Non-Institutional Investors would not be able to withdraw or lower their Bids, notwithstanding adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition, or otherwise, between the dates of the submission of their Bids and the Allotment.

66. *Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against us, our directors or our executive officers.*

Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against us, our directors or our executive officers. Our Company is a public limited company incorporated under the laws of India. All of our directors, key executive officers and key management personnel are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India.

Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Procedure Code on a statutory basis. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except: (a) where it has not been pronounced by a court of competent jurisdiction; (b) where it has not been given on the merits of the case; (c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained are opposed to natural justice; (e) where it has been obtained by fraud; and (f) where it sustains a claim founded on a breach of any law in force in India.

Under the Civil Procedure Code, a court in India shall presume, upon the production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards.

The United Kingdom, Singapore and Hong Kong, amongst others, have been declared by the Government of India to be “reciprocating territories” for the purposes of Section 44A of the Civil Procedure Code. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit resulting in a judgment or order and not by proceedings in execution. Such suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. A judgment of a superior court of a country which is a reciprocating territory may be enforced by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. The latter suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Execution of a judgment or repatriation outside India of any amounts received is subject to the approval of the RBI, wherever required. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

67. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India. Further, recent Finance Act 2017 amendments provides that any income arising from the transfer of a long-term capital asset, being equity share in a company, shall not be exempted, if the transaction of acquisition of such equity shares was entered on or after October 1, 2004 without payment of STT except in certain instances as provided for in notification dated June 5, 2017 (F. No. 43/2017/F. No. 370142/09/2017-TPL). In addition, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term

capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption is provided under a treaty between India and the country of which the seller is resident. In case, Indian tax treaties with your country of residence do not limit India's ability to impose tax on capital gains you may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

68. U.S. Foreign Account Tax Compliance Act withholding may affect payments on the Equity Shares.

The U.S. Foreign Account Tax Compliance Act ("FATCA") imposes a reporting regime and, potentially, a 30.0% withholding tax with respect to (a) certain payments from sources within the United States, (b) "foreign pass thru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (c) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

The United States has entered into an inter-governmental agreement regarding the implementation of FATCA with India (the "IGA"). Under the IGA, a non-U.S. financial institution that is resident in India (a "**Reporting FI**") is not subject to withholding under FATCA provided that it complies with the terms of the IGA, including requirements to register with the U.S. Internal Revenue Service and to identify, and report certain information on, accounts held by certain U.S. persons (which includes for the purposes of this risk factor all U.S. persons for tax purposes) owning, directly or indirectly, an equity or debt interest in our Company (other than equity and debt interests that are regularly traded on an established securities market) and report on accounts held by certain other persons or entities to the Indian Income Tax Department, which will exchange such information with the U.S. Internal Revenue Service.

Our Company expects that it will be treated as a Reporting FI pursuant to the IGA and that it will comply with the requirements under the IGA and relevant Indian legislation. Our Company also expects that the Equity Shares will be regularly traded on an established securities market, meaning that our Company should not have to report specific information on its Shareholders to the Indian Income Tax Department. However, there can be no assurance that our Company will be treated as a Reporting FI, that the Equity Shares will be regularly traded on an established securities market or that our Company will not in the future be subject to withholding tax under FATCA or the IGA. Prospective investors that are U.S. persons should consult their own tax advisors regarding the potential impact of FATCA.

SECTION III: INTRODUCTION

THE ISSUE

Issue ⁽¹⁾⁽⁶⁾	Up to 139,000,000 Equity Shares, aggregating up to ₹ [●] million
Of which	
Employee Reservation Portion ⁽²⁾⁽³⁾⁽⁷⁾ :	Up to 695,000 Equity Shares aggregating up to ₹ [●] million
Net Issue	Not more than 138,305,000 Equity Shares
Of which	
A) QIB Portion ⁽⁴⁾	69,152,500 Equity Shares
of which:	
(a) Mutual Fund Portion	3,457,625 Equity Shares
(b) Balance for all QIBs including Mutual Funds	65,694,875 Equity Shares
B) Non-Institutional Portion ⁽⁵⁾	Not less than 20,745,750 Equity Shares
C) Retail Portion ⁽⁵⁾⁽⁶⁾	Not less than 48,406,750 Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	784,600,000 Equity Shares
Equity Shares outstanding after the Issue	923,600,000 Equity Shares
Utilisation of Net Proceeds	See “Objects of the Issue” beginning on page 69 for information about the use of the Net Proceeds

(1) The Issue has been authorized by a resolution of our Board of Directors dated July 29, 2019 and by a special resolution of our Shareholders pursuant to their resolution dated September 22, 2017.

(2) A discount of up to 5% on the Issue Price may be offered to the Eligible Employees Bidding in the Employee Reservation Portion.

(3) The maximum Bid Amount under Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000, net of discount. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (which will be less Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹ 500,000, net of discount. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Issue.

(4) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, the BRLMs and the Designated Stock Exchange.

(5) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “Issue Structure” on page 346.

(6) Retail Discount of up to 5% on the Issue Price may be offered to the Retail Individual Bidder(s) bidding in the Retail Portion.

(7) Pursuant to resolution dated July 29, 2019, as passed by our Board, up to 695,000 Equity Shares have been reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion.

Allocation to all categories, except the Retail Portion, shall be made on a proportionate basis, subject to valid Bids being received at or above the Issue Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, please see “Issue Procedure” on page 349.

For details of the terms of the Issue, see “Terms of the Issue” beginning on page 342.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 144 and 295, respectively.

Restated Consolidated Balance Sheet

(in ₹ million)

S.No	Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
I	ASSETS			
A	Financial Assets			
	(a) Cash and cash equivalents	5,563.75	18,631.95	20,613.89
	(b) Bank Balance other than (a) above	4,955.78	5,338.81	11,796.30
	(c) Derivative financial instruments	1,543.26	887.90	504.10
	(d) Receivables			
	(I) Trade Receivables	23.96	219.16	23.96
	(II) Other Receivables	-	-	-
	(e) Loans	208,337.85	154,290.33	133,099.71
	(f) Other financial assets	1,521.75	1,578.57	1,804.57
	Total (A)	221,946.35	180,946.72	167,842.53
B	Non-financial Assets			
	(a) Current tax Assets (Net)	1,384.28	1,643.30	1,381.48
	(b) Deferred Tax Assets (Net)	1,149.33	608.22	995.16
	(c) Investment in Associate using Equity accounting	4.96	5.33	4.99
	(d) Investment Property	0.61	0.73	0.87
	(e) Property, Plant and Equipment	3,026.93	3,136.46	3,172.00
	(f) Capital Work-in-progress	0.09	30.32	-
	(g) Intangible assets under development	-	0.56	2.14
	(h) Intangible assets	2.15	2.52	2.17
	(i) Other non-financial assets	17,833.25	17,565.54	14,567.92
	Total (B)	23,401.60	22,992.98	20,126.73
	Total Assets (A+B)	245,347.95	203,939.70	187,969.26
II.	LIABILITIES AND EQUITY			
	LIABILITIES			
A	Financial Liabilities			
	(a) Derivative financial instruments	2,659.24	2,037.54	4,688.28
	(b) Payables			
	(I) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	6.05	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,255.61	1,389.04	1,377.68
	(c) Debt Securities	76,050.85	68,380.05	48,996.22

S.No	Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
	(d) Borrowings (Other than Debt Securities)	109,907.69	81,472.03	78,774.87
	(e) Subordinated Liabilities	1,496.79	-	
	(f) Other financial liabilities	8,963.94	8,235.90	12,167.02
	Total(A)	200,340.17	161,514.56	146,004.07
B	Non-Financial Liabilities			
	(a) Provisions	1,692.17	1,261.54	1,071.15
	(b) Deferred Tax Liability(Net)	-	-	-
	(c) Other non-financial liabilities	17,551.62	16,708.50	16,616.23
	Total(B)	19,243.79	17,970.04	17,687.38
C	EQUITY			
	(a) Equity Share Capital	7,846.00	7,846.00	7,846.00
	(b) Other Equity	17,917.99	16,609.10	16,431.81
	Total(C)	25,763.99	24,455.10	24,277.81
	Total Liabilities and Equity(A+B+C)	245,347.95	203,939.70	187,969.26

Restated Consolidated Statement of Profit and Loss
(in ₹ million)

S.No	Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
I	Revenue from Operations			
i)	Interest Income	19,253.03	16,867.99	14,071.13
ii)	Rental Income	0.66	0.62	0.60
iii)	Fees and Commission Income	354.07	520.72	454.13
iv)	Net gain on fair value changes on derivatives	343.48	510.24	(1,238.11)
v)	Revenue from Solar Plant Operations	288.91	200.34	22.90
	Total Revenue from operations (I)	20,240.15	18,099.91	13,310.65
II	Other Income	25.76	69.30	31.66
III	Total Income (I+II)	20,265.91	18,169.21	13,342.31
IV	Expenses			
i)	Finance Cost	11,832.40	10,059.44	8,104.45
ii)	Net translation/ transaction exchange loss	515.52	632.16	(237.79)
iii)	Impairment on financial instruments	2,658.65	984.75	1,628.50
iv)	Employee Benefits Expenses	443.32	437.98	279.47
v)	Depreciation, amortization and impairment	233.56	213.28	73.20
vi)	Others expenses	621.38	346.96	269.61
	Total Expenses (IV)	16,304.83	12,674.57	10,117.44
V	Profit/(loss) before exceptional items and tax (III-IV)	3,961.08	5,494.64	3,224.87
VI	Exceptional Items	743.29	-	96.94
VII	Profit/(loss) before tax (V-VI)	3,217.79	5,494.64	3,127.93
VIII	Tax expense			
	(i) Current tax	1,450.00	1,051.90	1,555.81
	(ii) Deferred tax	(543.54)	389.48	(528.85)
IX	Profit/(loss) for the period from continuing operations (VII-VIII)	2,311.33	4,053.26	2,100.97
X	Share in profit of Associate	(0.38)	0.34	(0.23)
XI	Profit/(loss) for the period	2,310.95	4,053.60	2,100.74
XII	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans:-			
	Gratuity	3.83	(1.45)	(0.68)
	Post retirement medical benefit	(4.18)	(7.53)	(0.53)
	Baggage allowance	(0.02)	0.29	(0.03)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.43)	2.54	4.99
	Subtotal (A)	(2.80)	(6.15)	3.74
(B)	(i) Items that will be classified to profit or loss :-			
	Effective portion of gain /(loss) on hedging instrument in cash flow hedge reserve	(929.55)	(64.75)	(879.24)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	

S.No	Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
	Subtotal (B)	(929.55)	(64.75)	(879.24)
	Other Comprehensive Income (A+B)	(932.35)	(70.90)	(875.50)
XIII	Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and other Comprehensive Income for the period)	1,378.60	3,982.70	1,225.24
XIV	Earning per equity share (for continuing operations)(Annualised)			
	Basic (Rs.)	2.95	5.17	2.68
	Diluted (Rs.)	2.95	5.17	2.68

Restated Consolidated Cash Flow Statement
(in ₹ million)

	Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018	For the period ended March 31, 2017 (Proforma)
A	Cash Flow from Operating Activities:			
	Profit After OCI Items	1,378.60	3,982.70	1,225.24
	Adjustment for:			
	1 Income Tax Provision	1,450.00	1,051.90	1,555.81
	2 Deferred Tax expense	(543.54)	389.48	(533.84)
	3 Provision of Commercial Paper	689.91	-	-
	4 Loss on sale of Fixed Assets/Adjustment	(0.00)	0.00	(0.52)
	5 Impairment of Financial Assets	2,658.65	984.75	2,679.12
	6 Depreciation	233.56	213.28	73.20
	7 Net translation/ transaction exchange loss	585.72	702.35	237.79
	8 OCI Items Exchange Fluctuations	929.55	64.75	-
	9 OCI Items derivatives changes	-	-	3,979.80
	10 Provision Written Back	(1.93)	(4.40)	-
	11 OCI Items Employee Items	0.37	8.69	1.24
	12 Net gain on fair value changes on derivatives	(343.48)	(510.24)	1,238.11
	13 Amortization of capital reserve	-	-	(0.22)
	14 Share in profit of Associate	0.38	(0.34)	0.23
	Operating profit before Working Capital Changes	7,037.79	6,882.92	10,455.96
	Increase / (Decrease) in			
	1 Loans			
	Term Loan including Refinancing at Amortized Value	(54,056.20)	(21,505.61)	(31,123.43)
	Impairment of Financial Assets	-	-	(2,679.12)
	Other	0.43	3.49	-
	2 Other Financial Assets	56.84	(2,354.91)	(121.23)
	3 Other Non-Financial Assets	4.63	(152.79)	(14,090.37)
	4 Trade Receivable	195.20	(195.20)	(22.35)
	5 Other non-financial liabilities	851.36	179.99	16,554.79
	6 Other financial liability	731.48	(3,927.27)	3,910.75
	7 Trade Payable	(127.39)	11.36	1,308.56
	8 Change in Bank Balances other Cash and Cash equivalent	383.03	6,457.49	4,224.87
	9 Change in Derivative financial	(1,277.05)	(3,034.54)	-

	instruments Assets/Liabilities						
10	Provisions	430.63		414.17		407.61	
		(52,807.04)		(24,103.82)		(21,629.92)	
))	
	Cash Generated from Operations	(45,769.25)		(17,220.90)		(11,173.96)	
))	
	Income Tax	(1,126.00)		(1,240.00)		(1,641.19)	
)					
	Net Cash Generated from Operations		(46,895.25)		(18,460.90)		(12,815.15)
B	Cash Flow From Investing Activities						
1	Purchase of FA	(92.81)		(269.49)		(2,956.79)	
2	Sale of Fixed Assets	0.05		0.00		0.98	
3	Advance for Capital Expenditure	(272.41)		(264.62)		140.33	
	Net Cash flow from Investing Activities		(365.17)		(534.11)		(2,815.48)
C	Cash Flow from Financial Activities						
1	Securities Premium	-		(0.50)		-	
2	Increase on Borrowing in Rs	18,182.00		18,851.32		7,000.00	
3	Increase/Repayment of Borrowing in FC	17,999.66		(2,707.57)		18,976.79	
4	Increase in Financial Liabilities/Liabilities incl FCMIT under 46A	(1,726.64)		2,440.50		1,668.28	
5	Dividend paid including CDT	(262.80)		(1,570.68)		(1,203.58)	
	Net Cash flow from Financing Activities		34,192.22		17,013.07		26,441.50
	Net Increase in Cash and Cash Equivalents		(13,068.20)		(1,981.94)		10,810.87
	Cash and Cash Equivalents at the beginning of the year		18,631.95		20,613.89		9,803.02
	Cash and Cash Equivalents at the end of the year		5,563.75		18,631.95		20,613.89
	Net Increase in Cash and Cash Equivalents		(13,068.20)		(1,981.94)		10,810.87
COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD							
1	In Current Accounts with Banks in Indian Branch		3,910.10		6,055.94		4,616.84
2	In Current Accounts with Banks in Foreign Branch		3.72		2,016.24		7,099.65
3	In Overdraft Accounts with Banks		0.39		0.62		0.02
4	In Deposit Accounts with Banks		1,649.50		10,559.10		8,897.31
5	Cheques Under Collection/DD In hand and Postage imprest		0.04		0.05		0.07
			5,563.75		18,631.95		20,613.89
Notes to the Cash Flow statement.							
	Previous years figures have been rearranged and regrouped wherever necessary.						
1	Cash and cash equivalent includes foreign currency deposits which are available to meet the foreign currency loans only.						
2	There is no such cash and cash equivalent balance held by IREDA that are not available for use for IREDA						
3							

GENERAL INFORMATION

Our Company was incorporated on March 11, 1987, in New Delhi under the Companies Act, 1956, as “Indian Renewable Energy Development Agency Limited,” a public limited company and has obtained certificate of commencement of business on March 21, 1987. Our Company was notified as a public financial institution under Section 4A of the Companies Act, 1956 on October 17, 1995, by the Department of Company Affairs, Ministry of Finance, GoI. Further, the Reserve Bank of India granted a certificate of registration to our Company on January 23, 2008, permitting us to carry on the business of Non-Banking Financial Company without accepting public deposits. For further details, see “*History and Certain Corporate Matters*” on page 122.

Registered Office

India Habitat Centre
East Court, Core 4 ‘A’
1st Floor, Lodhi Road
New Delhi – 110003

Corporate Office

3rd Floor, August Kranti Bhawan
Bhikaji Cama Place
New Delhi – 110 066
Registration Number: 027265

Address of the RoC

Our Company is registered with the RoC situated at National Capital Territory of Delhi and Haryana, situated at 4th Floor, IFCI Tower 61, Nehru Place, New Delhi 110 019, India.

Board of Directors

The Board of our Company comprises of the following:

Name	Designation	DIN	Address
Praveen Kumar	Chairman and Managing Director	01523131	A-7, Tower 4, New Moti Bagh, New Delhi, Delhi – 110 021
Satish Kumar Bhargava	Director (Finance)	01430006	C-208, First Floor, Surya Nagar, Chander Nagar, Ghaziabad – 201 011
Chintan Navinbhai Shah	Director (Technical)	07795952	S-316, First Floor, Panchsheel Park, New Delhi – 110 017
Bhanu Pratap Yadav	Director (Government Nominee)	07835275	Flat no. 472, Type 5A, Asian Games Village Complex, New Delhi – 110 049
Indu Bala	Independent Director	07956450	Village Gankhetar, P.O. Baijnath, Tehsil Baijnath District, Kangra – 176 125
Abhishek Mahawar	Independent Director	02192597	C-7, Tagore Nagar, Raipur – 492 001
Madhusri M. Swamy	Independent Director	07539535	113, Benaka Krupa, 5th Cross Sharada Nagara, Yelahanka New Town, Bengaluru – 560 065
Dr. Gangidi Manohar Reddy	Independent Director	07028036	H.No.-17-1-388/P/69, Poornodaya Colony, Saidabad, Hyderabad – 500 059
Sanjay Kumar Jain	Independent Director	08103209	Gurumukh Building, Near Allahabad Bank, Kalibari Road, Dimapur – 797 112, Nagaland

For further details in relation to our Directors, see “*Our Management*” beginning on page 127.

Company Secretary and Compliance Officer

Surender Suyal is the Company Secretary and the Compliance Officer of our Company. His contact details are as follows:

Surender Suyal

3rd Floor, August Kranti Bhawan
Bhikaji Cama Place
New Delhi – 110 066
Tel: +91 (11) 26717430
E-mail: ssuyal@ireda.in

Book Running Lead Managers

YES Securities (India) Limited

IFC Tower 1&2, Unit no. 602A
6th Floor, Senapati Bapat Marg
Elphinstone Road
Mumbai 400013
Tel: +91 (22) 3012 6919
E-mail: ireda.ipo@ysil.in
Investor Grievance E-mail: igc@ysil.in
Website: www.yesinvest.in
Contact Person: Nikhil Bhiwapurkar/ Pratik Pednekar
SEBI Registration Number: MB/INM000012227

Elara Capital (India) Private Limited

Indiabulls Finance Centre
Tower 3, 21st Floor
Senapati Bapat Marg
Elphinstone Road West
Mumbai 400013
Tel: +91 (22) 6164 8599
E-mail: ireda.ipo@elaracapital.com
Investor Grievance E-mail:
mb.investorgrievances@elaracapital.com
Website: www.elaracapital.com
Contact person: Kunal Safari
SEBI Registration No: INM000011104

IDBI Capital Markets & Securities Limited

6th Floor, IDBI Tower
WTC Complex
Cuffe Parade
Mumbai 400005
Tel: +91 (22) 2217 1700
E-mail: ipo.ireda@idbicapital.com
Investor Grievance Email: redressal@idbicapital.com
Website: www.idbicapital.com
Contact Person: Sumit Singh
SEBI Registration Number: INM000010866

SBI Capital Markets Limited

202, Maker Tower E
Cuffe Parade
Mumbai 400005
Tel: +91 (22) 2217 8300
E-mail: ireda.ipo@sbicaps.com
Investor grievance e-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Karan Savardekar
SEBI Registration No.: INM000003531

Syndicate Members

[●]

Indian Legal Counsel to our Company

Cyril Amarchand Mangaldas

4th floor, Prius Platinum
D-3, District Centre
Saket, New Delhi 110 017
India
Tel: +91 11 6622 9000

Indian Legal Counsel to the Book Running Lead Managers

J. Sagar Associates

Vakils House,
18 Sprott Road, Ballard Estate
Mumbai – 400 001
India
Tel.: +91 (22) 4341 8600

International Legal Counsel to our Company

Clyde & Co.

PO Box 7001
Level 15 – Rolex Tower
Sheikh Zayed Road
Dubai, United Arab Emirates
Tel: +971 4384 4000

Statutory Auditors to our Company

Jain Chopra & Company, Chartered Accountants

1960, First Floor, Outram Line, GTB Nagar,

New Delhi-110 009
Tel: +91 (011) 2334 0155/2765 2776
E-mail: jainchopra.company@gmail.com
Firm Registration No.: 002198N
Peer Review No: 009224 (Valid till June 29, 2019)*

** There is no refusal by the peer review board to renew the certificate and the process to renew the peer review has been initiated by the Statutory Auditors to our Company.*

Registrar to the Issue

Link Intime India Private Limited

C-101, 1st Floor, 247 Park,
Lal Bhadur Shastri Marg, Vikhroli (West)
Mumbai 400 083
India
Tel: +91 22 4918 6200
E-mail: ireda.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Banker(s) to the Issue/ Public Issue Account Bank/ Refund Bank/ Sponsor Bank

[●]

Bankers to our Company

ICICI Bank Limited

9A, Phelps Building
Connaught Place
New Delhi 110001
Tel: +91 92052 85662
E-mail: rohin.agrawal@icicibank.com
Website: www.icicibank.com
Contact Person: Rohin Agrawal

HDFC Bank Limited

FIG- OPS Department- Lodha
I Think Techno Campus O-3 Level
Next to Kanjurmarg
Railway Station, Kanjurmarg (East)
Mumbai 400042
Tel: +91 (022) 30752927/28/2914
E-mail: Vincent.Dsouza@hdfcbank.com,
Siddharth.Jadhav@hdfcbank.com,
Prasanna.Uchil@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil

Canara Bank

Plot No. 4, Siddharth Complex
Ashram Chowk
Maharani Bagh
New Delhi 110014
Tel: +91 (011) 2634 4349/ 2634 3865
E-mail: cb0349@canarabank.com
Website: www.canarabank.com
Contact Person: S.K. Sabal

YES Bank Limited

48, Nyaya Marg
Chanakyapuri
New Delhi 110021
Tel: +91 9717137033
E-mail: shrivats.mishra@yesbank.in
Website: www.yesbank.in
Contact Person: Shrivats Mishra

IndusInd Bank Limited

Ground Floor, Dr Gopal Das Bhavan
Barakhamba Road
Connaught Place
New Delhi 110001
Tel: +91 9810755024
E-mail: Rajiv.malik@indusind.com
Website: www.indusind.com

Union Bank of India

F-1, New Khanna Market
New Delhi 110003
Tel: +91 (011) 2460 3379
E-mail: lodhicolony@unionbankofindia.com
Website: www.unionbankofindia.co.in
Contact Person: Sanjay Sharma

Contact Person: Rajiv Malik

Bank of Baroda

(Formerly known as Vijaya Bank)

Ansai Chamber – II
Flat No. UG-27/35, 6, Africa Avenue
BC Place
New Delhi 110066
Tel: +91 011 2617 0154/ 93129 41104
E-mail: vb6020@vijayabank.co.in
Website: www.bankofbaroda.in
Contact Person: Neeraj Makhija

State Bank of India

Industrial Finance Branch, 14th Floor
Jawahar Vyapar Bhawan
1, Tolstoy Marg
New Delhi 110001
Tel: 011 2337 4606/ 4619
E-mail: rm6.09601@sbi.co.in
Website: www.sbi.co.in
Contact Person: Pravin Chandra Kumar/ Mukund Kumar

Designated Intermediaries

Self Certified Syndicate Banks

The banks registered with SEBI, offering services, (i) in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or such other website as updated from time to time, and (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time. For a list of branches of SCSBs named by the respective SCSBs to receive ASBA Forms from the Designated Intermediaries and updated from time to time, refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of BSE and NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and <https://www.nseindia.com/products/content/equities/ipos/ipos.htm>, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Monitoring Agency

As our Company is a public financial institution, we are not required to appoint a monitoring agency in relation to the Issue under Regulation 41 of the SEBI ICDR Regulations.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Inter-se Allocation of Responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Issue.

Sr. No	Activity	Responsibility	Co-ordinator
1.	Due diligence of our Company's operations/ management/ business plans/ legal. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same	YES Securities, Elara Capital, IDBI Capital and SBICAP	YES Securities
2.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments.	YES Securities, Elara Capital, IDBI Capital and SBICAP	YES Securities
3.	Co-ordination of auditor deliverables	YES Securities, Elara Capital, IDBI Capital and SBICAP	YES Securities
4.	Drafting and approval of all statutory advertisements	YES Securities, Elara Capital, IDBI Capital and SBICAP	YES Securities
5.	Appointment of Advertising Agency, Registrar, Banker(s) to the Issue, monitoring agency, Sponsor Bank and Printer including co-ordination for agreements to appoint such agencies.	YES Securities, Elara Capital, IDBI Capital and SBICAP	Elara Capital
6.	Domestic institutional marketing including banks/mutual funds and allocation of investors for meetings and finalising road show schedules, Retail and Non-institutional marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> Formulating marketing strategies; Preparation of publicity budget, finalising media and public relations strategy; Finalising centres for holding conferences for brokers; Finalising collection centres; and Follow-up on distribution of publicity and other material including form prospectus and deciding on the quantum of the Issue material. 	YES Securities, Elara Capital, IDBI Capital and SBICAP	Elara Capital
7.	Co-ordination with the Stock Exchanges for book building process, filing of letters for software, bidding terminals, mock trading and payment of 1% security deposit to the Designated Stock Exchange.	YES Securities, Elara Capital, IDBI Capital and SBICAP	SBICAP
8.	International institutional marketing including co-ordinating for research briefing, allocation of investors for meetings and finalise roadshow schedules, preparation and finalisation of the roadshow presentation and FAQs.	YES Securities, Elara Capital, IDBI Capital and SBICAP	SBICAP
9.	Pricing and managing the book	YES Securities, Elara Capital, IDBI Capital and SBICAP	SBICAP
10.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (1) above including corporate advertisement, brochure and filing of media compliance report to SEBI	YES Securities, Elara Capital, IDBI Capital and SBICAP	IDBI Capital
11.	Post – Issue activities, which shall involve follow-up with the Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Company about the closure of the Issue, based on correct figures, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and co-ordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Bankers to the Issue, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable.	YES Securities, Elara Capital, IDBI Capital and SBICAP	IDBI Capital

Sr. No	Activity	Responsibility	Co-ordinator
12.	Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Issue reports to SEBI	YES Securities, Elara Capital, IDBI Capital and SBICAP	IDBI Capital

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Issue.

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Issue.

Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

Filing of this Draft Red Herring Prospectus

This Draft Red Herring Prospectus has been filed with the Securities and Exchange Board of India at:

Securities and Exchange Board of India

Northern Regional Office,
5th Floor, Bank of Baroda Building,
16, Sansad Marg,
New Delhi - 110 001

The Red Herring Prospectus and Prospectus will be filed along with the material contracts and documents referred to in the Red Herring Prospectus at:

Registrar of Companies

National Capital Territory of Delhi and Haryana

4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
India

Book Building Process

The book building process, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the ASBA Form within the Price Band, which will be decided by our Company in consultation with the BRLMs, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi where our Registered Office is located), at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLMs after the Bid/ Issue Closing Date.

All Bidders shall participate in the Issue only through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids until the Bid/ Issue Closing Date. Allocation to QIBs in the QIB Portion will be on a proportionate basis. For further details, see “*Terms of the Issue*” and “*Issue Procedure*” beginning on pages 342 and 349, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding process are subject to changes from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.

Bidders should note that the Issue is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, see “*Issue Procedure*” beginning on page 349.

Underwriting Agreement

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an underwriting agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.).

Name, address, telephone number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be underwritten	Amount Underwritten (₹ in millions)
[●]	[●]	[●]

The above-mentioned underwriting commitments are indicative and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus is set forth below:

(In ₹ except share data)

		Aggregate value at face value	Aggregate value at Issue Price
A	AUTHORIZED SHARE CAPITAL		
	6,000,000,000 Equity Shares of face value of ₹10 each	60,000,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE		
	784,600,000 Equity Shares of face value of ₹10 each	7,846,000,000	
C	PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Issue of up to 139,000,000 Equity Shares of face value of ₹10 each ⁽¹⁾	1,390,000,000	[●]
	<i>of which</i>		
	Employee Reservation Portion up to 695,000 ⁽²⁾ Equity Shares	6,950,000	[●]
	Net Issue of up to 138,305,000 Equity Shares	1,383,050,000	[●]
	<i>of which</i>		
	QIB Portion of 69,152,500 Equity Shares	691,525,000	[●]
	<i>of which</i>		
	3,457,625 Equity Shares shall be available for allocation to Mutual Funds only	34,576,250	[●]
	65,694,875 Equity Shares shall be available for all QIBs including Mutual Funds	656,948,750	[●]
	Non-Institutional Category of not less than 20,745,750 Equity Shares	207,457,500	[●]
	Retail Category of not less than 48,406,750 Equity Shares	484,067,500	[●]
E	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE		
	923,600,000 Equity Shares*	[●]	
D	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		0
	After the Issue		[●]

* To be updated upon finalization of the Issue Price.

- (1) The Issue has been authorized by a resolution of our Board dated July 29, 2019 and by a special resolution of our Shareholders pursuant to their resolution dated September 22, 2017.
- (2) Pursuant to resolution dated July 29, 2019, as passed by our Board, up to 695,000 Equity Shares have been reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. A discount of up to 5% on the Issue Price may be offered to the Eligible Employees Bidding in the Employee Reservation Portion. Retail Discount of up to 5% on the Issue Price may be offered to the Retail Individual Bidder(s) bidding in the Retail Portion.

Notes to the Capital Structure

1. Equity Share Capital History of our Company

The history of the Equity Share capital of our Company is set forth in the table below.

Date of Allotment	Name(s) of allottee(s)	Nature of Allotment	No. of equity shares Allotted	Face value (₹)	Issue price per equity share (₹)	Form of consideration
June 25, 1987	19,993 equity shares were allotted to the President of India, 1 equity share each was allotted to Jagdish Sharan Bajjal, Ram Roop Gupta, Satish Khurana, Bahadur Chand, Shamsur Rahman Faruqi, Chander Prakash Malhotra and the President of India through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Initial subscription to the MoA	20,000	1,000	1,000	Cash
December 30, 1987	22,500 equity shares to the President of India, through Secretary to the Government of India, Ministry of	Rights Issue	22,500	1,000	1,000	Cash

Date of Allotment	Name(s) of allottee(s)	Nature of Allotment	No. of equity shares Allotted	Face value (₹)	Issue price per equity share (₹)	Form of consideration
	Energy, Department of Non-Conventional Energy Sources					
August 4, 1988	17,500 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	17,500	1,000	1,000	Cash
March 15, 1989	7,498 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources, 1 equity share each to Arun Kumar and Ullal Vasudeva Bhat	Rights Issue	7,500	1,000	1,000	Cash
December 7, 1989	16,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	16,000	1,000	1,000	Cash
June 4, 1990	16,500 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	16,500	1,000	1,000	Cash
April 19, 1993	40,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	40,000	1,000	1,000	Cash
April 19, 1993	40,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	40,000	1,000	1,000	Cash
December 10, 1993	60,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	60,000	1,000	1,000	Cash
May 20, 1994	2,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	2,000	1,000	1,000	Cash
March 8, 1995	8,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	8,000	1,000	1,000	Cash
May 3, 1995	133,500 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	133,500	1,000	1,000	Cash
August 1, 1995	60,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	60,000	1,000	1,000	Cash
September 16, 1995	120,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	120,000	1,000	1,000	Cash
November 29, 1995	60,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of	Rights Issue	60,000	1,000	1,000	Cash

Date of Allotment	Name(s) of allottee(s)	Nature of Allotment	No. of equity shares Allotted	Face value (₹)	Issue price per equity share (₹)	Form of consideration
	Energy, Department of Non-Conventional Energy Sources					
November 20, 1996	140,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	140,000	1,000	1,000	Cash
March 29, 1997	140,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	140,000	1,000	1,000	Cash
November 25, 1997	80,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	80,000	1,000	1,000	Cash
January 27, 1998	160,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	160,000	1,000	1,000	Cash
July 20, 1998	136,700 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	136,700	1,000	1,000	Cash
September 30, 1998	263,300 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	263,300	1,000	1,000	Cash
July 19, 1999	210,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	210,000	1,000	1,000	Cash
October 11, 1999	210,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	210,000	1,000	1,000	Cash
July 28, 2000	210,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	210,000	1,000	1,000	Cash
March 30, 2001	60,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	60,000	1,000	1,000	Cash
June 25, 2001	135,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	135,000	1,000	1,000	Cash
January 28, 2002	135,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	135,000	1,000	1,000	Cash
September 20, 2002	175,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	175,000	1,000	1,000	Cash

Date of Allotment	Name(s) of allottee(s)	Nature of Allotment	No. of equity shares Allotted	Face value (₹)	Issue price per equity share (₹)	Form of consideration
February 18, 2003	175,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	175,000	1,000	1,000	Cash
July 9, 2003	66,600 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	66,600	1,000	1,000	Cash
December 5, 2003	133,400 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	133,400	1,000	1,000	Cash
March 26, 2004	200,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	200,000	1,000	1,000	Cash
February 17, 2005	500,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	500,000	1,000	1,000	Cash
March 21, 2006	246,500 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	246,500	1,000	1,000	Cash
August 8, 2007	400,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	400,000	1,000	1,000	Cash
November 28, 2007	500,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	500,000	1,000	1,000	Cash
August 14, 2008	300,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	300,000	1,000	1,000	Cash
July 27, 2009	66,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	66,000	1,000	1,000	Cash
September 29, 2009	130,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	130,000	1,000	1,000	Cash
May 14, 2010	83,300 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	83,300	1,000	1,000	Cash
July 22, 2010	416,700 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	416,700	1,000	1,000	Cash
May 13, 2011	500,000 equity shares to the President of India, through Secretary to the	Rights Issue	500,000	1,000	1,000	Cash

Date of Allotment	Name(s) of allottee(s)	Nature of Allotment	No. of equity shares Allotted	Face value (₹)	Issue price per equity share (₹)	Form of consideration
	Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources					
September 7, 2012	600,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	600,000	1,000	1,000	Cash
June 19, 2013	450,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	450,000	1,000	1,000	Cash
July 26, 2014	150,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	150,000	1,000	1,000	Cash
October 22, 2014	250,000 equity shares to the President of India, through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources	Rights Issue	250,000	1,000	1,000	Cash
November 28, 2017	With effect from November 28, 2017, 7,846,000 equity shares of face value of ₹1,000 were split into 784,600,000 Equity Shares of ₹10 each	Split	784,600,000	10	-	-

2. Our Company has not issued any Equity Shares or preference shares for consideration other than cash or out of revaluation of reserves at any time since incorporation.
3. Our Company has not issued or allotted any Equity Shares pursuant to any scheme of arrangement approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
4. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus.
5. ***Shareholding Pattern of our Company***

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights					No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class (Equity)	Total	Total as a % of (A+B+C)							
(A)	Promoter and promoter group*	8	784,600,000	NIL	NIL	784,600,000	100%	100%	100%	100%	NIL	NA			NIL		784,600,000
(B)	Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA			NIL		NA
(C)	Non Promoter-Non Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA			NIL		NA
(C1)	Shares underlying depository receipts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA			NIL		NA
(C2)	Shares held by employee trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA			NIL		NA
	Total	8	784,600,000			784,600,000	100%								NIL		

* The President of India acting through the MNRE holds 100% of the Equity Shares out of which 784,599,300 Equity Shares are held by our Promoter and Praveen Kumar, Arun Kumar, Gopal Krishan Gupta, Bhanu Pratap Yadav, Dr. P.C. Maithani, Dr. Pankaj Saxena, and Dilip Nigam each hold 100 Equity Shares of ₹ 10 each as nominees of our Promoter.

6. **Other details of Shareholding of our Company**

- (a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has eight Shareholders.
- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, on a fully diluted basis, as on the date of this Draft Red Herring Prospectus.

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)	Number of Equity Shares on a fully diluted basis	Percentage of the pre- Issue Equity Share Capital on a fully diluted basis
1.	The President of India through Ministry of New and Renewable Energy*	784,600,000	100	784,600,000	100
	Total	784,600,000	100	784,600,000	100

* Including equity shares held by the nominees of the Promoter.

- (c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, on a fully diluted basis, as of 10 days prior to the date of this Draft Red Herring Prospectus.

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)	Number of Equity Shares on a fully diluted basis	Percentage of the pre- Issue Equity Share Capital on a fully diluted basis
1.	The President of India through Ministry of New and Renewable Energy*	784,600,000	100	784,600,000	100
	Total	784,600,000	100	784,600,000	100

* Including equity shares held by the nominees of the Promoter.

- (d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, on a fully diluted basis, as of one year prior to the date of this Draft Red Herring Prospectus.

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)	Number of Equity Shares on a fully diluted basis	Percentage of the pre- Issue Equity Share Capital on a fully diluted basis
1.	The President of India through Ministry of New and Renewable Energy*	784,600,000**	100	784,600,000	100
	Total	784,600,000	100	784,600,000	100

* Including equity shares held by the nominees of the Promoter.

** With effect from November 28, 2017, 7,846,000 equity shares of face value of ₹1,000 were split into 784,600,000 Equity Shares of ₹10 each.

- (e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of this Draft Red Herring Prospectus.

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)	Number of Equity Shares on a fully diluted basis	Percentage of the pre- Issue Equity Share Capital on a fully diluted basis
1.	The President of India through Ministry of New and Renewable Energy*	7,846,000**	100	7,846,000	100
	Total	7,846,000	100	7,846,000	100

* Including equity shares held by the nominees of the Promoter.

** With effect from November 28, 2017, 7,846,000 equity shares of face value of ₹1,000 were split into 784,600,000 Equity Shares of ₹10 each

7. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.

8. **Details of Shareholding of our Promoter in the Company**

- As on the date of this Draft Red Herring Prospectus, our Promoter (directly and through his nominees) holds 784,600,000 Equity Shares, equivalent to 100% (including seven Equity Shares held by seven

nominees of our Promoter) of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoter's shareholding is set out below.

S. No.	Name of the Shareholder	Pre- Issue		Post- Issue*	
		No. of Equity Shares	% of total Share-holding	No. of Equity Shares	% of total Share-holding
1.	The President of India through Ministry of New and Renewable Energy**	784,600,000	100	[●]	[●]
	Total	784,600,000	100	[●]	[●]

** Including equity shares held by the nominees of the Promoter.

- **Build-up of the Promoters' shareholding in our Company**

The build-up of the Equity Shareholding of our Promoter since incorporation of our Company is set forth in the table below.

Name of Promoter	Nature of transaction	Date of Allotment	No. of equity shares Allotted ⁽¹⁾	Face value (₹)	Issue price per Equity Share (₹)
The President of India through Ministry of New and Renewable Energy	Initial subscription to the MoA	June 25, 1987	20,000	1,000	1,000
	Rights Issue	December 30, 1987	22,500	1,000	1,000
	Rights Issue	August 4, 1988	17,500	1,000	1,000
	Rights Issue	March 15, 1989	7,500	1,000	1,000
	Rights Issue	December 7, 1989	16,000	1,000	1,000
	Rights Issue	June 4, 1990	16,500	1,000	1,000
	Rights Issue	April 19, 1993	40,000	1,000	1,000
	Rights Issue	April 19, 1993	40,000	1,000	1,000
	Rights Issue	December 10, 1993	60,000	1,000	1,000
	Rights Issue	May 20, 1994	2,000	1,000	1,000
	Rights Issue	March 8, 1995	8,000	1,000	1,000
	Rights Issue	May 3, 1995	133,500	1,000	1,000
	Rights Issue	August 1, 1995	60,000	1,000	1,000
	Rights Issue	September 16, 1995	1,20,000	1,000	1,000
	Rights Issue	November 29, 1995	60,000	1,000	1,000
	Rights Issue	November 20, 1996	140,000	1,000	1,000
	Rights Issue	March 29, 1997	140,000	1,000	1,000
	Rights Issue	November 25, 1997	80,000	1,000	1,000
	Rights Issue	January 27, 1998	160,000	1,000	1,000
	Rights Issue	July 20, 1998	136,700	1,000	1,000
	Rights Issue	September 30, 1998	263,300	1,000	1,000
	Rights Issue	July 19, 1999	210,000	1,000	1,000
	Rights Issue	October 11, 1999	210,000	1,000	1,000
	Rights Issue	July 28, 2000	210,000	1,000	1,000
	Rights Issue	March 30, 2001	60,000	1,000	1,000
	Rights Issue	June 25, 2001	135,000	1,000	1,000
	Rights Issue	January 28, 2002	135,000	1,000	1,000
	Rights Issue	September 20, 2002	175,000	1,000	1,000
	Rights Issue	February 18, 2003	175,000	1,000	1,000
	Rights Issue	July 9, 2003	66,600	1,000	1,000
	Rights Issue	December 5, 2003	133,400	1,000	1,000
	Rights Issue	March 26, 2004	200,000	1,000	1,000
	Rights Issue	February 17, 2005	500,000	1,000	1,000
	Rights Issue	March 21, 2006	246,500	1,000	1,000
	Rights Issue	August 8, 2007	400,000	1,000	1,000
	Rights Issue	November 28, 2007	500,000	1,000	1,000
	Rights Issue	August 14, 2008	300,000	1,000	1,000
	Rights Issue	July 27, 2009	66,000	1,000	1,000
	Rights Issue	September 29, 2009	130,000	1,000	1,000
	Rights Issue	May 14, 2010	83,300	1,000	1,000
	Rights Issue	July 22, 2010	416,700	1,000	1,000
	Rights Issue	May 13, 2011	500,000	1,000	1,000
	Rights Issue	September 7, 2012	600,000	1,000	1,000
	Rights Issue	June 19, 2013	450,000	1,000	1,000
	Rights Issue	July 26, 2014	150,000	1,000	1,000
	Rights Issue	October 22, 2014	250,000	1,000	1,000
	Split ⁽²⁾	November 28, 2017	784,600,000	10	-
	-	Total	784,600,000	10	-

(1) Including equity shares held by the nominees of the Promoter.

(2) With effect from November 28, 2017, 7,846,000 equity shares of face value of ₹1,000 each were split into 784,600,000 Equity Shares of ₹10 each.

- All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares. Further, none of the Equity Shares held by our Promoter are pledged.

9. Details of Promoters' contribution and lock-in

- Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by the Promoter shall be locked in for a period of three years as minimum promoters' contribution from the date of Allotment ("Promoters' Contribution"), and the Promoters' shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.
- Details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoters' Contribution are set forth in the table below.

Name of the Promoter	Date of allotment of the Equity Shares*	Nature of transaction	No. of Equity Shares*	Face Value (₹)	Issue/acquisition price per Equity Share (₹)	Percentage of the post- Issue paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
The President of India through Ministry of New and Renewable Energy	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Total					[•]	

* Subject to finalisation of Basis of Allotment.

All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

- Our Promoter has given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as Promoters' Contribution. Our Promoter have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:
 - The Equity Shares offered for Promoters' Contribution do not include (a) Equity Shares acquired in the three years immediately preceding the date of this Draft Red Herring Prospectus for consideration other than cash, and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Promoter's Contribution;
 - The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
 - Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm; and
 - The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge.

10. ***Details of other lock-in***

In addition to the 20% of the post Issue shareholding of our Company held by the Promoter and locked-in for three years as specified above, the entire pre Issue Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment.

11. Our Company, the Promoter, the Directors and the BRLMs have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.
12. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
13. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds towards the following objects:

1. Augment our capital base to meet our future capital requirements and on lending; and
2. General corporate purposes.

(collectively referred to as the “**Objects**”).

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enables our Company to undertake its existing business activities and the activities for which funds are being raised by us through the Issue. In addition, we expect to achieve the benefit of listing of our Equity Shares on the Stock Exchanges.

The details of the Net Proceeds are set forth in the following table:

(In ₹ million)

Particulars	Estimated Amount (in ₹ million)
Gross proceeds of the Issue	[●]
Less: Issue related expenses*	[●]
Net Proceeds	[●]

* To be determined on finalisation of the Issue Price and updated in the Prospectus prior to the filing with the Registrar of Companies.

Funding Plan (Means of Finance)

The entire requirement of funds towards the objects of the Issue will be met from the Net Proceeds. Accordingly, as required under the SEBI ICDR Regulations, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Net Proceeds.

Schedule for Deployment and Utilisation of the Net Proceeds

We propose to deploy the Net Proceeds in accordance with the estimated schedule as set forth in the table below:

(In ₹ million)

S. No.	Particulars	Amount	Estimated Utilisation of Net Proceeds in Fiscal 2020
1.	Augmenting our capital base to meet our future capital requirements and on lending	4,100.00	4,100.00
2.	General corporate purposes*	[●]	[●]
Total**		[●]	[●]

* The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

** To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the Registrar of Companies.

The Net Proceeds will first be utilized for the Objects as set out above. In case of a shortfall in raising the requisite capital from the Net Proceeds towards meeting the objects of the Issue, our management may explore alternate options, including utilisation of our internal accruals or further debt financing from existing or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

The requirement and deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions. The requirement and deployment of funds described herein has not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management.

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of utilisation specified above, our Company shall deploy the Net Proceeds in the subsequent Fiscals towards the aforementioned objects in accordance with applicable law. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the gross proceeds from the Issue in accordance with applicable law.

Details of Utilisation of Net Proceeds

The details of utilisation of the Net Proceeds are set forth below:

1. Augmenting our capital base to meet our future capital requirements and on lending

We are a public limited government company and established as a non-banking financial institution. We are engaged in promoting, developing and extending financial assistance for setting up projects relating to new and renewable sources of energy and energy efficiency/conservation. For further details, see “Our Business” on page 92. As an NBFC, we are subject to regulations relating to capital adequacy, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio and of the risk adjusted value of off balance sheet items, as applicable. Under RBI prudential norms, we are required to maintain minimum capital adequacy ratio of 10% as at March 31, 2019 and 12% as at March 31, 2020.

An amount aggregating to ₹ 4,100 million out of our Net Proceeds are proposed to be utilized for augmenting our capital base and on lending.

2. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes, subject to such utilisation not exceeding 25% of the gross proceeds of the Issue, in compliance with the SEBI ICDR Regulations, including but not limited to meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act and SEBI ICDR Regulations. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Issue Expenses

The total Issue related expenses are estimated to be approximately ₹ [●] million. The Issue related expenses comprise listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Issue, Banker to the Issue including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

The break-up for the estimated Issue expenses are as follows:

Activity*	Estimated expenses (in ₹ million)	As a % of the total estimated Issue expenses	As a % of the total Issue size
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs and Bankers to the Issue and fee payable to the Sponsor Bank for Bids made by RIBs using UPI	[●]	[●]	[●]
Brokerage and selling commission for Syndicate Members, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Legal advisors to the Issue	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including Stock Exchanges (including SEBI filing fees, book building software fees)	[●]	[●]	[●]
Listing fees			
Printing and stationary			
Others	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

* Disclosures of commission and processing fee will be incorporated at the time of filing the Red Herring Prospectus

The selling commission or charges, as the case may be, payable to SCSBs, members of the Syndicate (including their sub-syndicate members), Registered Brokers, RTAs and CDPs is subject to finalization of the Basis of Allotment.

Interim use of Net Proceeds

The Net Proceeds of the Issue pending utilisation for the purposes stated in this section, shall be deposited only in scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board/IPO Committee.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

As our Company is a public financial institution, we are not required to appoint a monitoring agency in relation to the Issue under Regulation 41 of the SEBI ICDR Regulations.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, Regulation 59 and Schedule XX of the SEBI ICDR Regulations and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by our Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution (the “**Postal Ballot Notice**”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoter or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as prescribed in Regulation 59 and Schedule XX of the SEBI ICDR Regulations.

Appraising Entity

None of the objects of the Issue for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution.

Other Confirmations

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with our Promoter, Group Company, Directors and Key Managerial Personnel in relation to the utilization of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Issue as set out above.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. For further details, please see “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information*” on pages 21, 92, 295 and 144, respectively. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

- Established, trusted and innovative brand.
- Strategic role in GoI initiatives in the renewable energy sector.
- Access to diversified sources of funds.
- Comprehensive credit appraisal and risk management policies and procedures.
- Track record of financial performance and growth.
- Experienced and committed management and employee base with in-depth sector expertise.

For further details, see “*Our Business – Strengths*” beginning on page 94.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

A. Basic and Diluted Earnings per Share (“EPS”) at face value of ₹ 10 each:

As per Restated Financial Statement:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2019	2.95	2.95	3
March 31, 2018	5.17	5.17	2
March 31, 2017	2.68	2.68	1
Weighted average	3.65	3.65	

Notes:

1. Earning per shares (EPS) calculation is in accordance with the notified Indian Accounting Standard (Ind AS) 33 ‘Earnings per share’ prescribed by the Companies (Indian Accounting Standards) Rules, 2015. The ratios have been computed as below:
 - a) Basic earnings per share (INR) = Net profit after tax attributable to owners of the Company, as restated/ weighted average number of equity shares outstanding during the year
 - b) Diluted earnings per share (INR) = Net profit after tax attributable to owners of the Company, as restated/ weighted average number of potential equity shares outstanding during the year
2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

B. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Financial Year 2019 on Restated Financial Statements	[●]	[●]

Industry Peer Group P/E ratio*

Particulars	P/E
Highest	10.65
Lowest	3.18
Average	5.89

* The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

P/E figures for the peer is computed based on closing market price as on July 18, 2019, as available at NSE website, (available at www.nseindia.com) divided by Diluted EPS on a consolidated basis for the financial year ended March 31, 2019 reported in the filings made with Stock Exchanges.

C. Return on Net Worth (“RoNW”)

As per the Restated Financial Statements:

Financial Year ended / Period ended	RoNW (%)	Weight
March 31, 2019	8.34	3
March 31, 2018	15.91	2
March 31, 2017	8.33	1
Weighted average	10.86	

Notes:

1. Weighted average RoNW = Aggregate of year-wise weighted RoNW % divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights
2. RoNW is computed as Net profit after tax attributable to the owners of the Company, as restated divided by Net worth as restated as at year end.
3. Net worth means the aggregate value of Equity capital and Other Equity excluding Other Comprehensive Income.

D. Net Asset Value per Equity Share (face value of ₹ 10 each)

Net Asset Value per Equity Share	Consolidated (₹)
As on March 31, 2019	35.32
After the Issue	[●]
Issue Price	[●]

Notes:

1. Issue Price per Equity Share will be determined on conclusion of the Book Building Process.
2. Net Asset Value per Equity Share has been computed as net worth, as restated at the end of the year divided by total number of Equity Shares outstanding at the end of the year.
3. Net worth means means the aggregate value of Equity capital and Other Equity excluding Other Comprehensive Income.

E. Comparison with Listed Industry Peers*

Name of Company	Face value (₹ per share)	EPS (₹ per share) ⁽¹⁾		NAV ⁽²⁾ (₹ per share)	P/E ⁽³⁾	RoNW (%) ⁽⁵⁾
		Basic	Diluted			
Company						
Indian Renewable Energy Development Agency Limited*	10	2.95	2.95	35.32	[●]	8.34%
Peers						
Power Finance Corporation Limited **	10	38.00	38.00	163.96	3.18	29.10%
PTC India Financial Services Limited**	10	3.00	3.00	32.18	4.63	8.91%
L&T Finance Holdings Limited**	10	11.00	11.00	66.67	10.65	16.75%
Rural Electrification Corporation Limited**	10	29.07	29.07	17.49	5.08	16.59%

* Based on Restated Financial Statements as per Ind AS as on and for the financial year ended March 31, 2019.

** Source: Based on consolidated audited financials as per Ind AS as on and for the financial year ended March 31, 2019 filed with Stock Exchanges.

Notes:

- (1) EPS and Net Profit after tax as reported in relevant financial results filed with stock exchanges for the financial year ended March 31, 2019.
- (2) NAV per equity share represents - Net Worth at the end of the Year / Total number of equity Share outstanding at the end of year (both as on March 31, 2019).
- (3) P/E figures for the peer is computed based on closing market price as on July 18, 2019, as available at NSE website, (available at www.nseindia.com) divided by Diluted EPS on a consolidated basis for the financial year ended March 31, 2019 reported in the filings made with Stock Exchanges.
- (4) Net Worth includes Share Capital and Reserves & Surplus (both as on March 31, 2019).
- (5) RoNW (%) = Net Profit after tax / Net Worth at the end of the year.

The Issue price is [●] times of the face value of the Equity Shares.

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 21, 92, 144 and 295, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” beginning on page 21 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

Date: July 29, 2019

To

The Board of Directors
Indian Renewable Energy Development Agency Limited
India Habitat Centre
East Court, Core 4 'A'
1st Floor, Lodhi Road
New Delhi – 110 003

YES Securities (India) Limited
Unit No 602 A, 6th Floor,
India Bulls Finance Centre
Tower 1, Senapati Bapat Marg
Elphinstone Road
Mumbai – 400013

Elara Capital (India) Private Limited
Indiabulls Finance Centre, Tower 3
21st Floor, Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013

IDBI Capital Markets & Securities Limited
6th floor, IDBI Tower, WTC Complex,
Cuffe Parade, Mumbai 400 005,
Maharashtra, India

SBI Capital Markets Limited
202, Maker Tower 'E',
Cuffe Parade,
Mumbai – 400 005

collectively, the “**book running lead managers**”, in relation to the Issue.

Re: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares” and such offering, the “Issue”) of Indian Renewable Energy Development Agency Limited (the “Company”).

Dear Sirs,

We, M/s Jain Chopra & Co. , the statutory auditors of the Company, hereby report the possible special tax benefits available to the Company and the shareholders of the Company, in connection with possible special tax benefits under direct and indirect tax laws including under the Income tax Rules, 1962, amendments made by Finance Act 2019 (hereinafter referred to as ‘Income Tax Laws’), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975, as amended, the rules and regulations there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders, in the enclosed statement at the **Annexure**.

Several of these stated tax benefits/consequences are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company or its shareholders to derive the stated tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed annexure are not exhaustive. The **Annexure** is for your information and for inclusion in the draft red herring prospectus, the red herring prospectus and the prospectus (“**Offer Documents**”), as amended or supplemented thereto or any other written material in connection with the proposed Issue and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as “Experts” under Section 26 of the Companies Act to the extent of the certification provided hereunder and included in the draft red herring prospectus, red herring prospectus and prospectus of the Company or in any other documents in connection with the Issue.

This certificate has been issued at the request of the Company for use in connection with the Issue and may accordingly be furnished as required to the stock exchanges or any other regulatory authorities as required.

This certificate may be relied upon by you and the legal counsels appointed in relation to the Issue.

We undertake to immediately intimate the book running lead managers, legal counsels and other advisors or intermediaries in case of any changes to the above. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Sincerely,

For: Jain Chopra & Co.
Statutory Auditors
Firm Registration No: 002198N

Rajesh Kumar
Partner (Membership No. 501860)
Place: Delhi
Date: July 29, 2019

Encl: Statement of Special Tax Benefits

CC:

Cyril Amarchand Mangaldas
IV floor, Prius Platinum
D-3, District Centre
Saket
New Delhi - 110 017

Clyde & Co.
PO Box 7001 Level 15 – Rolex Tower
Sheikh Zayed Road, Dubai,
United Arab Emirates

J. Sagar Associates
Vakils House, 18 Sprott Road
Ballard Estate, Mumbai – 400 001

ANEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA UNDER THE INCOME TAX ACT, 1961 ("THE ACT")

A. BENEFITS AVAILABLE TO THE COMPANY

I. In respect of Company's Financing Activities

- (a) Deduction Under Section 36(1)(viiia)(c), is available to a public financial institution or a State financial corporation or a State industrial investment corporation, an amount not exceeding five per cent of the total income (computed before making any deduction under this clause and Chapter VI-A) in respect of any provision for bad and doubtful debts made while computing income under head Profit & Gains from Business or Profession.

The company being Public Financial Institution as per the provision of the Act, the company is entitled to the stated deduction.

- (b) Deduction Under Section 36(1)(viii) is available to in respect of any special reserve created and maintained for an amount not exceeding twenty per cent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) carried to such reserve account, provided that where the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and of the general reserves of the specified entity, no allowance under this clause shall be made in respect of such excess.

The company being financial corporation as per the provision of the Act and is in the business of development of infrastructure facility in India, the company is entitled to the stated deduction.

II. In respect of Company's Solar Power Generation Project

- (a) Deduction Under Section 80IA is available to in respect of any income from a business of generation or generation and distribution of power and if it begins to generate power at any time from 01 Apr 1993 to 31 Mar 2017, then deduction of 100% of profits will be available for ten consecutive assessment years at the option of assessee out of 20 years beginning from the year of start of operation

The company being in the business of generation of power in India and its project started generating power before 31st March 2017, the company is entitled to the stated deduction.

- (b) The company is claiming 40% as depreciation under Section 32 of the Act on the specified assets of solar project.

B. BENEFITS AVAILABLE TO THE SHAREHOLDERS

- (a) As per Section 10(34), Income by way dividend referred to in section 115-O doesn't form part of total income provided that under Section – 115BBDA of the Act, dividend exceeding Rs 10 Lakhs shall be taxable as per provision of the Act.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise specified, the information and statistics in this section are extracted from the reports of publicly available reports of various Government ministries and agencies including the Ministry of New and Renewable Energy, the Ministry of Power, the Central Electricity Authority, the Reserve Bank of India and the India Brand Equity Foundation. The information presented in this section, including forecasts and projections, have not been prepared or independently verified by us, our Directors, the BRLMs, or any of our or their respective affiliates or advisors or any other party involved in the Issue, and no representation is made as to its accuracy.

Indian Economy

The Indian economy is the third largest economy in the world in terms of GDP at purchasing power parity (PPP) exchange rates, with an estimated GDP, in PPP terms for 2017 of US\$9.47 trillion. (Source: CIA World Factbook, 2019). India has the world's second largest population, estimated at 1,297 million people in July 2018 (Source: CIA World Factbook, 2019), and the second largest labour force, estimated at 521.9 million people in 2017. (Source: "CIA World Factbook", 2019). India also has one of the youngest populations in the world with a median age of 28.1 years, a high share of working population and rapid urbanisation (2.37% change per annum). (Source: "CIA World Factbook", 2019).

India is developing into an open-market economy. Economic liberalization measures including industrial deregulation, privatization of state-owned enterprises and reduced controls on foreign trade and investment began in the 1990s and have accelerated India's growth which averaged nearly 7% per annum from 1997 to 2017. (Source: CIA World Factbook, 2019). In recent years, India has become a popular destination for foreign direct investment ("FDI"), owing to its well-developed private corporate sector, large consumer market potential, large well-educated and English-speaking workforce and well-established legal systems. Overall, India attracted FDI inflows of a provisional US\$64.38 billion in Fiscal 2019 and US\$60.97 billion in Fiscal 2018 as compared to an average of US\$23.1 billion from Fiscal 2001 to Fiscal 2013. (Source: "Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India – Fact Sheet on FDI from April 2000 to March 2019").

India's GDP at constant prices is provisionally estimated to be ₹140.78 trillion for Fiscal 2019 showing a growth rate of 6.8% over the first revised estimates of GDP for Fiscal 2018. (Source: Central Statistical Office of India's Ministry of Statistics and Programme Implementation, May 2019). India's GDP at current prices is provisionally estimated to be ₹190.10 trillion for Fiscal 2019 showing a growth rate of 11.2% over the first revised estimates of GDP for Fiscal 2018. (Source: Central Statistical Office of India's Ministry of Statistics and Programme Implementation, May 2019).

Overall, the prospects for domestic growth remain positive based on expectations that the current Government, which took office in May 2014 and re-elected in May 2019 with a strong mandate, would bolster the reform process to address the structural and liquidity issues that have hampered growth. The Government appears to be firmly committed to deficit reduction and fiscal responsibility. This has enhanced the credibility of fiscal policy which it is expected will help to anchor inflation expectations and improve the business environment, including by fostering credibility amongst international investors. The fiscal deficit has been reduced from 4.1% in Fiscal 2015 to a provisional 3.5% in Fiscal 2018 and a 3.3% estimate for Fiscal 2019. (Source: RBI Annual Report 2017-18).

The passage of the Goods and Services Tax (GST) Bill in 2016 marked a new era in cooperative fiscal federalism and growing political consensus for political reforms. The implementation of GST which begun in Fiscal 2017 is expected to boost trade, investment and growth by reducing supply chain rigidities, encouraging scale economies, reducing transportation and transaction costs and promoting efficiency gains.

In addition, India's inflation movements have become favourable over the last three fiscal years. The consumer price index ("CPI") inflation has fallen from 4.5% in Fiscal 2017, to 3.6 % in Fiscal 2018 and to 3.4% in Fiscal 2019. (Source: RBI Annual Report 2017-18 and RBI Bulletin July 2019).

Indian Banking and Financial Services Sector

Until the 1980s, the Indian financial system was strictly controlled. Interest rates were administered by the Government. Formal and informal parameters governed asset allocation and strict controls limited entry into and expansion within the financial sector. Bank profitability was low, non-performing assets ("NPAs") were comparatively high, capital adequacy was diminished, and operational flexibility was hindered. The Government's economic reform program, which began in 1991, encompassed the financial sector. The first phase of the reform process began with implementation of the recommendations of the Committee on the Financial System, namely the Narasimham Committee I. Following that, reports were submitted in 1997 and 1998 by other committees, such as the second Committee on Banking Sector Reform, namely, the Narasimham Committee II, and the Tarapore Committee on Capital Account Convertibility. This led to the second phase of reforms relating to capital adequacy requirements, asset classification and provisioning, risk management and merger policies. The deregulation of interest rates, the emergence of a liberalized domestic capital market and the entry of new private sector banks

have progressively intensified the competition among banks.

Banks in India may be categorized as scheduled banks, which are included in the second schedule to the RBI Act 1934, as amended, and non-scheduled banks. Scheduled banks comprise scheduled commercial banks and cooperative banks. Scheduled commercial banks may further be classified as the State Bank of India ("SBI") and its associates, nationalized banks, private sector banks, foreign banks and regional rural banks. The focus of commercial banks in India has largely been on meeting the short-term financing needs of industry, trade and agriculture sectors. As of July 05, 2019, there were 140 scheduled commercial banks in the country. (Source: RBI, Scheduled Banks' Statement of Position in India as on July 15, 2019). As of June 30, 2018, public sector banks had 90,821 branches, private sector banks had 28,805 branches and foreign banks had 286 branches. (Source: RBI, Report on Trend and Progress of Banking in India 2017-2018). As of July 05, 2019, all scheduled commercial banks had approximately ₹126.75 trillion of deposits. (Source: RBI, Scheduled Banks' Statement of Position in India as on July 05, 2019).

Non-banking financial institutions (NBFI)s consist of various types of financial institutions, of which Reserve Bank of India regulates and supervises three important categories – all India financial institutions (AIFIs), non-banking finance companies (NBFCs) and stand-alone primary dealers (PDs). While AIFIs largely undertake long-term financing in specific sectors, NBFCs specialize in meeting the credit needs of niche areas such as hire purchase, financing of physical assets, financing energy projects, commercial vehicles and infrastructure loans.

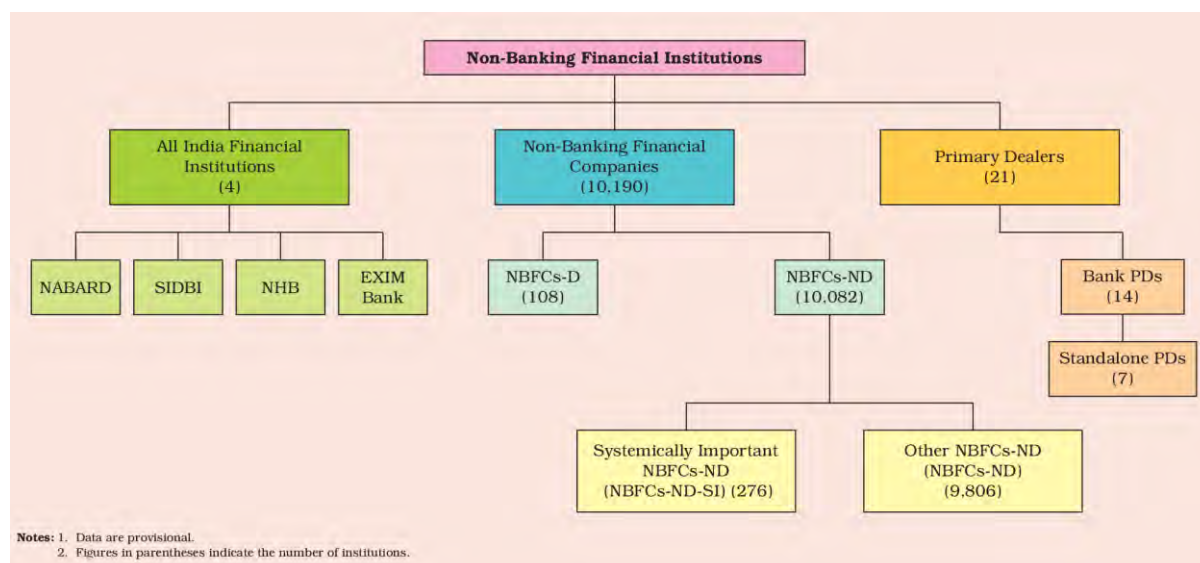
The RBI Financial Stability Report, June 2019 noted that, with the bulk of India's commercial banks' legacy NPAs already recognized, the NPA cycle seems to have turned around. (Source: RBI, Financial Stability Report, June 2019). According to the RBI, the provision coverage ratio (PCR) of all scheduled commercial banks rose sharply to 60.6% in March 2019 from 52.4% in September 2018 and 48.3% in March 2018, increasing the resilience of the banking sector. (Source: RBI, Financial Stability Report, June 2019). The RBI reports that macro-stress tests indicate that under the baseline scenario, the GNPA ratio for scheduled commercial banks may decline from 9.3% in March 2019 to 9.0% by March 2020. (Source: RBI, Financial Stability Report, June 2019) The capital to risk (weighted) assets ratio ("CRAR") of scheduled commercial banks improved from 13.7% in September 2018 to 14.3% in March 2019. (Source: RBI, Financial Stability Report, June 2019). The Indian banking sector, as a whole, has maintained its CRAR above the regulatory requirement of 9.0% under Basel III. (Source: RBI, Financial Stability Report, June 2019).

NBFCs

The RBI regulates and supervises three categories of NBFI)s, including All-India financial institutions (AIFIs), primary dealers (PDs) and NBFCs. Based on deposit mobilization, NBFCs are classified into two major categories: NBFCs-D (deposit taking) and NBFCs-ND (non-deposit taking). (Source: RBI Bulletin – October 2017).

The following chart shows the structure of NBFI)s under RBI regulation at September 30, 2018

Structure of NBFIs under RBI Regulation (September 30, 2018)



Source: RBI, Chapter VII Non-Banking Financial Institutions - Report on Trend and Progress of Banking in India 2016-17

As of March 31, 2019, there were 9,659 NBFCs registered with the RBI, of which 88 were Non-Banking Finance Companies-Deposit Taking (NBFCs-Ds) and 263 were Systemically Important Non-Deposit accepting NBFCs (NBFCs-ND-SI). (Source: RBI, Financial Stability Report, June 2019). All NBFC-D and NBFCs-ND-SI are subjected to prudential regulations such as capital adequacy requirements and provisioning norms along with reporting requirements. (Source: RBI, Financial Stability Report, June 2019).

The aggregate balance sheet size of the NBFC sector grew by 20.6% to ₹28.8 trillion during Fiscal 2019 as against an increase of 17.9% to ₹24.5 trillion during Fiscal 2018. (Source: RBI, Financial Stability Report, June 2019). According to the RBI, the NBFC sector's net profits increased by 15.3% in Fiscal 2019 as compared to 27.5% in Fiscal 2018. (Source: RBI, Financial Stability Report, June 2019).

GNPAs of the NBFC sector as a percentage of total advances increased from 5.8% in Fiscal 2018 to 6.6% in Fiscal 2019. (Source: RBI, Financial Stability Report, June 2019). The net NPA ratio, however, declined marginally from 3.8% in Fiscal 2018 to 3.7% in Fiscal 2019. (Source: RBI, Financial Stability Report, June 2019).

As on March 31, 2019, the CRAR of the NBFC sector moderated at 19.3% from 22.8% as on March 31, 2018. (Source: RBI, Financial Stability Report, June 2019).

NBFC Liquidity Crisis

According to the RBI, recent developments in the Indian domestic financial markets have brought the focus on the NBFC sector (including housing finance companies or HFCs) especially with regard to their exposures, quality of assets and asset-liability mismatches (ALM). (Source: RBI, Financial Stability Report, June 2019). The RBI explains that the liquidity stress in NBFCs reflected in the September 2018 to December 2018 period was due to an increase in funding costs and also difficulties in market access in some cases. (Source: RBI, Financial Stability Report, June 2019). Despite the dip in confidence, the RBI reports that the better performing NBFCs with strong fundamentals were able to manage their liquidity even though their funding costs moved with market sentiments and risk perceptions. (Source: RBI, Financial Stability Report, June 2019).

In light of the liquidity stress in the NBFC sector, the RBI has issued a draft circular on May 24, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies' which will require the NBFCs to ensure maintenance of sufficient liquidity, including a cushion of unencumbered, high-quality liquid assets to withstand a range of stress events; establish diversified funding strategy; and monitor the risk of intra-group transfers. The draft proposes to introduce Liquidity Coverage Ratio (LCR) for all deposit taking NBFCs; and non-deposit taking NBFCs with an asset size of ₹50,000 million and above. All the measures outlined in the draft circular could increase the cost of funding for NBFCs and may also restrict our lending operations.

The Reserve Bank of India

The RBI is the central regulatory and supervisory authority for the Indian banking sector. Besides regulating and supervising the banking system and NBFCs like our Company, the RBI performs the following important functions:

- acts as the central bank and the monetary authority;
- issues currency;
- manages debt for the central and certain state governments that have entered agreements with it;
- regulates and supervises financial institutions including banking institutions and NBFCs;
- manages the country's foreign exchange reserves;
- manages the capital account of the balance of payments;
- regulates and supervises payment settlement systems;
- operates a grievance redress scheme for bank customers through the banking ombudsmen and formulates policies for fair treatment of banking customers; and
- develops initiatives such as financial inclusion and strengthening of the credit delivery mechanisms to priority sectors and weaker sections, including agricultural entities, small and micro-enterprises and for affordable housing and education.

The RBI issues guidelines on various issues relating to the financial reporting of entities under its supervision. These guidelines regulate exposure standards, income recognition practices, asset classification, provisioning for non-performing and restructured assets, investment valuation and capital adequacy. All the institutions under the purview of the RBI including our Company are required to furnish information relating to their businesses on a regular basis.

The Indian Power Sector

India's electricity is supplied majorly through thermal (coal, gas and diesel) followed by hydro power and renewable energy sources. India has continuously experienced shortages in energy and peak power requirements. According to the Ministry of Power, India's power supply position generally improved during the last three fiscal years. (Source: Ministry of Power Annual Report 2017-2018, Ministry of Power website, <http://powermin.nic.in>). The electricity demand supply deficit in India has reduced significantly from 8.71% energy deficit (MUs) and 8.98% peak demand (MW) deficit during Fiscal 2013 to a 0.60% energy deficit (MUs) and 0.8% peak demand (MW) deficit during Fiscal 2019. According to the Ministry of Power, India's power supply position generally improved during the last three fiscal years. (Source: CEA Load Generation Balance Reports).

Power Generation Capacity

The total power generation installed capacity in India as at June 30, 2019 stood 358,970 MW (not including captive power generation), out of which renewable power generation contributed 80,467 MW constituting more than 22.0% of the total power generation installed capacity (not including captive power generation) and hydro power generation was 45,399 MW constituting 12.6% of the total power generation installed capacity (not including captive power generation). (Source: Ministry of Power website, <http://powermin.nic.in>).

Overall generation (including generation from grid connected renewable sources) in India increased from 1,110.458 billion unites (BU) during Fiscal 2015 to 1,173.603 BU during Fiscal 2016, 1,241.689 BU during Fiscal 2017, 1,308.136 BU during Fiscal 2018 and 1,376.095 BU during Fiscal 2019. (Source: Ministry of Power website, <http://powermin.nic.in>). Power generation in Fiscal 2019 compared to Fiscal 2018 was as follows:

- Thermal increased by 3.39%,
- Hydro reduced by 6.95 %,
- Nuclear increased by 1.39 %,
- Bhutan import increased by 7.78%,
- Renewables increased by 24.47%, and
- Overall growth rate was 5.19%. (Source: Ministry of Power website, <http://powermin.nic.in>).

The annual growth in power generation in the past 10 fiscal years is set forth in the table below.

Fiscal Year	Growth in Conventional Generation (%)	Growth in Renewable Generation (%)	Growth in Total Generation (%)
Fiscal 2010	6.6	-	-
Fiscal 2011	5.56	-	-
Fiscal 2012	8.11	-	-
Fiscal 2013	4.01	-	-
Fiscal 2014	6.04	-	-
Fiscal 2015	8.43	-	-
Fiscal 2016	5.64	6.47	5.69
Fiscal 2017	4.72	23.97	5.80
Fiscal 2018	3.98	24.88	5.35
Fiscal 2019	3.57	24.47	5.19

(Source: Ministry of Power website, <http://powermin.nic.in>).

India's total installed power generation capacity by sector as on June 30, 2019 is set forth in the following table.

Sector	MW	% of Total
State Sector	105,075.86	29.36%
Central Sector	86,596.63	24.20%
Private Sector	166,201.99	46.44%
Total	357,875.48	100%

(Source: Ministry of Power website, <http://powermin.nic.in>).

The power supply position in India for the past five years including energy and peak deficits are summarized in the following table.

Fiscal Year	Energy				Peak			
	Requirement	Availability	Deficits (-)		Peak Demand	Peak Met	Deficits (-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
2015	1,068,923	1,030,785	-38,138	-3.6	148,166	141,160	-7,006	-4.7
2016	1,114,408	1,090,850	-23,558	-2.1	153,366	148,463	-4,903	-3.2

	Energy				Peak			
2017	1,142,929	1,135,334	-7,595	-0.7	159,542	156,934	-2,608	-1.6
2018	1,213,326	1,204,697	-8,629	-0.7	164,066	160,752	-3,314	-2.0
2019	1,274,595	1,267,526	-7,070	-0.6	177,022	175,528	-1494	-0.8

(Source: Ministry of Power website, <http://powermin.nic.in>).

India's power demand has been rising at a fast pace. It is estimated that India will require an additional power supply capacity of 450 GW by 2034. The peak power demand of the country reached 183.67 GW in June 2019 (Source: CEA). It is estimated that this demand will rise to 295 GW by Fiscal 2022 and 690 GW by Fiscal 2036. India's power demand has been rising at a fast pace. It is estimated that India will require an additional power supply capacity of 450 GW by 2034. (Source: IBEF, under Department of Commerce, Ministry of Commerce, GoI).

Renewable Energy

Renewable energy is no longer an "alternate energy" source, but increasingly has become a key part of the solution to India's energy needs. Renewable energy has been an important component of India's energy planning process for some time. In 1982, a separate Department of Non- Conventional Energy Sources (DNES) was created in the Ministry of Energy to look after all the aspects relating to new and renewable energy. The Department was upgraded into a separate Ministry of Non-Conventional Energy Sources (MNES) in 1992 and was re-named as the Ministry of New and Renewable Energy (MNRE) in October 2006. (Source: Strategic plan for new and renewable energy sector for the period 2011-17, MNRE, February 2011 and updated figure of 11th Plan period and MNRE Website).

The renewable energy sector in India caters to both, grid-connected and the off-grid requirements. While grid-connected power provides the alternative to reliance on fossil fuels, off-grid power has the potential to provide energy access to rural, far flung, unserved and under-served areas.

Renewable Energy Capacity

As at June 30, 2019, the renewable energy-based power generation in India as reported by the MNRE was 80,467.22 MW. (Source: MNRE website, <https://mnre.gov.in>). This installed capacity at June 30, 2019 included 36,368.47 MW from wind power; 29,549.34 MW from solar power; 4,604.80 MW from small hydro power; and 9,944.61 MW from biopower including biomass and gasification, bagasse cogeneration and waste to power. (Source: MNRE website, <https://mnre.gov.in>).

The following graph shows India's renewable energy growth of the last six fiscal years and projected growth in Fiscal 2020.

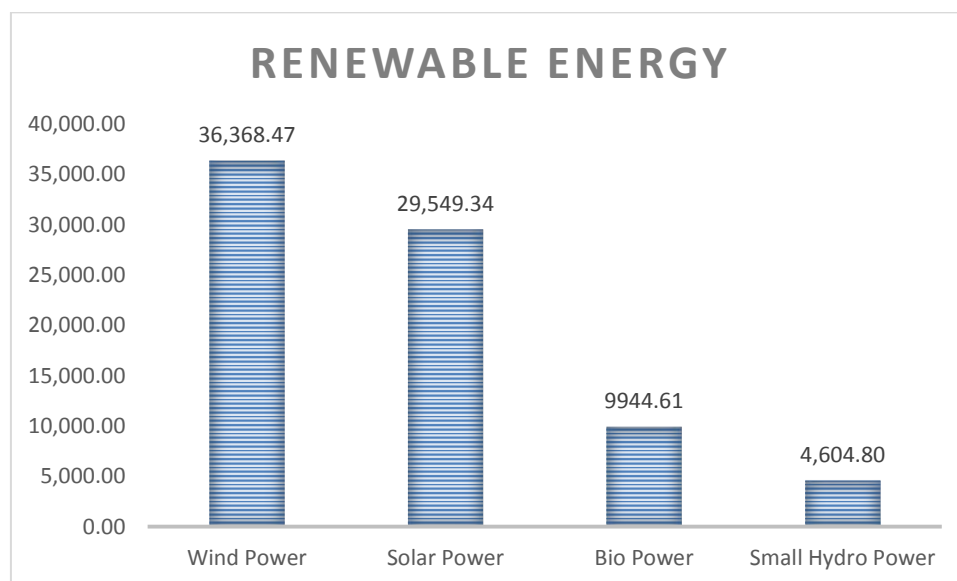


(Source: India Brand Equity Foundation, Renewable Energy, May 2019).

India added record 11,788 MW of renewable energy capacity in Fiscal 2018 and 8.62 GW in Fiscal 2019. ((Source: India Brand Equity Foundation, Renewable Energy, May 2019). According to 2018 Climatescope report, India ranked second among the emerging economies to lead to transition to clean energy. (Source: India Brand Equity Foundation, Renewable

Energy, May 2019).

The following graph shows the sector wise installed capacity of renewable energy in India as on June 30, 2019.

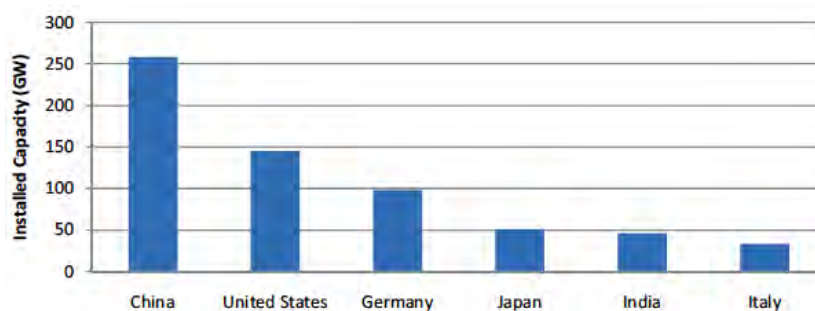


(Chart derived from figures from MNRE website).

More than US\$42 billion has been invested in India's renewable energy sector since 2014. (Source: Press Information Bureau (PIB), Govt. of India)

The renewable energy space in India has become attractive from investors' perspective and has received foreign direct investment ("FDI") inflow of US\$7.48 billion between April 2000 and December 2018. (Source: India Brand Equity Foundation, Renewable Energy, May 2019). Under current regulation, 100% FDI is allowed under automatic route for projects of renewable power generation and distribution subject to provisions of The Electricity Act, 2003. (Source: India Brand Equity Foundation, Renewable Energy, May 2019)

The following chart shows India's renewable energy capacity along with China, the United States, Japan and Italy in 2016 in Gigawatts (GW).



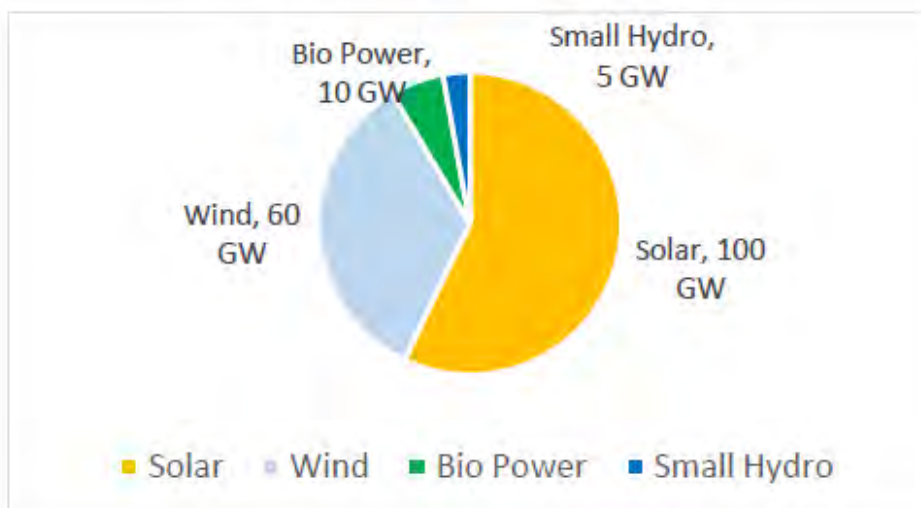
(Chart derived from data in MNRE Annual Report 2017-18).

Renewable Energy Targets

The MNRE has set a target of renewable energy capacity addition of 175 GW by 2022, comprising 100 GW of solar power, 60 GW of wind power 10 GW of biomass power and 5 GW of small hydro power, with a clear roadmap supported by policy and regulatory support for the sector. (Source: MNRE Annual Report 2017-18).

The following chart shows the MNRE's targets for renewable energy by 2022.

Composition of 175 GW by 2022



(Chart derived from MNRE targets; Source MNRE Annual Report 2016-17).

India has recently communicated its INDC (Intended National Determined Contribution) to the UNFCCC (United Nations Framework for Climate Change and Control). India's INDC includes a commitment to reduce the emission intensity of its GDP by 33-35% by 2030 from the 2005 level and achieve about a 40% share of renewable energy capacity in the total installed power capacity in the country by 2030. (Source: MNRE Annual Report 2017-18). In addition, India has committed to reduce carbon emissions by 2.5 to 3 billion tonnes of CO₂ equivalent through additional forest and tree cover by 2030. As per the report released by United Nations Environment Programme on the Global Environment Outlook 2019, India's commitments under its INDC (Intended National Determined Contribution), is on track to achieve the targets (Source: United Nations Environment Programme on the Global Environment Outlook 2019).

As per India's 3rd National Electricity Plan (NEP), India aims to have installed capacity by 2027 as follows:

Solar and Wind 275 GW

Hydro 72 GW

Nuclear 15 GW

No additional capacity of coal will be added

(Source: Central Electricity Authority website, <http://www.cea.nic.in>).

Wind Energy

India is the fourth largest wind power producer in the world, after China, the United States and Germany. (Source: MNRE Annual Report 2017-18). Wind energy has emerged as the most successful renewable energy option in India according to the MNRE and is the fastest growing renewable energy technology for generating grid-connected power amongst various renewable energy options. (Source: MNRE Annual Report 2016-17).

Total installed wind power capacity increased to 34,046.00 MW in Fiscal 2018 from 32,280.00 MW in Fiscal 2017. (Source: Central Electricity Authority website, <http://www.cea.nic.in>). As at June 30, 2019, India had total installed capacity of 36,368.47 MW from wind power. (Source: MNRE website, <https://mnre.gov.in>).

According to the MNRE quoting the Indian Wind Atlas, the on-shore wind power potential in India has been estimated as 49,130 MW at 50 m height, 102,788 MW at 80m height and 302,251.41 MW at 100 m height.

The table below gives the indicative installable wind power potential by state and union territory.

Indicative Potential at different Hub heights in MW			
States/UTs	50m	80m	100m
Andaman and Nicobar	2	365	8.43
Andhra Pradesh	5,394	14,497	44,228.6
Telangana	-	-	42,44.29
Arunachal Pradesh*	201	236	-
Assam*	53	112	-
Bihar	-	144	-
Chhattisgarh*	23	314	76.59
Dieu Damn	-	4	-
Gujarat	10,609	35,071	84,431.33
Haryana	-	93	-
Himachal Pradesh *	20	64	-
Jharkhand	-	91	-
Jammu and Kashmir *	5,311	5,685	-
Karnataka	8,591	13,593	55,857.36
Kerala	790	837	1,699.56
Lakshadweep	16	16	7.67
Madhya Pradesh	920	2,931	10,483.88
Maharashtra	5,439	5,961	45,394.34
Manipur*	7	56	-
Meghalaya *	44	82	-
Nagaland *	3	16	-
Orissa	910	1,384	3,093.47
Pondicherry	-	120	152.83
Rajasthan	5,005	5,050	18,770.49
Sikkim *	98	98	-
Tamil Nadu	5,374	14,152	33,799.65
Uttarakhand *	161	534	-
Uttar Pradesh *	137	1,260	-
West Bengal*	22	22	2.08
Goa	-	-	0.84

Indicative Potential at different Hub heights in MW			
Total	49,130	102,788	302,251.41
* Wind potential has yet to be validated with actual measurements.			

(Source: MNRE Annual Report 2017-18 and National Institute of Wind Power website).

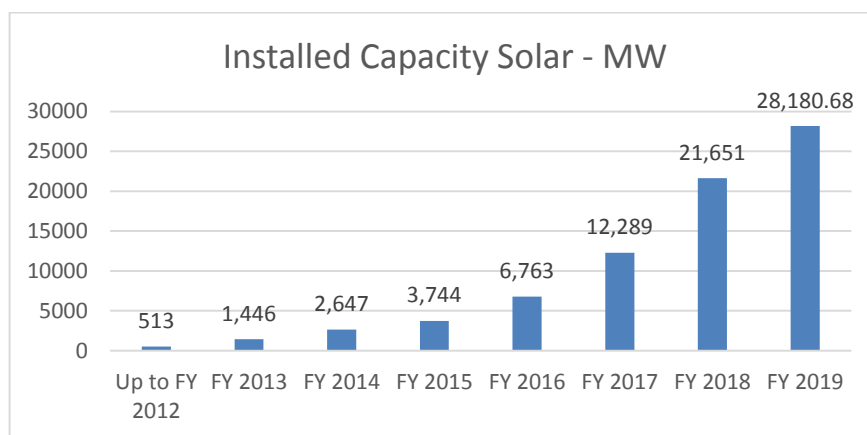
Solar Energy

India is endowed with a vast solar energy potential. Most parts of India have about 300 sunny days. Average solar radiation incident over the land is in the range of 4-7 kWh per day. (Source: MNRE Annual Report 2016-17). Based upon the availability of land solar radiation, the potential of solar power in India has been assessed to be approximately 750GWp. (Source: MNRE Annual Report 2017-18). Solar energy can be utilized through solar photovoltaic technology which enables direct conversion of sunlight into energy and solar thermal technologies which utilizes heat content of solar energy into useful applications. Over the last three decades several solar energy-based systems and devices have been developed and deployed in India which are successfully providing energy solutions for lighting, cooking, water heating, air heating and cooling, and electricity generation. The research and development efforts have also helped in better efficiency, affordability and quality of the products. As a result, many solar energy systems and devices are commercially available in India with affordable cost in the market. (Source: MNRE Annual Report 2016-17).

The MNRE has set the target of deploying 100GW of solar energy by 2022, which will principally comprise of 40GW through rooftop generated solar panels and 60GW through large and medium scale grid connected solar power projects. (Source: MNRE Annual Report 2017-18).

As at June 30, 2019, India had installed solar power capacity of 29,549.34 MW, of which 27,499.05 was ground mounted and 2,050.29 MW was roof top mounted. (Source: MNRE website, <https://mnre.gov.in>).

The following chart shows India's solar power installed capacity in megawatts at the end of each of the last eight fiscal years.



(Chart derived from data in MNRE Annual Report 2016-17, Central Electricity Authority website; MNRE website).

Bidding Framework for Renewable Energy Projects

The GoI has set the framework for bidding 60 GW capacity of solar energy and 20 GW capacity of wind energy until March 31, 2019. Projects of 30 GW solar power and 10 GW wind power capacity are expected to be bid during Fiscal 2020. Around 23 GW of solar and wind power capacity is under installation and about 42 GW of renewable energy bids are at different stages as on March 31, 2019. The capacity additions through Fiscal 2017 were through Feed in Tariff (FiT) mechanism. Subsequently, the tariff regime has been shifted from Feed-in-Tariff (FiT) to bidding route. India registered the lowest ever solar tariffs of ₹2.44 per unit in reverse auctions carried out by Solar Energy Corporation of India (SECI) in May 2017 for 200 MW and again in July 2018 for 600 MW. India registered the lowest ever wind tariff of ₹2.43 per unit in a tender for a 500 MW project by Gujarat Government in December 2017. (Source: Year End Review 2018, MNRE).

Growth in solar power installed capacity is expected to surpass the installed capacity of wind power, reaching 100 GW by 2022. The solar sector in India received investments of approximately US\$9.8 billion in 2018. (Source: India Brand Equity Foundation, under Department of Commerce, Ministry of Commerce, GoI). The Government of India allocated ₹30,049 million in the interim budget for Fiscal 2020 for the development of solar power projects including both grid-interactive and off-grid and decentralized categories.

The MNRE has set the target of deploying 100GW of solar energy by 2022, which will principally comprise of 40 GW through rooftop generated solar panels and 60 GW through large and medium scale grid connected solar power projects.

MNRE is implementing a scheme for the development of at least 25 solar parks with an aggregate capacity of 20,000 MW, which was launched in December 2014. As of November 2018, seven solar parks with generation capacity of 26,694 MW have been approved and 4,195 MW has been commissioned. (Source: MNRE). In March 2017, MNRE has increased the target of setting up of solar projects through solar park from 20 GW to 40 GW by 2021-22. In addition, more than 21 States have announced net metering policies to support rooftop solar power generation.

Small Hydro Power

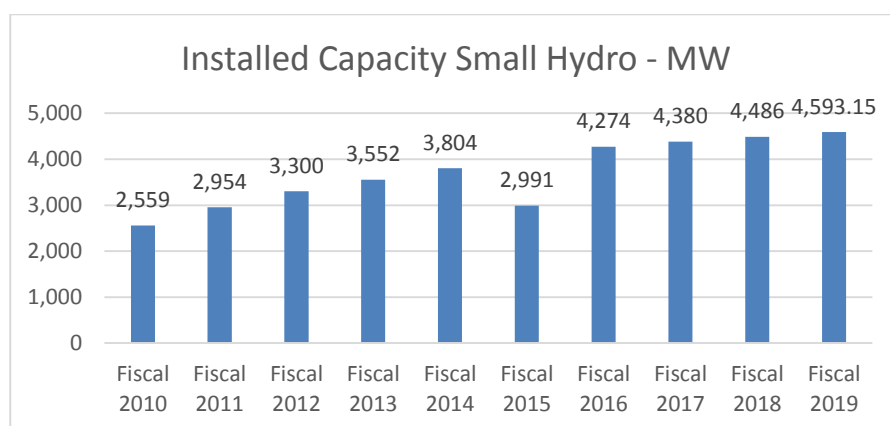
A Small Hydro Project (SHP) is for the development of hydroelectric power that harnesses energy from flowing or falling water from rivers, rivulets, artificially created storage dams or canal drops for generation of electricity. The capacity of a SHP generally lies between 2 MW to 25 MW.

Small hydro projects are environmentally benign and normally do not encounter the problems usually associated with large hydro projects like deforestation and resettlement/rehabilitation due to submergence. (Source: MNRE Annual Report 2016-17). According to the MNRE, SHPs have potential to meet power requirements of remote and isolated areas. (Source: MNRE Annual Report 2016-17). These factors make SHPs an attractive renewable source of grid quality power generation. 24 States of the country have policies in place including the policies towards private sector participation to set up SHP projects in their states. The MNRE has taken a series of steps to promote development of SHPs in a planned manner and improve reliability and quality of the projects.

The GoI has approved a new hydro policy in March 2019 with several new measures for promotion of hydro power, such as (i) declaring large hydro projects as renewable energy sources, (ii) introducing a hydro purchase obligation, (iii) budgetary support to enable hydro related infrastructure and hydro storage projects and (iv) tariff rationalization measures for bringing down the hydro power tariff.

As at June 30, 2019, India had installed capacity of 4,604.80 MW from SHPs. (Source: Central Electricity Authority website, <http://www.cea.nic.in>).

The following chart shows India's SHP installed capacity in megawatts at the end of each of the last ten fiscal years.

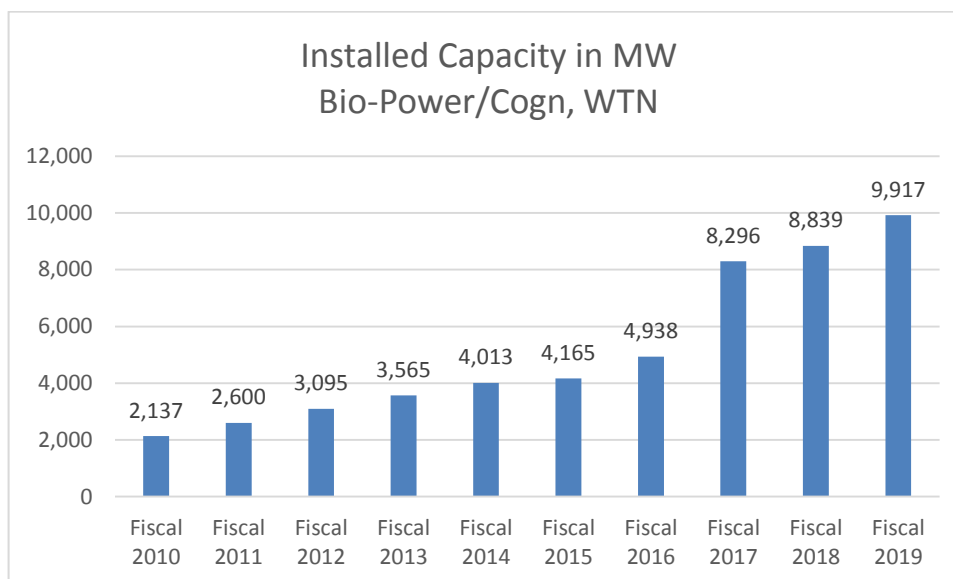


(Chart derived from data in MNRE Annual Report 2016-17; Central Electricity Authority website; MNRE website).

Bio-Power

As at June 30, 2019, India had installed capacity of 9,944.61 MW from biopower including biomass and gasification, bagasse cogeneration and waste to power. (Source: MNRE website, <https://mnre.gov.in>). Biomass is the process by which agricultural materials are used for power generation. Biomass material include rice husk, straw, cotton stalk, coconut shells, soya husk, de-oiled cakes, coffee waste, jute wastes, and groundnut shells and saw dust. Waste-to-energy ("WTE") projects use animal waste material (like cow dung, press mud, poultry litter or other organic material) for power generation or for biogas generation. GoI is formulating a Biomass policy including the use of Biomass pellets in the existing thermal plants. We have introduced a scheme for funding of "Manufacturing of Biomass Pellets/ Briquettes/Torrefied Pellets/ Refuse Derived Fuels (RDF)" and also "Financing scheme for Biomass Projects for heating applications for commercial use". India has a separate "National Policy on Biofuels - 2018". The Goal of this policy is to enable availability of biofuels in the market thereby increasing its blending percentage, an indicative target of 20% blending of ethanol in petrol and 5% blending of biodiesel in diesel is proposed by 2030.

The following chart shows India's cumulative bio-power installed capacity in megawatts at the end of each of the last ten fiscal years.



(Chart derived from data in MNRE Annual Report 2016-17; Central Electricity Authority website; MNRE website).

Enabling framework for growth of Renewable Energy sector in India

Existing policy and regulatory support

Electricity Act 2003 (“EA 2003”): Launched in June 2003, EA 2003 is the most important piece of legislation for the sector and nullifies all earlier enactments that governed the electricity businesses. EA 2003 provides for policy formulation by the Government of India and mandates State Electricity Regulatory Commissions (“SERCs”) to take steps to promote renewable and non-conventional sources of energy within their area of jurisdiction. EA 2003 promotes cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with grid and sale of electricity to any person, and it also specifies, for purchase of electricity from such sources, a percentage of total consumption of electricity in each area of distribution license. Further, EA 2003 explicitly stated the formulation of National Electricity Policy (NEP), National Tariff Policy and plan thereof for development of power systems to ensure optimal utilization of all resources including renewable sources of energy.

National Electricity Policy 2005: The National Electricity Policy 2005 aims to exploit feasible potential of renewable energy resources, reduce capital costs, promote competition and private sector participation. The percentage for purchase of power from non-conventional sources should be made applicable for the tariffs to be determined by the SERCs. Progressively the share of electricity from non-conventional sources would need to be increased as prescribed by SERCs. Such purchase by distribution companies shall be through competitive bidding process. It essentially reemphasized the need of harnessing RE generation.

National Tariff Policy 2006 (amended 2016): The National Electricity Policy 2006 formulates that a minimum percentage of renewable energy procurement should be made applicable. Also, a preferential tariff should be determined by SERC’s to enable renewable energy targets to be met and to allow procurement of renewable energy through competitive bidding.

Amendments to the National Tariff Policy in 2016 have provided for (i) a Renewable Generation Obligation (RGO) whereby thermal plants after specified date will need to establish, procure or purchase renewable capacity, (ii) promotion of hydro projects through long term power purchase agreements and exemptions from competitive bidding until August 2022, (iii) procurement of 100% of power produced from WTC plants.

National Action Plan of Climate Change 2008 (“NAPCC 2008”): The NAPCC 2008 identifies eight crore national missions running through 2017, envisaging several measures to address global warming. One of the missions provides that a dynamic minimum renewable purchase standard be set, with escalation each year till a pre-defined level is reached. NAPCC 2008 set a target of 5% renewable energy purchase for Fiscal 2010, with an increase of 1% in target each fiscal year to reach 15% renewable energy penetration by Fiscal 2020. SERCs may however set higher percentages than this minimum at each point in time.

Renewable Purchase Obligations: Renewable Purchase Obligations (“RPOs”) are the obligation imposed by the Electricity Act, 2003 on the State DISCOMs and other large consumers of power to either buy electricity generated by specified renewable energy sources, or buy, in lieu of that, renewable energy certificates (“RECs”) from the market. RECs are issued to companies that produce power from renewable power and to the eligible distribution licensee.

SERCs set targets for distribution companies to purchase certain percentage of their total power requirement from renewable energy sources known as RPOs. The states have already specified their RPOs ranging from 2% to 14% of their total energy demand to be met by renewable energy.

Indian Ocean Rim Association (IORA): In October 2018, 21 countries adopted the Delhi Declaration on Renewable Energy in the Indian Ocean Region for a common renewable energy agenda, increased collaboration and promotion of regional capacity building. (Source: PIB, Govt. of India).

Other planned initiatives

Power for All: To achieve sustainable development of power sector, the GoI has set a long-term target of 24x7 power for the entire population by 2019.

National offshore wind policy: Preliminary assessments suggest interesting prospects of development of offshore wind energy in India. To tap this potential, the MNRE is currently working on a policy for deployment of offshore wind energy projects in the Exclusive Economic Zone (EEZ) of the country. The policy proposes to address issues such as resource assessment and surveys, seabed allocation and lease arrangement, facilitation in clearances and approvals and evacuation of power generated from offshore wind power projects.

Transmission infrastructure: This involves development of a network specifically for wheeling of renewable energy power. The proposed evacuation infrastructure will be capable of evacuating power from proposed capacity additions. It proposes a high capacity transmission system (Green energy corridor) that will evacuate renewable power from renewable energy rich states to load centres and make pockets of renewable energy generation grid interactive. It will be integrated with the existing grid and foster reliable forecasting of renewable energy-based generation and reduce evacuation losses.

Green Energy Transmission Corridor: Power Grid Corporation of India is establishing a Green Energy transmission corridor for evacuation of renewable power from renewable energy rich states to load centres. The eight renewable rich states (including Tamil Nadu, Karnataka, Andhra Pradesh, Maharashtra, Gujarat, Rajasthan, Himachal Pradesh and Jammu and Kashmir). With the implementation of the Green corridor, the pockets of the renewable energy generation would become grid interactive and thereby the restrictions on renewable energy evacuation, losses would reduce.

Renewable Energy resource assessment databases: India has developed data bases for renewable energy resource assessment. This has been done in a bid to promote development of utilization of renewable energy in the country. The National Institute of wind energy (NIWE) has developed the wind atlas of India. NIWE also collects data from Solar Radiation Resource Assessment (SRRA) stations to assess and quantify solar radiation availability, quality of data assessment, processing, modelling and to make solar atlas of India. (Source: Investors Manual – RE-INVEST 2015).

Payment security mechanism fund: The MNRE has issued scheme guidelines for setting up of over 5,000 MW grid-connected solar PV power projects with viability gap funding (VGF) including the creation of Payment Security Mechanism (“PSM”) fund of ₹5000 million to cover delays in payments by the buying entities (including DISCOMs, State utilities and bulk consumers) under three VGF schemes (750 MW, 2,000 MW and 5,000 MW). The PSM fund of ₹5000 million has been released to the SECI in tranches. From August 1, 2019, Ministry of Power has made it mandatory for power distribution licensees to open and maintain adequate LoC as a payment security mechanism under Power Purchase Agreements (PPAs). (Source: Ministry of Power website, <http://powermin.nic.in>).

Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects: This scheme aims to set up 25 solar parks and ultra mega solar power projects targeting 20,000MW of solar power installed capacity by Fiscal 2020. (Source: India Brand Equity Foundation, Renewable Energy, May 2019).

Central Public Sector Undertaking (CPSU) Scheme Phase-II: The Cabinet Committee on Economic Affairs (CCEA) has approved the MNRE's proposal for implementation of the Central Public Sector Undertaking (CPSU) Scheme Phase-II for setting up 12,000 MW grid-connected solar photovoltaic (PV) power projects with Viability Gap Funding (VGF) support of ₹858 million for self-use or use by Government or Government entities, o both Central and State Governments. The Scheme mandates the use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE.

Phase-II of Grid Connected Rooftop Solar Programme: The GoI has approved Phase-II of the Grid Connected Rooftop Solar Programme for achieving cumulative capacity of 40,000 MW from rooftop solar projects by the 2022. The programme will be implemented with total central financial support of ₹1,181.4 million.

Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM): The GoI approved the launch of the Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM) with a central aid of ₹34,42.2 million to provide financial and water security to farmers through harnessing solar energy capacities of 25.75 gigawatt (GW) by 2022. Further on July 22, 2019, the GoI provided guidelines for implementation of the scheme. The proposed scheme consists of three components

- 10,000 MW of decentralized ground mounted grid connected renewable power plants ;

- Installation of standalone solar powered agriculture pumps; and
- Solarization of grid-connected solar powered agriculture pumps.

Floating Solar PV (FSPV) Power Plants: In order to address the issue of land availability, floating solar plants on dams and reservoirs are being encouraged. Solar Energy Corporation of India has invited expressions of interest to install 10 GW of floating solar power plants capacity in a phased manner over the next three years.

Off-shore wind: The GoI has solicited expressions of interest to develop 1000 MW offshore wind energy in the Gulf of Khambat, Gujarat. There is a potential of 75 GW of offshore wind power in Gujarat and potential of 60 GW of offshore wind power in in Tamil Nadu.

Energy storage for grid integration of renewables: MNRE has constituted an expert committee with a mandate of proposing an energy storage mission. Energy storage could provide capacity across the entire energy value chain - generation, transmission and distribution.

OUR BUSINESS

This Draft Red Herring Prospectus also contains forward-looking statements, which refer to future events that involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see “Forward-Looking Statements” on page 15.

Unless otherwise indicated, this “Our Business” section has been prepared on the basis of our Restated Financial Statements. To obtain a complete understanding of our business, you should read this section in conjunction with the sections “Risk Factors”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation” and “Financial Information” beginning on pages 21, 78, 295 and 144, respectively.

In this “Our Business” section amounts of outstanding loans and advances does not include front end fee adjustments.

Overview

We are a domestic financial institution with more than 30 years of experience in the Indian renewable energy sector. We provide financial assistance to renewable energy projects, companies and manufacturers in India for power generation, equipment supply and fuel source projects including wind power, solar power, hydro power, biomass, co-generation and waste to energy as well as energy efficiency and conservation. Our comprehensive suite of financial products and services includes various fund-based financial products including long-term and short-term project and manufacturing loans, take out financing, bridge loans, securitization of project receivables, various financing schemes for renewable energy suppliers, manufacturers and contractors as well as non-fund based assistance, like performance guarantees, letters of comfort, letters of undertaking and refinancing schemes.

As at March 31, 2019, we had loans and advances (on a gross basis before amortisation and front end fee adjustments) outstanding of ₹213,886.69 million out of which 27.25% related to wind power and 35.93% related to solar power. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we sanctioned loans of ₹119,418.70 million, ₹121,300.09 million and ₹101,990.11 million, respectively, and we disbursed loans of ₹93,853.66 million, ₹83,283.83 million and ₹65,934.87 million, respectively. In Fiscal 2019, our sanctioned loans included

- ₹48,200.65 million of term loans for renewable energy and energy efficiency and conservation projects;
- ₹38,690.00 million of short-term loans to renewable energy developers, suppliers, and others;
- ₹29,754.10 million of take-out financing replacing loans of other banks and financial institutions;
- ₹1,642.60 million of guarantees under our Guarantee Assistance Scheme;
- ₹1,071.35 million of bridge loans in respect of pending energy bills and generation-based incentives; and
- ₹60.00 million of securitization of receivables.

Currently, we are a 100% Government of India (“GoI”) owned enterprise under the administrative control of the Ministry of New and Renewable Energy (the “MNRE”). Our Company is a “Public Financial Institution” (a “PFI”) under Section 2(72) of the Companies Act, 2013 and is registered as a non-banking financial company (a “NBFC”) with the Reserve Bank of India (the “RBI”). We believe that our classification as a PFI enhances our ability to raise funds on a cost-competitive basis (including through the issuance of various types of bonds that offer certain tax benefits to the bondholders). We also were conferred with the Mini Ratna (Category 1) status in June 2015 by the Department of Public Enterprises.

We were established as an integral part of, and have played a strategic role in, the GoI’s initiatives for the promotion and development of the renewable energy sector in India. We have been involved in the development and implementation of various policies and structural and procedural reforms in the renewable energy sector. Under the IREDA-NCEF Refinancing Scheme, we utilize funds received from the National Clean Energy Fund (“NCEF”) to refinance renewable energy projects for bio-mass (up to 10MW) and small hydro (up to 5MW). We have also been involved in various GoI programs for the development of renewable energy sector including the Wind GBI Scheme, the Solar GBI Scheme and the Solar Water Heating System Capital Subsidy Scheme.

Our primary sources of funds include domestic and foreign borrowings, internal resources and Government of India guarantees and support. As at March 31, 2019, our domestic borrowings were ₹68,947.33 million, which included taxable and tax-free bonds as well as term loans from other banks and financial institutions in the domestic market. Further our rupee borrowings from green rupee-denominated bonds Masala bonds in the international market were ₹19,403.06 million. As at and March 31, 2019, our foreign currency borrowings from international sources guaranteed by the GoI were ₹81,308.47 million, and our foreign currency borrowings from international sources on a non-sovereign basis were ₹17,796.47 million. In January 2019, we issued ₹8,650.00 million of taxable green bonds, and we issued ₹1,500.00 million of taxable unsecured subordinated Tier II bonds in February 2019 which were rated AAA by domestic rating agencies and were issued at coupon rate which was lower than the benchmark rate for AAA rated PSU bonds as quoted on Reuters on that date.

In addition to our financial products and services, we have also set up our own 50 MW Solar Photovoltaic Project in 200 MW Kasaragod Solar Park in the state of Kerala at a cost of ₹3,193.62 million. The project generates power which is injected into the grid of Kerala State Electricity Board. The project was part commissioned in December 2016 and fully commissioned in September 2017. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, our 50 MW Solar Photovoltaic Project earned revenue of ₹288.91 million, ₹200.34 million and ₹22.9 million, respectively.

We believe that we have consistent track record of financial performance and growth. Our loans and advances (on a gross basis before amortisation and front end fee adjustments) outstanding increased from ₹136,046.62 million as at March 31, 2017 to ₹213,886.69 million as at March 31, 2019, at a CAGR of 25.39%. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we sanctioned loans of ₹119,418.70 million, ₹121,300.09 million and ₹101,990.11 million, respectively, and we disbursed loans of ₹93,853.66 million, ₹83,635.75 million and ₹70,026.66 million, respectively. In addition, our loan asset portfolio has increasingly become diversified. Out of our total loan assets portfolio, as at March 31, 2019, 27.25% related to wind projects; 35.93% related to solar projects; 11.06% related to small hydro projects, 1.45% related to biomass and waste to energy projects; 6.38% related to co-generation and energy efficiency projects; and 17.77% related to miscellaneous projects (which includes short term loans to renewable energy developers, suppliers and others). As at March 31, 2019, our top five, ten and 20 borrowers represented 12.14%, 20.92% and 32.65% of our total loan assets outstanding, respectively.

Our average cost of funds in Fiscal 2019, Fiscal 2018 and Fiscal 2017 was 7.32%, 7.70% and 6.86%, respectively. As at March 31, 2019, our gross Non-Performing Assets (“NPAs”) as a percentage of our loan and advances was 6.12% and our net NPAs as a percentage of our loan and advances was 3.74%. Our capital adequacy ratio was 16.32% as at March 31, 2019.

Our total revenues increased from ₹13,342.31 million in Fiscal 2017 to ₹20,265.91 million in Fiscal 2019, at a CAGR of 23.24% while our profit after tax changed from ₹2,100.74 million in Fiscal 2017 to ₹2,310.95 million in Fiscal 2019. In Fiscal 2019, our total revenues were ₹20,265.91 million and our profit after tax was ₹2,310.95 million. In Fiscal 2019, our profit after tax as a percentage of average total assets and as a percentage of average net worth were 1.01% and 8.69%, respectively.

Certain of our key financial and operational indicators as at and for the years ended March 31, 2019, 2018 and 2017 are set forth below.

Certain Key Financial and Operational Indicators	As at and for the year ended March 31,	As at and for the year ended March 31,	As at and for the year ended March 31,
	2019	2018	2017
	<i>in ₹ millions, except percentages and ratios</i>		
Total Revenue	20,265.91	18,169.21	13,342.31
Profit after tax	2,310.95	4,053.60	2,100.74
Net interest income(1)	7,437.40	6,874.40	6,613.37
Average net worth	26,595.15	25,351.64	23,939.67
Long-term loans and advances	213,886.69	158,203.90	136,046.62
Total borrowings	187,455.33	149,852.08	127,771.09
Profitability ratios:			
Interest Spread (10)	2.69%	3.32%	4.64%
Net interest margin(2)	3.78%	4.24%	4.82%
Long-term debt to equity ratio	6.76	5.88	5.07
Average yield on average interest-earning assets(3)	10.04%	10.83%	10.56%
Average cost of funds(4)	7.32%	7.70%	6.86%
Spread(5)	2.72%	3.13%	3.70%
Cost to income ratio(6)	80.45%	69.76%	75.83%

Certain Key Financial and Operational Indicators	As at and for the year ended March 31,	As at and for the year ended March 31,	As at and for the year ended March 31,
	2019	2018	2017
Return on average assets (after tax)(7)	1.01%	2.03%	1.28%
Return on equity(8)	8.69%	15.99%	8.78%
Regulatory capital ratios:			
CRAR	16.32%	18.05%	19.17%
Asset quality ratios:			
Provision coverage ratio(9)	38.28%	34.97%	32.77%
Gross NPAs to total Loan Portfolio	6.12%	6.30%	6.01%
Net NPAs to total Loan Portfolio	3.74%	3.84%	3.77%

Notes:

1. Net interest income = “NII” represents interest income (comprising interest on loans, bonds, staff advances, loan against public deposits and fixed deposits with banks) and other income that is directly attributable to loans and advances (such as loan application fees and front-end fees payable by borrowers prior to sanction/disbursement of loans) minus (-) interest expenditure (comprising interest on secured loans and unsecured loans) and other borrowing costs.
2. Net interest margin = NII divided by the average interest earning assets, expressed as a percentage. The average is the balance as at the day before the start of the period and the balance as at the end of the period, divided by 2 (e.g., for year ended March 31, 2019, the average is the balance as at March 31, 2018 and the balance as at March 31, 2019, divided by 2).
3. The average yield on average interest-earning assets is the ratio of interest income and income that is directly attributable to income on loans and advances (such as loan application fees and front-end fees payable by the borrower prior to sanction/disbursement of the loan) on interest earning assets to Average interest-earning assets for the year or period, as applicable.
4. Average cost of funds refers to finance cost for the period divided by the average interest-bearing liabilities, expressed as a percentage.
5. Spread refers to difference between Average yield on interest earning asset and average cost of interest-bearing liabilities.
6. Cost to income ratio refers to the ratio of total operating expenses (including employee expenses, office operating expenses, other expenses (excluding loan origination costs) and depreciation) to our gross income (revenue from operations less finance costs and loan origination costs).
7. Return on average assets (after tax) is calculated by dividing the profit after tax for the period by the average total assets for the period.
8. Return on equity is calculated by dividing the profit after tax for the period by the average shareholder's equity for the period, expressed as a percentage.
9. Provision coverage ratio reflects the ratio of provisions created for NPAs for loans to gross NPAs for loans.
10. Interest spread refers to the difference between average yield on advances and average cost of interest-bearing liabilities

Strengths

We believe that the following are our primary strengths.

Established, Trusted and Innovative Brand

With over 30 years of experience, we are one of the preferred financing providers for the renewable energy sector in India. We have an established track record as a lender, and we believe that we have also been a catalyst to the sector by encouraging other financial institutions to provide financing for renewable energy. We believe that we are a trusted brand well known for our renewable energy sector expertise, technical expertise in appraising projects and the quality service that we provide to our borrowers. Our relationships with the Central and State governments, various regulatory authorities, significant power and renewable energy sector organizations, Central and State power utilities, private sector project developers, as well as other intermediaries in the renewable energy sector help us to build a quality loan book, evaluate borrowers and projects, implement security and collateral arrangements and to assist our customers in developing and operating their projects.

Our Company is a “Public Financial Institution” (a “PFI”) under Section 2(72) of the Companies Act, 2013 and is registered as a non-banking financial company (a “NBFC”) with the Reserve Bank of India (the “RBI”). We believe that our classification as a PFI enhances our ability to raise funds on a cost-competitive basis (including through the issuance of various types of bonds that offer certain tax benefits to the bondholders). We also were conferred with the Mini Ratna (Category 1) status in June 2015 by the Department of Public Enterprises (DPE), Government of India. We also have received both domestic and international ratings for our borrowings and bonds. See “—Our Credit Ratings” below.

Our brand is also known for introducing innovative financing in the renewable energy sector. For example, we introduced various new schemes including financing of biomass projects for heating applications for commercial use; a guarantee

assistance scheme to renewable energy suppliers, manufacturers and EPC contractors for bid security; and a credit enhancement guarantee scheme for raising bonds by our developers against their operating renewable energy assets. In addition, we provide bridge loans to developers for their interim funding requirements before they receive solar viability gap funding or generation-based incentives and top-up loans.

We have been honoured with awards and recognitions as an acknowledgement of our business strengths and the value of our brand including:

Year	Particulars
2019	Best Financing Agency in Renewable Energy Award from Central Board of Irrigation and Power
2018	Golden Peacock Award for Corporate Ethics - for the year 2017
2018	CBIP Award for Outstanding Contribution for Development in Renewable Energy
2018	India Pride Award 2017-18 under Miniratna – 1 Category from Dainik Bhaskar Group
2018	Deal of the Year Award at the UK-India Awards for issue of Masala bonds listed on the London Stock Exchange
2018	Best Performing Project Award 2017 from the Department of Economic Affairs, Ministry of Finance, Government of India and the Asian Development Bank
2018	Golden Peacock Award for Environment Management
2017	Best Financial Performance (Mini Ratna Company) Award by Hindustan newspaper at the Hindustan Ratna PSU Awards
2016	“SCOPE award for Excellence and Outstanding Contribution to the PSE Management – Institutional Category III (Other Profit Making PSEs)
2016	“Certificate of Appreciation for issuing schemes to provide loans for Concentrated Solar Thermal Systems” at CST & Solar Cooker Excellence Awards – 2016 from the MNRE
2016	“Outstanding Performance Award 2016” in the Category of Non-Banking Financing Companies (Public Sector) for “Highest lending by a Public Sector NBFC in Renewable Energy Space” for the period February 2015 – March 2016 from MNRE

For further details on awards and accolades, see “*History and Certain Corporate Matters*” on page 122.

Strategic role in GoI initiatives in the renewable energy sector

We were established as an integral part of, and have played a strategic role in, the GoI’s initiatives for the promotion and development of the renewable energy sector in India for more than three decades. We provide innovative and customized financial services across the entire renewable energy value chain, from manufacturing facilities to power generation to evaluation projects. We have been involved in the development and implementation of various policies and structural and procedural reforms for the renewable energy sector. We have been involved in various GoI programs for the renewable energy sector including the Wind GBI Scheme, the Solar GBI Scheme and the Solar Water Heating System Capital Subsidy Scheme. In addition, State and Central regulatory authorities from time to time seek our inputs and comments on various issues and policies. We believe that our wide experience and understanding of government policies and programs provide us with industry expertise that have enabled us to develop our project risk assessment capabilities to effectively evaluate projects, structure appropriate financing solutions, and establish effective loan disbursement and project monitoring methodologies.

Currently, we are a 100% GoI owned enterprise under the administrative control of the MNRE. We were conferred with the Mini Ratna (Category 1) status on June 2, 2015 by the Department of Public Enterprises, which provides us increased degree of autonomy and prestige. As a result of this Mini Ratna status, we have had access to a number of international lines of credit without the requirement of a GoI sovereign guarantee.

Access to diversified sources of funds

Our primary sources of funds include domestic and foreign borrowings, internal resources and Government of India guarantees and support. We believe that our classification as a PFI and our credit ratings enable us to access various cost competitive funding options. Our primary sources of funds include domestic and foreign borrowings, internal resources and Government of India guarantees and support.

As at March 31, 2019, our domestic borrowings were ₹68,947.33 million, which included taxable and tax-free bonds as well as term loans from other banks and financial institutions in the domestic market; and our rupee borrowings from green rupee-denominated bonds (Masala Bonds) from international market were ₹19,403.06 million. As at and March 31, 2019, our foreign currency borrowings from international sources guaranteed by the GoI were ₹81,308.47 million, and our foreign currency borrowings from international sources on a non-sovereign basis were ₹17,796.47 million. In January 2019, we issued ₹8,650.00 million of taxable green bonds, and we issued ₹1,500.00 million of taxable unsecured subordinated Tier II bonds in February 2019 which were rated AAA by domestic rating agencies, and were issued at coupon rate which was lower than the benchmark rate for AAA rated PSU bonds as quoted on Reuters on that date.

Our international funding sources also includes loans from the World Bank, the Asian Development Bank, Kreditanstalt für Wiederaufbau, Japan International Cooperation Agency, European Investment Bank, Agence Française Développement and Nordic Investment Bank.

Our average cost of funds in Fiscal 2019, Fiscal 2018 and Fiscal 2017 were 7.32%, 7.70% and 6.86%, respectively, which we believe is competitive. Our debt to equity ratio was 6.76 at March 31, 2019.

Our cost of funding is influenced by our credit ratings on our domestic and international borrowings and debt securities. See “Our Business—Our Credit Ratings” beginning on page 109.

Comprehensive credit appraisal and risk management policies and procedures

We have developed extensive knowledge and experience in the Indian renewable energy and power sectors, and believe we have comprehensive credit appraisal policies and procedures, which enable us to effectively appraise and extend financial assistance to various renewable energy sector projects. We follow a systematic institutional and project appraisal process to assess and mitigate project and credit risk. We believe our internal processes and credit review mechanisms reduce the number of defaults on our loans and contribute to our profitability.

We also have developed comprehensive risk management policies and procedures. We place importance on actively managing and controlling our risk exposures. These processes include a detailed appraisal methodology, identification of risks and suitable structuring of credit risk mitigation measures. We have set up a Risk Management Committee to monitor various risks, examine risk management policies and practices and initiate action for mitigation of risks relating to our operations.

We have established an effective asset liability management system and formed an Asset Liability Management Committee (“ALCO”). The ALCO monitors risks related to liquidity and interest rates and also monitors the implementation of decisions taken in the ALCO meetings. Liquidity risk is monitored through liquidity gap analysis.

In order to ensure that we have sufficient funds to meet our commitments, we maintain satisfactory levels of liquidity to ensure availability of funds at any time covering up to three months' liquidity requirements. Currently surplus funds are invested by way of short-term deposits with banks. We have an active policy of managing the maturities of our assets and liabilities.

We have established a committee for fixing interest rates and reviewing interest rate risks. We review our lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements. We have historically, and will in the future, implement interest rate risk management through the contractual terms of our loans, including pricing terms, maturities and pre-payment and re-pricing provisions. In addition, all loan sanction documents specifically entitle us to vary the interest rate on the undisbursed portion of any loan.

We have developed a Foreign Exchange and Derivatives Risk Management Policy to manage risks associated with foreign currency borrowing. We manage foreign currency risk through derivative products (such as currency forwards, options, principal swaps, interest rate swaps and forward rate agreements) offered by banks, who are authorized dealers. Our Foreign Exchange and Derivatives Risk Management Policy lays down the appropriate systems and controls to identify, measure, monitor, report and manage the currency risks, including interest rate risk.

Track record of financial performance and growth

We believe that we have an established track record of consistent financial performance and growth, which enable us to capitalize on attractive financing opportunities in the renewable energy sector in India. Our loans and advances (on a gross basis before amortisation and front end fee adjustments) outstanding increased from ₹136,046.62 million as at March 31, 2017 to ₹213,886.69 million as at March 31, 2019, at a CAGR of 25.39%. In Fiscal 2019, our total loans sanctioned pending disbursement (net of any loan sanctions cancelled) were ₹60,962.37 million. Further, our total revenues increased from ₹13,342.31 million in Fiscal 2017 to ₹20,265.91 million in Fiscal 2019, at a CAGR of 23.24%

In addition, our loan asset portfolio has increasingly become diversified by renewable sector and customer base. Our loans outstanding in the solar sector increased to ₹76,858.48 million as at March 31, 2019 from ₹34,852.97 million as at March 31, 2017; our loans outstanding in the wind sector increased to ₹58,281.12 million as at March 31, 2019 from ₹43,806.85

million as at March 31, 2017; and our loans outstanding in the hydro sector increased to ₹22,663.44 million as at March 31, 2019 from ₹19,289.91 million as at March 31, 2017. As at March 31, 2019, our top five, ten and 20 borrowers represented 12.14%, 20.92% and 32.65% of our total loan assets, respectively.

Our net worth increased from ₹27,712.69 million as at March 31, 2019 to ₹24,277.81 million as at March 31, 2017. Our capital adequacy ratio was 16.32% as at March 31, 2019 and comfortably exceeds the minimum of 10.0% required under RBI prudential norms.

Experienced and committed management and employee base with in-depth sector expertise

We believe we have an experienced, qualified and committed management and employee base. Many of our employees, particularly senior management, have worked with us for significantly long periods. With 164 employees as at June 30, 2019, we believe we have an efficient and lean organizational structure relative to the size of our operations and profitability. Our assets under management (which is our interest and income earning assets) (“AUM”) per employee increased to ₹1,334.77 million in Fiscal 2019 from ₹1,166.25 million in Fiscal 2018 and from ₹990.90 million in Fiscal 2017. Our personnel policies are aimed towards recruiting talented employees and facilitating their integration into our Company and encouraging the development of their skills.

Our management has significant experience in the renewable energy sector and the financial services industry, which has enabled us to develop effective project appraisal process, implement a stringent risk management framework, identify specific requirements of renewable energy sector projects and offer a diverse range of financing solutions to such projects. The average work experience of our management is between 25 and 30 years. The experience of our management together with their strong relationships with government agencies and instrumentalities and other renewable energy and power sector intermediaries have enabled us to successfully identify attractive financing opportunities. We believe that our experienced management team have been key to our success and will enable us to capitalize on future growth opportunities.

Strategy

Our objective is to devise and offer innovative financing and consolidate our position as the leading financial institution in the renewable energy sector. To fulfil this goal, we plan to pursue the strategies set forth below.

Continue to leverage our industry expertise and relationships to capitalize on the expected growth in the Indian renewable energy sector

The total power generation installed capacity in India as at June 30, 2019* stood 358,970 MW (not including captive power generation), out of which renewable power generation contributed 80,467 MW constituting more than 22.0% of the total power generation installed capacity (not including captive power generation) and hydro power generation was 45,399 MW constituting 12.6% of the total power generation installed capacity (not including captive power generation). (Source: Ministry of Power website, <http://powermin.nic.in>). The MNRE has set a target of renewable energy capacity addition of 175 GW by 2022, comprising 100 GW of solar power, 60 GW of wind power 10 GW of biomass power and 5 GW of small hydro, with a clear roadmap supported by policy and regulatory support for the sector. (Source: MNRE Annual Report 2017-18; MNRE Annual Report 2016-17).

Our plan is to continue to leverage our industry expertise and relationships to capitalize on the expected growth in the Indian renewable energy sector. With over 30 years of experience, we are one of the preferred financing providers for the renewable energy sector in India. Our relationships with the Central and State governments, various regulatory authorities, significant power and renewable energy sector organizations, Central and State power utilities, private sector project developers, as well as other intermediaries in the renewable energy sector will further helps us in capitalizing the growth.

Expand and diversify our products and services

We believe that our diverse offering of financial products and services to a wide range of projects and businesses in the renewable energy sector has been an important competitive advantage over other lenders currently operational and entering the renewable energy financing domain. Our strategic focus will be to continue to expand our financial products and services offering as well as to diversify the types of projects and customers that we serve.

We have identified the following key areas for diversification and expansion.

- We intend to expand our loan book through financing of transmission and evacuation infrastructure projects related to renewable energy which are expected to be launched in the near future. We shall target renewable energy evacuation projects promoted by state transmission utilities (STUs), Power Grid Corporation, independent private transmission companies (IPTC) and renewable energy project developers for financing.
- We intend to finance renovation and modernization (R&M) projects for Indian hydro power stations.

- We intend to finance non-fossil fuel-based technologies including medium and large hydro projects (above 25 MW) and by leveraging co-financing and syndication with other banks and financial institutions in the domestic market.
- Within our core business areas of solar and wind, we aim to diversify by providing funds for new technologies or business models including offshore wind and aggregators of rooftop solar panels.
- We will expand the scope of some of our existing financial products for including:
 - loans against securitization of future receivables from the renewable energy projects; and
 - short term loans to renewable energy developers, suppliers and contractors.
- We intend to begin offering advisory and consulting services to renewable energy projects and companies like due diligence, financial feasibility assessment, risk minimization and mitigation services.
- We intend to finance bio fuels/ alternate fuel including ethanol and bio -diesel use in thermal projects.
- We intend to engage in vendor financing of renewable energy manufacturers (OEMs/EPCs).
- We intend to expand the scope of our top-up loan scheme.

Continue to focus on improving the credit quality of our loan book

We will continue to focus on improving the credit quality of our loan book with the goal of reducing our NPA levels. We aim to identify credit issues among renewable energy borrowers and address these issues by modifying our underlying policies and procedures. For example, to address our NPAs that have arisen from credit problems in biomass, co-generation, waste to energy and small hydro power projects, we reduced our funding of these projects to not more than 50% of the project cost. We have made the major focus of our funding in the wind and solar sectors.

We also intend to improve our monitoring and recovery process to improve our collections on existing impaired loans. We review our debt repayment positions on a regular basis to identify potentially problematic loans at an early stage and prepare for immediate corrective action to ensure recovery from these loans.

Continue to focus on improving processes and delivery

With the goal of client retention and generating new business development opportunities, we are focused on improving our delivery processes to customers including lowering transaction costs, expanding our geographic reach, improving customer satisfaction and reducing transaction time.

Lowering transaction costs

We intend to reduce the transaction cost of our customers. For example, we are working to lower customer costs through

- our online loan application for customers to facilitate submission of loan applications through our website as a step towards making processes more transparent, system driven and to reduce cost; and
- an operationalized customer portal to facilitate our customers view of the status of their applications and projects and repayment schedules online.

Improving customer satisfaction

Our endeavour is to improve customer satisfaction through technological intervention, reducing the transaction time and continuous improvement and simplification of systems and processes.

Increase our market visibility to new and existing renewable energy borrowers

We believe that we have developed a trusted position as a provider of financing products and services in the Indian renewable energy market. As the Indian banking and financial sector continues to become more competitive, we intend to increase the market visibility of our product and service offering and our brand. We were the first Indian company to raise Green Masala Bonds from the international market with listings on international exchanges (SGX and LSE). For the last three decades, we have been supporting establishment of renewable energy projects and have been successful in the commercialization of sustainable energy technologies in India by introducing various innovative schemes for development and financing of the

sector.

Our Products and Services

We are primarily engaged in providing finance and re-financing to projects, companies, manufactures and schemes that generate energy through new or renewable energy sources, through debt financing.

We operate from our corporate office in New Delhi, our branch offices in Chennai and Hyderabad and our camp office in Ahmedabad. We provide financial assistance to the renewable and energy efficiency projects including wind power, solar power, hydro power, biomass, co-generation and waste to energy as well as energy efficiency and conservation.

Fund Based Products and Services

As of March 31, 2019, we offered the following financial products and services:

- Term loans for renewable energy and energy efficiency and conservation projects;
- Term loans for manufacturing of renewable energy and energy efficiency and conservation components;
- Short term loans to renewable energy developer and suppliers;
- Bridge loans for solar viability gap funding and generation-based incentives;
- Take-out financing from banks and financial institutions;
- Securitization of project receivables;
- Short term loans against pending energy bills of DISCOMs;
- Guarantee Assistance Scheme to renewable energy suppliers, manufacturers and EPC contractors;
- Lines of credit to NBFCs for on- lending to RE/EEC projects;
- Policies for underwriting debt and loan syndication;
- Loan scheme for financing of rooftop solar grid connected and interactive power projects;
- “Access to Energy” scheme under a KfW line of credit;
- Policies for financing of transmission projects;
- Top-up loan scheme;
- Scheme for financing manufacturing of biomass pellets, briquettes, torrefied pellets and refuse derived fuels;
- Scheme for financing of biomass projects for heating applications for commercial use;
- Non-fund-based services including guarantee assistance to renewable energy suppliers, manufacturers and contractors, letters of comfort, letters of undertaking, and credit enhancement guarantee schemes.

The following table sets forth our fund-based loans and advances by product category in each of the periods indicated.

(in ₹ millions, except percentages)

	Fiscal 2019		Fiscal 2018		Fiscal 2017	
	Sanctioned Loans	Disbursed Loans (1)	Sanctioned Loans	Disbursed Loans (1)	Sanctioned Loans	Disbursed Loans (1)
Term loans						
...for projects	48,200.65	46,305.22	79,864.10	50,040.89	79,043.49	38,876.17
...for manufacturing	0.00	0.00	0.00	575.50	519.65	263.31
Total Term Loans	48,200.65	46,305.22	79,864.10	5,0616.39	79,563.14	39,139.48

	Fiscal 2019		Fiscal 2018		Fiscal 2017	
	Sanctioned Loans	Disbursed Loans (1)	Sanctioned Loans	Disbursed Loans (1)	Sanctioned Loans	Disbursed Loans (1)
Short term loans	38,690.00	33,275.40	27,800.00	27,227.40	20,400.00	23,880.00
Bridge loans against GBI	47.86	47.86	260.58	225.94	352.24	270.44
Take-out financing	29,754.10	13,244.93	9,940.18	4,758.51	656.60	1,802.05
Securitization of receivables	60.00	60.00	130.00	70.00	400.00	457.30
Bridge loan against pending energy bills	1,023.50	920.25	465.24	265.24	234.50	234.50
Miscellaneous (2)	1,642.60	0.00	2,840.00	120.34	383.62	151.11
Total	119,418.70	93,853.66	121,300.10	83,283.83	101,990.11	65,934.87

Notes:

(1) Disbursed loans include sanctioned loans for the fiscal year indicated and for earlier fiscal years.

(2) Miscellaneous includes guarantees.

Term loans

We provide Rupee term loans for (i) renewable energy and energy efficiency and conservation projects and (ii) manufacturing of renewable energy and energy efficiency and conservation components. For project loans, we generally disburse funds either directly to a supplier of project equipment at the request of borrowers or services or by way of reimbursement to the borrower against satisfactory proof of eligible expenditure on the relevant project, or through a trust and retention accounts.

We generally implement security and quasi-security arrangements in relation to our term loans. We take security by way of a mortgage on project land and buildings and hypothecation of project assets including plant and machinery. In addition, we often take an additional security through a charge on asset collateral such as pledges of shares held by promoters, personal guarantees and corporate guarantees. We also obtain undertakings or commitments from our borrowers for deposit of sale proceeds of power directly into trust and retention account ("**TRAs**") and endeavour to take letters from off-takers to ensure that there is no diversion of revenue and that the entire sales proceeds are utilized in appropriate manner. For further information, see "*Our Business - Risk Management – Credit Risk – Security Arrangements*" on page 113.

Interest rates on Rupee term loans are notified to the borrower from time to time. Specific interest rates may be offered to certain borrowers based on the merit of the borrower and the relevant project.

In case of projects sanctioned on or after November 19, 2018, the interest rate shall be subjected to reset on commissioning of the project on one year from the date of first disbursement, whichever is earlier and thereafter annually. In case of projects commissioned prior to first disbursement, the first reset will be one year from the date of first disbursement. Loans for which sanction letters have been issued to the borrower may be given the option to opt for interest reset of one year.

Short term Loans

We provide short-term loan finance to developers, suppliers or contractors to meet their immediate funding requirements. These loans are Rupee-denominated and primarily provide for meeting project specific working capital requirement of equipment manufacturer to complete the order in hand. These short-term loans are for a period of maximum 3-5 years.

Bridge Loans

We provide bridge loan finance for solar viability gap funding (VGF) and generation-based incentives and subsidy schemes. We extend short-term bridge loans against subsidy/viability gap funding (VGF) schemes of the GoI or of State governments. These are provided to meet immediate requirement of funds as these funds are released to the developers as per the timeline of the various schemes. The maximum time period for these bridge loans depends on the scheme sanction schedule.

Take out financing

We provide take out financing which are loans for projects that were earlier financed by other lenders. These projects are commissioned and have generation track records, and, therefore, carry lower execution risk than new projects.

Securitization of project receivables

We provide loans against the future cash flow of commissioned projects. The repayment periods including moratorium is maximum of 10 years, subject to the condition that repayment period shall not be more than balance of the term of the power purchase agreement less 5 years.

Short Term Loan against pending energy bills of DISCOMs

We operate this facility for our borrowers that are selling energy to utilities including State DISCOMs, the SECI and NVVN. Under this facility, we provide short term loans for energy bills where payments are pending from the utilities for up to six months. We also provide short term loans against the claims payable to renewable energy developers under the MNRE Scheme for Generation Based Incentive (“GBI”) for grid interactive wind and solar power projects.

Underwriting of debt

Underwriting of debt shall be up to total debt requirement of the project subject to meeting our exposure norms.

Loan Scheme for financing rooftop solar grid connected/interactive power projects

Our Loan Scheme for financing rooftop solar grid connected/interactive power projects is available for all grid connected/interactive solar PV projects located on rooftops. Financing is also available to either single project or aggregate multiple projects.

Line of credit to NBFCs

We provide line of credit to NBFCs, State government financial institutions and corporations with at least a “AA+” rating and, in case of private sector financial institutions and companies, they should also have valid registration with the RBI. We make these lines of credit available to borrowers that have disbursed loans not less than ₹200 million in the renewable energy sector in the last financial year.

“Access to Energy” Scheme under KfW line of credit

The main objective of our “Access to Energy” Scheme is to increase the supply and use of sustainable clean energy services in rural areas through improved access to financing for project developers.

Financing of transmission projects

We finance the transmission lines projects which are being implemented across the country for the purpose of evacuation of power including RE power (currently 8% and expected to reach to 20% by 2020).

Top-up loan scheme

The purpose of this top-up loan scheme is to create a facility, for existing borrowers of our company, that allows them to borrow a certain amount of money over and above their main loan outstanding, for purposes of construction of their project or to meet the equity funding for a new renewable energy project or for any other activities related to RE and for easing out their liquidity requirements.

Scheme for financing of manufacturing of biomass pellets, briquettes, torrefied pellets and refuse derived fuels

The purpose of this financing scheme is to provide financial assistance for setting up of facilities for the manufacture of biomass pellets, briquettes, torrefied pellets and refuse derived fuels, which in turn promote processing of agriculture crop residues and municipal solid waste (MSW) in an economic way and support sustainable environment.

Scheme for financing of biomass projects for heating applications for commercial use

The main objective of this financing scheme is to provide financial assistance to biomass project for heating applications to set up facilities which in turn promote processing of agriculture crop residues in an economic way and support sustainable environment

Non-fund Based Products and Services

We also provide non-fund based assistance including letters of undertaking, credit enhancement schemes and performance guarantees.

Letters of Comfort and Undertaking

We provide letters of comfort and undertaking against our sanctioned term loans to enable borrowers to obtain letters of credit with their bankers. The letters are issued only in cases where it is a pre-requisite for engineering, procurement and construction (“EPC”) contracts or equipment supply contracts of projects financed by us. A letter of comfort or undertaking is issued after all other pre-disbursement conditions have been complied. As of March 31, 2019, we had ₹7,851.38 million letters of comfort and undertaking outstanding.

Credit Enhancement Scheme

Our credit enhancement scheme promotes and assists project developers to issue bonds for commissioned and operationally viable renewable energy projects. To enhance the capital flow to the sector, we introduced our "Credit Enhancement Guarantee Scheme" for raising bonds towards renewable energy projects. This scheme enhances the credit rating of bonds, thereby improving the marketability and liquidity, thereby improving their marketability and liquidity, and, accordingly, allowing project developers to attract lower cost investments and longer tenure of funding. As at March 31, 2019, we had guarantees outstanding aggregating to ₹900.00 million.

Guarantee Assistance Scheme

We operate this facility for our borrowers which includes renewable energy suppliers, manufacturers and EPC contractors having established track record of successful implementation of renewable energy projects of not less than 50 MW capacity in India. The purpose of this guarantee assistance scheme is to cover the tender bid security and or/advance payments received against the contract to execute the renewable energy Project. As at March 31, 2019, we had guarantees outstanding of ₹667.60 million.

In the solar sector, we have provided a payment guarantee against a Payment Security Mechanism for ₹1,440 million to a solar project

Loans and Financing by Project Type

The following table sets forth our fund-based loans sanctioned and disbursed categorized by borrower type or type of project for the periods indicated.

	Fiscal 2019		Fiscal 2018		Fiscal 2017	
	Sanctioned Loans	Disbursed Loans	Sanctioned Loans	Disbursed Loans	Sanctioned Loans	Disbursed Loans
	(in ₹ millions, except percentages)					
Wind	15,249.40	15,571.59	38,691.28	28,234.94	24,605.00	21,525.94
Solar	57,486.16	38,284.74	46,309.13	2,7463.06	47,783.89	15,240.37
Hydro	1,343.68	3,526.48	5,104.95	3,301.96	3297.40	3,408.71
Biomass and WTE	3,520.10	1,656.16	4,816.00	592.48	1,463.80	894.23
EEC	0.00	24.73	0.00	4.37	2,950.00	66.26
IREDA-NCEF Refinancing Scheme	0.00	0.00	12.93	120.34	383.62	151.11
Miscellaneous*	41,819.36	34,789.96	26,365.82	23,566.68	21,506.40	24,648.25
Total	119,418.70	93,853.66	121,300.10	83,283.83	101,990.11	65,934.87

*Miscellaneous includes short term loans to renewable energy suppliers, developers, DISCOMs and others.

The following table sets forth, at the dates indicated, our fund-based loans outstanding categorized by borrower type or type of project.

	As at March 31,					
	2019		2018		2017	
	Loans Outstanding	% of total loans and advances	Loans Outstanding	% of total loans and advances	Loans Outstanding	% of total loans and advances
	(in ₹ millions, except percentages)					
By Sector						
Wind	58,281.12	27.25%	49030.50	30.99%	43806.85	32.21%
Hydro	23,663.44	11.06%	21782.60	13.77%	19289.91	14.18%
COGEN & EEC	13,637.21	6.38%	15128.90	9.56%	15334.13	11.27%
Solar	76,858.48	35.93%	49764.00	31.46%	34852.97	25.62%

	As at March 31,					
	2019		2018		2017	
	Loans Outstanding	% of total loans and advances	Loans Outstanding	% of total loans and advances	Loans Outstanding	% of total loans and advances
Biomass & WTE	3,099.28	1.45%	1950.50	1.23%	2034.45	1.50%
NCEF	343.54	0.16%	537.44	0.34%	568.00	0.42%
Short term*	35,332.20	16.52%	16792.64	10.61%	17733.97	13.04%
Manufacturing	2,093.43	0.98%	1796.98	1.14%	1658.31	1.22%
Miscellaneous	577.99	0.27%	1420.38	0.90%	745.10	0.55%
Total	213,886.69	100%	158,203.90	100%	136,046.63	100%

* Short term includes short term loans to renewable energy suppliers, developers, DISCOMs and others.

Wind

In India, wind farms can be installed at any identified potential site, where it has at least a mean annual wind power density of 200 W/m² at 50m above ground level. We provide loans up to 75% of the eligible wind project cost. The MNRE has provided incentives for grid-interactive wind power generation companies under the Generation Based Incentive (GBI) Scheme. We do not provide finance for second hand wind farm projects and equipment.

Solar

India is endowed with a vast solar energy potential. Most parts of India have approximately 300 days of sunshine. About 5,000 trillion kWh per year energy is incident over India's land area with most parts receiving 3-5 kWh per sq. m per day. Based upon the availability of land and solar radiation, the potential of solar energy in the country has been assessed to be around 750 GWs. (Source: Report on the standing committee on energy 2017-18, 16th Lok Sabha and MNRE website) Solar energy can be utilized through solar photovoltaic technology which enables direct conversion of sunlight into energy and solar thermal technologies which utilizes heat content of solar energy into useful applications. Over the last three decades several solar energy based systems and devices have been developed and deployed in India which are successfully providing energy solutions for lighting, cooking, water heating, air heating and cooling, and electricity generation.

To promote solar power generation and use of solar power for heating and cooling purposes, we provide finance to both grid connected and off grid solar power projects. The MNRE offers central financial assistance for solar rooftop service on residential and institutional buildings. We limit our exposure to 75% of the total solar project cost, and we offer structured repayments schedules.

Hydro

Hydro Power is the development of hydroelectric power which harnesses energy from flowing or falling water from rivers, rivulets, artificially created storage dams or canal drops for generation of electricity

In India, hydro projects up to 25 MW station capacities have been categorized as Small Hydro Power (SHP) projects. The MNRE, as the administrative ministry for SHPs, offers subsidies to SHPs. We have limited our exposure to 50% of the total small hydro project cost; however, our exposure may be increased to 70 % of project cost for projects below 5MW depending on the experience of the developer.

Energy Efficiency and Conservation

Energy efficiency is when specific energy consumption (units of energy consumed per unit of output) of a device or equipment is improved by changing the technology deployed. In case of energy conservation, the main technology of the device or equipment remain unchanged; however, the unproductive use of energy is minimized. We finance end-user energy efficiency retrofit projects, demand side management (DSM) projects taken up by utilities, and projects promoted by energy service companies (ESCOs) and power plants for the recovery of energy from exhaust gasses. We also extend line of credits to financial intermediaries to on-lend or lease energy saving equipment.

Biomass and Waste to Energy (WTE)

Biomass is the process by which agricultural materials are used for power generation. Biomass material include rice husk, straw, cotton stalk, coconut shells, soya husk, de-oiled cakes, coffee waste, jute wastes, and groundnut shells and saw dust. WTE projects use animal waste material for power generation or for biogas generation. The MNRE offers various subsidies for biomass projects. We limit our exposure to 50% of the total biomass or WTE project cost.

IREDA-NCEF Refinancing Scheme

Under the IREDA-NCEF Refinancing Scheme, we received ₹ 1,000 million which was utilized to refinance renewable energy projects such as wind and solar projects. Subsequently, we received ₹ 2,000 million from NCEF, which in accordance with MNRE guidelines, is being utilised for the revival of the stressed projects under biomass power and small hydro power sector. As at March 31, 2019, we had utilized ₹2,239.23 million out of the total amount sanctioned.

Borrowers

We monitor concentration of exposures to our borrowers, and we calculate customer exposure as required by the RBI. As at March 31, 2019, our aggregate exposure to our 20 largest borrowers amounted to ₹69,836.45 million, representing 32.65% of our total loan advances as at such date. Our single largest borrower as at March 31, 2019 had loans outstanding of ₹5,836.55 million, representing 2.73% of our total loan advances as at such date.

As of March 31, 2018, our aggregate exposure to our 20 largest borrowers amounted ₹58,794.10 million, representing 37.16% of our total loan advances as at such date. Our single largest borrower as at March 31, 2018 had loans outstanding of ₹9,000 million, representing 5.69% of our total loan advances as at such date.

As at March 31, 2019, our loans to state and central government projects or entities represented approximately 8.36% of our total outstanding loans and advances.

The following table sets forth, at the dates indicated, our fund-based loans outstanding categorized by customer.

	As at March 31,					
	2019		2018		2017	
	Outstanding loans	% of total loans outstanding	Outstanding loans	% of total loans outstanding	Outstanding loans	% of total loans outstanding
	<i>(in ₹ millions, except percentages)</i>					
Private	196,001.29	91.64%	157,612.29	99.63%	126,395.52	92.91%
Public Sector	17,885.40	8.36%	591.65	0.37%	9,651.11	7.09%
Total	213,886.69		158,203.94		136,046.62	

Geographic Spread

As at March 31, 2019, we had loans and advances outstanding in 28 States and Union Territories. Set forth below is a table showing the total outstanding loans made to borrowers in States and Union Territories where the totals of those loans exceeded 1% of our total loans and advances as at March 31, 2019 and as a percentage of our total loans and advances outstanding as at March 31, 2019.

	Number of Financed Projects (on the basis of their registered office)	Loans outstanding at March 31, 2019	Percentage of total loans and advances at March 31, 2019
State or Territory		(in ₹ millions)	
Andhra Pradesh	193	53,347.02	24.94%
Karnataka	155	35,057.40	16.39%
Tamil Nadu	87	20,665.72	9.66%
Maharashtra	176	18,367.91	8.59%
Rajasthan	65	12,293.94	5.75%
Uttar Pradesh	26	10,822.78	5.06%
Gujarat	72	9,272.30	4.34%
Telangana	21	8,990.95	4.20%
Himachal Pradesh	87	8,316.45	3.89%
Madhya Pradesh	23	6,129.05	2.87%
New Delhi	20	4,764.25	2.23%
Punjab	43	4,283.51	2.00%
Uttarakhand	21	4,017.04	1.88%
Orissa	11	3,898.04	1.82%
Chhattisgarh	7	3,219.96	1.51%
Sikkim	3	2,156.51	1.01%

Our Lending Policies and Procedures

We have a detailed business process in place for providing financing to specific projects under various schemes for the generation of energy through new and renewable sources of energy and also for energy conservation projects. Our lending norms as set by our Board are generally as follows:

- Loan: Up to 75% of the project cost.
- Interest rate: 9.80% to 11.45%.
- Moratorium: One year after commercial operation date.
- Repayment period: Up to 20 years.

Generally, we appraise the loan proposal by taking into account various factors including:

- Techno commercial viability of the project;
- Verification of contract documents like power purchase agreements, engineering, procurement and construction contract and supplier contracts;
- Infrastructure availability;
- Equipment supplier credibility/type certificates;
- Technology adopted;
- Site specific conditions;
- Reasonability of project costs;
- Applicants' track records; and

- Group exposure norms.

Each renewable energy project or scheme must meet the eligibility conditions as per the financing guidelines, updated from time to time. Our lending process primarily begins with receiving the loan application along with copies of detailed project report, memorandum of association and articles of association of the applicant, balance sheets, projected cash flows, approvals for setting up of the project, environmental clearance, etc. Upon receipt of the loan application, it is registered online to enable applicants to access information on the status and progress of their applications through our customer portal.

The technical services department undertake due diligence and appraisal of the project. We also obtain information related to ‘*know your customer*’ (KYC) procedures, as stipulated under the RBI guidelines relating to anti-money laundering measures. Site visits are also carried out to assess the site conditions and infrastructure availability for setting up the project. The credit history and creditworthiness reports including CIBIL reports from Credit Information Bureau (India) Limited (“**CIBIL**”) of the applicant and for their associated concerns are obtained to assess credit worthiness of the applicant.

An internal rating is assigned by our credit risk rating system division in accordance with our risk management policy using our credit risk rating system (“**CRRS**”) software which aggregates scores of all relevant risk parameters to arrive at a composite credit risk score. We also require that the borrower obtain a credit rating from one of the external rating agencies. Based on the external and internal ratings of the proposal and credit worthiness of the applicant, the project is graded and accordingly interest for the proposed loan is fixed.

A credit committee comprising of Directors and senior project and legal officers further deliberate on the appraisal before recommendation. Based on the recommendations of the credit committee, the final appraisal report/agenda with detailed terms and conditions is put up for consideration of approving authority. The project must be approved by competent authority in accordance with our sanction limits.

Loans are generally repaid in equal monthly or quarterly instalments; however, structured repayments are also considered, based on the cash flows of the project. The size of the equated instalment depends on the quantum of loan, interest rate and tenure of loan. Prepayment of the loan, ahead of the contracted schedule in part or full, is permitted.

Our Participation in Government of India Programs and Projects

The MNRE has initiated a number of programs aimed at accelerating the growth and development of renewable energy projects in India. Currently, we play a key role in implementing a number of programs and projects sponsored by the GoI as described below.

Wind GBI Scheme

The MNRE has provided incentives for grid-interactive wind power generation companies under the Generation Based Incentive (GBI) Scheme. The GBI Scheme came into effect from July 2008 and was extended from Fiscal 2012 to Fiscal 2017. Projects commissioned during Fiscal 2018 are not eligible under Wind GBI scheme. We have assisted the MNRE in implementing the GBI Scheme by organizing consultations between the MNRE and wind electricity producers, handling applications from wind energy producers and assisting with the disbursement of the GBI funds.

Solar GBI

We have been designated as a ‘Programme Administrator’ by the MNRE for administering the GBI program for Rooftop PV & Small Solar Power Generation Programme (RPSSGP) under “National Solar Mission” (Phase-I). The projects registered and commissioned under the scheme are eligible for GBIs in line with RPSSGP Scheme for a period of 25 years from the date of commissioning of the project. The GBI claims are being processed for release to the concerned state utility.

National Clean Energy Fund (“NCEF”)

Under the IREDA-NCEF Refinancing Scheme, we received ₹1,000 million which was utilized to refinance renewable energy projects such as wind and solar projects. Subsequently, we received ₹2,000 million from NCEF, which in accordance with MNRE guidelines, is being utilized for the revival of the stressed projects under biomass power and small hydro power sector.

Our 50 MW Solar Photovoltaic Project

As part of our diversification strategy we have setup a 50 MW Solar Photovoltaic Project in the 200 MW Kasaragod Solar Park in the State of Kerala. The project is 100% owned by our Company, and we have spent ₹3,193.62 million on the project. The project generates power which is injected into the grid of Kerala State Electricity Board. This project began generating revenue in December 2016 since the time it was part commissioned, however full commissioning took place in September 2017.

We have entered a power purchase agreement with the Kerala State Electricity Board Limited for the project, which has set the tariff rate ₹4.95/unit, subject to approval of the KSERC. The KSERC has passed an order for the tariff to be set at ₹ 3.83/unit, and, accordingly, the power generation revenue for the project has been accounted for at this rate in Fiscal 2018 and Fiscal 2019.

Our Sources of Funding

As at the date of this Draft Red Herring Prospectus, our paid-up Equity Share capital is ₹7,846.00 million. We also fund our business with borrowings of various maturities in the domestic and international markets. Our market borrowings include, among others, taxable and tax-free bonds, international bond, term loans and external commercial borrowings.

The following table sets out our sources of funding as at March 31, 2019, 2018 and 2017.

Source of Funding ⁽³⁾	As at March 31,		
	2019	2018	2017
Loans from banks and financial institutions	109,660.65	80,775.17	77,617.04
Non-convertible debentures and other debt instruments (Private Placement) ⁽¹⁾	51,731.06	44,062.47	24,680.69
Public non-convertible debentures	24,319.79	24,317.58	24,315.53
External commercial borrowings ⁽²⁾	247.04	696.86	1,157.83
Subordinated debt	-	-	-
Bank - repayable on demand	1,496.79	-	-
NCEF	-	-	-
Total	187,455.33	149,852.08	127,771.09

Notes:

- (1) Masala bonds issued are external commercial borrowings; however, masala bonds have also been included under non-convertible debentures and other debt instruments (Private Placement).
- (2) External commercial borrowings include line of credit from Nordic Investment Bank (NIB).
- (3) The above source of funding has been shown at amortized at cost as per Ind AS.

Further, the details of our outstanding borrowings as at June 30, 2019 are provided under “Financial Indebtedness” on page 292.

Government Guarantees

The GoI has regularly provided us financial support in the form of guarantees for our loans from bilateral and multilateral agencies in past such as loans from the World Bank, the Asian Development Bank, Kreditanstalt für Wiederaufbau, Japan International Cooperation Agency, European Investment Bank, and Agence Française Development.

Rupee borrowings

For details of our term loans with Indian banks and financial institutions, see “Financial Indebtedness” on page 292.

International Rupee borrowings - Green Energy Bonds

In September 2017, we issued ₹19,500 million of green rupee-denominated bonds in the international markets (with proceeds received on October 10, 2017). We have used the net proceeds of our green energy bonds for financing and refinancing renewable energy and energy efficiency projects. See “Our Business-Our 50 MW Solar Photovoltaic Project” beginning on page 106.

Domestic Rupee borrowings - Taxable and Tax-free bonds

We have ₹56,647.79 million taxable and tax-free bonds outstanding as at March 31, 2019. Further, we have ₹1,496.79 million of subordinated tier II taxable bonds outstanding as at March 31, 2019. We have issued secured, non-convertible, redeemable taxable and tax-free bonds under various series typically with a maturity period of ten years to twenty years from the date of allotment and bearing an interest rate ranging from 7.17% to 9.49%. Our tax-free bonds were issued by way of private placements or public issuances and are currently listed on the “whole sale debt market segment” on BSE and NSE.

In Fiscal 2019, we issued ₹8,650.00 million of taxable green bonds along with ₹1,500.00 million of taxable subordinated Tier II bonds.

Our outstanding bonds as at March 31, 2019 are summarized in the table below.

Bond Issuance	Series	Amount Issued (₹ millions)	Amount Outstanding(1) at March 31, 2019	Year issued	Maturity Date
IREDA Taxable Bonds	II	1,500.00	1,500	2010	January 13, 2020
IREDA Taxable Bonds	IIIA	1,500.00	1,500	2010	September 24, 2020
IREDA Taxable Bonds	IIIB	2,500.00	2,500	2010	September 24, 2025
IREDA Taxable Bonds	IV	3,000.00	3,000	2012	June 4, 2022
IREDA Taxable Bonds	VA	3,000.00	3,000	2013	May 10, 2023
IREDA Taxable Bonds	VB	2,000.00	2,000	2013	May 10, 2028
IREDA Tax Free Bonds	XIIIC	360.00	360.00	2014	March 27, 2029
IREDA Tax Free Bonds	XIII-1A	757.59	757.59	2014	March 13, 2024
IREDA Tax Free Bonds	XIII-2A	1,230.77	1,230.77	2014	March 13, 2029
IREDA Tax Free Bonds	XIII-3A	388.123	388.12	2014	March 13, 2034
IREDA Tax Free Bonds	XIII-1B	1,052.91	1,052.91	2014	March 13, 2024
IREDA Tax Free Bonds	XIII-2B	2,345.51	2,345.51	2014	March 13, 2029
IREDA Tax Free Bonds	XIII-3B	1,441.64	1,441.64	2014	March 13, 2034
IREDA Tax Free Bonds	XIVC	2,840.00	2,832.05	2015	October 1, 2025
IREDA Tax Free Bonds	XIV-1A	1,088.91	1,085.81	2016	January 21, 2026
IREDA Tax Free Bonds	XIV-2A	8,842.65	8,812.98	2016	January 21, 2031
IREDA Tax Free Bonds	XIV-3A	364.44	363.13	2016	January 21, 2036
IREDA Tax Free Bonds	XIV-1B	1,278.86	1,275.20	2016	January 21, 2026
IREDA Tax Free Bonds	XIV-2B	4,835.15	4,818.84	2016	January 21, 2031
IREDA Tax Free Bonds	XIV-3B	749.99	747.29	2016	January 21, 2036
IREDA MASALA Bonds	I	19500.00	19,403.06	2017	October 10, 2022
IREDA Taxable Green Bonds	VIA	2,000.00	1,997.40	2017	March 24, 2027
IREDA Taxable Green Bonds	VIB	5,000.00	4,993.48	2017	March 29, 2027
IREDA Green Taxable Bonds Series	VIIA	2,750.00	2,747.54	2019	January 3, 2029
IREDA Green Taxable Bonds Series	VIIIB	5,900.00	5,897.53	2019	January 17, 2029
IREDA Taxable Subordinated Tier II Bonds Series	VIII	1,500.00	1,496.79	2019	February 22, 2029
Total	-	77,726.54	77,547.64	-	-

Note:

(1) For bonds issued after April 1, 2016, the amounts outstanding are net of unamortized issue expenses.

Term Loans

We have secured long term loans outstanding from following banks and financial institutions as at March 31, 2019.

Bank/ Financial Institution	Amount sanctioned (₹ millions)	Amount to be drawn (₹ millions)	Amount Outstanding (1) (₹ millions)	Date of maturity
SIDBI	2,000.00	-	160.00	December 10, 2019
HDFC Bank	2,000.00	-	1,833.33	December 28, 2021
SBI	10,000.00	2,450.00	7,549.00	September 22, 2024
Total	14,000.00	2,450.00	9,542.33	-

Note:

(1) The amount outstanding has been shown at amortized at cost as per Ind AS.

International Borrowings from Multilateral and Bilateral Agencies

As at March 31, 2019, our outstanding foreign currency borrowings from multilateral and bilateral institutions was ₹99,104.94 million. These loans have a typical maturity period ranging from 10 to 40 years from the date of disbursement and bear a fixed and floating interest rate. As at and March 31, 2019, our international borrowings guaranteed by the GoI were ₹ 81,308.47 million, and our international borrowings on a non-sovereign basis were ₹17,796.47 million. Our international

funding sources includes loans from the World Bank, the Asian Development Bank, Kreditanstalt für Wiederaufbau, Japan International Cooperation Agency, European Investment Bank, Agence Française Développement and Nordic Investment Bank.

Details of the loans in foreign currency which are outstanding as at March 31, 2019 are set forth below.

Lender/Line of Credit	Year of Signing Loan Agreement	Sanctioned Amount (in millions)	Outstanding amount (in millions)
Asian Development Bank I	1997	USD 100.00	USD 11.05
Kreditanstalt für Wiederaufbau I	1999	EUR 61.36	EUR 24.65
IBRD (World Bank)	2000	USD 80.00	USD 7.70
IDA	2000	USD 50.00	USD 39.37
Kreditanstalt für Wiederaufbau II	2008	EUR 50.00	EUR 9.99
Kreditanstalt für Wiederaufbau III	2009	EUR 19.97	EUR 19.97
Nordic Investment Bank	2009	USD 50.00	USD 3.57
Agence Française Développement I	2010	EUR 70.00	EUR 56.00
Kreditanstalt für Wiederaufbau IV	2011	EUR 200.00	EUR 88.89
Japan International Cooperation Agency I	2011	JPY 30,000.00	JPY 30,000.00
Asian Development Bank II	2015	USD 200.00	USD 200.00
Agence Française Développement II	2014	EUR 100.00	EUR 96.07
European Investment Bank	2014	EUR 200.00	USD 215.34
Japan International Cooperation Agency II	2014	JPY 30,000.00	JPY 26,538.79
Kreditanstalt für Wiederaufbau V	2015	EUR 100.00	EUR 94.74
Kreditanstalt für Wiederaufbau VI	2016	EUR 20.00	-
IBRD (World Bank)	2017	USD 75.00	USD 4.74
CTF (World Bank)	2017	USD 23.00	USD 1.51
European Investment Bank	2018	EUR 150.00	-

For details of our lines of credit and borrowing agreements with multilateral and bilateral institutions, see “*Financial Indebtedness*” on page 292.

Euro Medium-term Notes

We established in May 2017, a euro medium-term note (“**Euro MTN**”) facility, with issued notes to be listed on the Singapore Stock Exchange and the London Stock Exchange, with our lead managers namely SBICAP (Singapore) Limited, Standard Chartered Bank and Yes Bank Limited.

Our Credit Ratings

Our external credit ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. Rating agencies may reduce, or indicate their intention to reduce, the ratings at any time. The following table sets forth our credit ratings as of the date of this Draft Red Herring Prospectus.

Rating Agency	Instrument/Purpose/Issue	Rating for Fiscal 2019	Date of issue or revalidation of rating
ICRA Limited	Tax-free bonds (₹20,000 million) Fiscal 2016	ICRA AA+ (Stable), Reaffirmed	October 29, 2018 (Reaffirmation)
ICRA Limited	Taxable Green bonds (₹20,000 million - raised ₹ 700 million) Fiscal 2017	ICRA AA+ (Stable), Reaffirmed	October 29, 2018 (Reaffirmation)
India Ratings & Research Private Limited	Tax-free bonds (₹20,000 million) Fiscal 2016	IND AAA (Stable), Upgraded	September 19, 2018 (Reaffirmation)
	Taxable Green bonds (₹7000 million) Fiscal 2017	IND AAA (Stable), Upgraded	September 19, 2018 (Reaffirmation)
	Taxable Green Bonds (₹29,500 million – Actual issue ₹8,650 million) Fiscal 2019	IND AAA (Stable), Assigned	September 19, 2018 (revalidated on December 31, 2018)
	Taxable Tier-II Sub Debt (₹7,500 million- Actual issue ₹1,500 million) Fiscal 2019	IND AAA (Stable), Assigned	February 4, 2019 (assigned)
CARE Ratings Limited	Taxable Bonds Series I, II, III & IV & V (₹14500.00 million)	CARE AAA (SO), Stable	October 8, 2018 (Reaffirmation)
	Tax Free Bonds Series-XIII (₹7,576.50 million)	CARE AAA (SO), Stable	October 8, 2018 (Reaffirmation)
	Taxable Green bonds Sr. VIIA & VIIB (₹7,000 million) Fiscal 2016-17	CARE AA+, Positive Reaffirmed	October 8, 2018 (Reaffirmation)
Brickwork Ratings	Long Term Taxable Bonds Series II, III, IV & V	BWR AAA (SO), Stable Reaffirmed	March 29, 2019 (Reaffirmation)
	Tax Free Bonds Series-XIII	BWR AAA (SO), Stable Reaffirmed	March 29, 2019 (Reaffirmation)
	Taxable Green Bonds Fiscal 2019 (₹8,650 million)	BWR AAA, Stable Assigned	March 29, 2019 (Reaffirmation)
	Taxable Tier-II Sub Debt (₹ 1,500 million) Fiscal 2019	BWR AAA, Stable Assigned	March 29, 2019 (Reaffirmation)
Brickworks Rating	Rating assigned to ₹22,000 million term loan programme. Loans availed include:	Assigned - BWR AAA Outlook Stable	March 29, 2019
	· HDFC Bank Limited Term loan - ₹2,000.00 million		
	· SBI Term Loan – ₹10,000.00 million		
Moody's Rating	Masala Bonds of USD 300 Million	Baa3 (negative) for local and foreign currency issuer rating	January 14, 2019
		(P)Baa3/(P)P-3 (negative) senior unsecured rating for medium-term note program	
		Baa3 (negative) for the senior unsecured debt issued from the medium-term note program	
		ba3 (negative) for Baseline Credit Assessment (BCA)	
Fitch Rating	Masala Bonds of USD 300 Million	BB+ (stable) long-term foreign- and local-currency Issuer Default Ratings (IDR) and long-term senior unsecured rating	December 14, 2018

		B (stable) for short-term IDR and short-term senior unsecured	
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In Fiscal 2019, in respect of our US\$300 million Masala Bonds issued internationally, Fitch Ratings downgraded our Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDR) as well as our senior unsecured rating to 'BB+' from 'BBB-'. The Outlook is Stable. Fitch Ratings also downgraded the Short-Term IDR to 'B' from 'F3'. The key reason for downgrade according to Fitch was our concentrated business model, moderate capitalisation against our high-risk appetite and volatile asset quality, which is vulnerable to sharp deterioration due to the characteristics of the renewable-energy sector in India.

Further, in Fiscal 2019, Moody's affirmed our Baa3 local and foreign currency issuer rating but changed the rating outlook to negative from stable. In addition, Moody's affirmed our (P)Baa3/(P)P-3 rating assigned to our senior unsecured medium-term note program and our Baa3 rating assigned to our senior unsecured debt issued under this medium-term note program; however, it has changed the outlook to negative. Moody's reported that the key reason that they assigned a negative outlook was the deterioration in our financial performance, due to an increase in problem assets, as well as a significant decline in our profitability, driven by certain changes in accounting norms.

For further information, see *"Risk Factors - Our credit ratings were downgraded by Fitch in December 2018 and Moody's changed the outlook in January 2019. Any further downgrading in our credit ratings could adversely affect our business, results of operations and financial condition"* on pages 22 to 23.

Treasury

As at March 31, 2019, we had ₹5,563.75 million of unsanctioned funds kept in fixed deposit receipts and balances maintained at various banks.

Capital Adequacy

We are a non-deposit taking systemically important NBFC, and we were maintaining a capital to risk asset ratio ("CRAR") above the threshold limit of 15% for the NBFCs in periods through March 31, 2018. In Fiscal 2019, the RBI withdrew the exemptions from their prudential norms which were previously available to all Government NBFCs ND SI vide their circular, dated May 31, 2018. The RBI in a circular, dated May 31, 2018, provided new CRAR requirements for Government owned NBFCs which is 10.0% as on March 31, 2019; and is required to be 12% by March 31, 2020; 13% by March 31, 2021 and 15% by March 31, 2022. Our CRAR was 16.32% as at March 31, 2019.

The following table sets out our capital adequacy ratios computed on the basis of applicable RBI requirements on a standalone basis as at March 31, 2019, 2018 and 2017.

	As at March 31,		
	2019	2018	2017
Tier 1 Capital	14.65%	18.05%	19.17%
Tier 2 Capital	1.67%	-	-
CRAR	16.32%	18.05%	19.17%

Risk Management

We believe we have developed comprehensive risk management policies and procedures. We place importance to actively managing and controlling our risk exposures. These processes include a detailed appraisal methodology, identification of risks and suitable structuring of credit risk mitigation measures.

We have set up a Risk Management Committee to monitor various risks, examine risk management policies and practices and initiate action for mitigation of risks relating to our operations.

As a financial institution, we are primarily exposed to the following types of risk: credit risk, market risk, foreign currency risk and operational risk described in further detail below.

Credit Risk

Credit risk involves the risk of loss arising from the diminution in credit quality of a borrower and the risk that the borrower will default on contractual repayments under a loan or an advance. We follow a systematic institutional and project appraisal process to assess and mitigate credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. We have established a Credit Committee to ensure that credit risk is appropriately evaluated.

Each of the proposals under consideration for loan sanction is graded using our CRRS for determining its risk profile. The applicable interest rates are based upon the rating obtained by a proposal. All applicants for renewable energy projects are required to obtain a credit rating from external rating agencies in accordance with our Credit Rating Model (ICRM). This external rating is intended to provide independent input for our credit appraisal team to consider and is used in conjunction with our existing CRRS system.

Our Credit Committee (consisting of Director (Finance) and Director (Technical), our legal head, concerned technical and sectoral head) reviews all credit proposals finalized by our technical services (“TS”) department incorporating therein the reports of the external credit rating agencies.

Although we encourage certain schemes through differential lending rates, the eligibility criteria and our funding decision is guided by the merit of the project and no funds are pre-allocated. In addition, we have adopted our own prudential norms that provide guidance on aspects of our financial operations including asset classification, provisioning, income recognition, asset concentration and investment limits.

The amount of funding that we currently grant to various projects, as a percentage of project costs, is set out below.

Type of Project	Percent of Project Cost
Wind	Up to 75%
Solar	Up to 75%
Hydro	Up to 50%
Biomass, Cogeneration & WTE	Up to 50%
EEC	Up to 70%

Portfolio Monitoring

The success of a business that provides credit and loan products depends on the effective and timely monitoring and supervision of loans granted. The maximum repayment period for various kinds of projects are set forth below.

Type of Project	Maximum Repayment Period Year
Wind	Normally 15 years, however in case of consortium lending we try to align with the lead bank.
Solar	Normally 15 years, however in case of consortium lending we try to align with the lead bank.
Hydro	Normally 15 years, however in case of consortium lending we try to align with the lead bank.
Biomass, Cogeneration & WTE	Normally 12 years, however in case of consortium lending we try to align with the lead bank.
EEC	Up to 12 years.

We review our debt repayment positions on a regular basis to identify potentially problematic loans at an early stage and prepare for immediate corrective action to ensure recovery from these loans. The portfolio is monitored by way of various analyses consisting of:

- category-wise ageing analysis (i.e. number of days past due) of the outstanding portfolio;
- concentration risk monitoring in segments of the portfolio;
- early warning delinquency analysis; and
- historical case review on a periodical basis, including review of credit risks and operational risks.

Non-Performing Assets

As at March 31, 2019, our gross NPAs as a percentage of our loans and advances was 6.12% and our net NPAs as a percentage of our loan and advances was 3.74%.

As at March 31, 2019, we made provisions for contingencies of ₹2,658.65 million, which comprised ₹1,520.97 million as provision for our NPAs, ₹447.77 million as provision for our standard assets including floating provision and rescheduling provision and ₹689.91 million against impairment loss on commercial paper.

In Fiscal 2019, the RBI withdrew the exemptions from their prudential norms which were previously available to all Government NBFCs ND SI vide their circular dated 31st May 2018. As per the revised RBI norms, the NPA classification as at March 31, 2019 provides that an NPA includes any loan asset that is in default for more than 120 days. The change in the prudential norms was responsible in part for the increase in our NPAs in absolute value terms in Fiscal 2019 from Fiscal

2018.

As at March 31, 2018, our gross NPAs as a percentage of our loans and advances was 6.30% and our net NPAs as a percentage of our loans and advances was 3.84%. As at March 31, 2018, we made provisions for contingencies of ₹984.75 million, which comprised ₹808.79 million as provision for our NPAs and ₹175.96 million as provision for our standard assets including floating provision.

For further information about the maturity profile of our assets and liabilities as at March 31, 2019, see “*Selected Statistical Information – Non Performing Assets*” beginning on page 286.

Recovery

Our recovery mechanism is characterized by the following features that are intended to ensure timely and efficient recovery from our borrowers: long standing and well-established relationship with the borrowers; intensive follow-up. In addition, we offer a rebate or incentive for timely payments in certain cases.

Security Arrangements

We seek to put in place security and quasi-security arrangements in relation to the loans that we extend.

We take security by way of a mortgage on project land and buildings and hypothecation of project assets including plant and machinery. In addition, we often take an additional security through a charge on asset collateral such as pledges of shares held by promoters, personal guarantees and corporate guarantees.

TRA Agreements. For our loans, additional security is provided through a trust and retention arrangement in relation to all of the cash flows of the project pursuant to a Trust and Retention Account Agreement ("**TRA Agreement**"). The TRA Agreement is entered into amongst us, the borrower and a bank designated as the account bank. Under the terms of the TRA Agreement, the cash flows of the project are controlled by the account bank which must deal with these strictly in accordance with the terms of the TRA Agreement. The TRA Agreement specifies the conditions that must be satisfied, on a periodic basis, before funds from the trust account can be used to meet the relevant expense and the manner in which such payments will be made, including payments by way of debt service to us throughout the life of our loan. The account bank does not permit any withdrawal of funds in excess of the approved limits without our prior approval. The TRA Agreement continues to operate until all of the obligations have been indefeasibly and irrevocably paid by the borrower. The trust and retention accounts do not include liens over assets. The TRA Agreement also specifies the payment waterfall that would apply upon the occurrence of an event of default or a potential event of default in relation to our loan and which gives priority to the secured lenders.

Others. We also use escrow arrangements as a credit enhancement mechanism for certain projects. In the solar sector, we have provided a payment guarantee against a Payment Security Mechanism for ₹1,440 million (₹480 million for 3 units of 250 MW each) to Rewa Ultra Mega Solar Limited, which is a joint venture of the SECI and Madhya Pradesh Urja Vikas Nigam Limited. The guarantee facility agreement was entered into between Rewa Ultra Mega Solar Limited and our company June 25, 2019.

Market Risk

We are exposed to a number of market risks including interest rate risk and liquidity risk.

Interest Rate Risk

Interest rate risk is related to the risk that occurs due to changes in market interest rates and may adversely affect our financial condition. The primary interest rate-related risks we face are from timing difference in the maturity of our fixed rate assets and liabilities, e.g., if in an increasing interest rate environment, our fixed rate liabilities mature prior to our fixed rate assets and therefore require us to incur additional liabilities at a higher interest rate, and re-pricing risk, e.g., where there is an adverse mismatch between the re-pricing terms of our loan assets and our loan liabilities.

Interest rates are dynamic and dependent on various internal and external factors including cost of borrowing, liquidity in the market, competitors' rates, movement of benchmarks such as AAA bond / GSEC yields and RBI policy changes. The interest rate risk is managed by analysis of interest rate sensitivity gap statements, evaluation of earning at risk on change of interest and creation of assets and liabilities with a mix of fixed and floating interest rates.

We have established a committee for fixing interest rates and reviewing interest rate risks. We review our lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements.

We have historically, and will in the future, implement interest rate risk management through the contractual terms of our loans, including pricing terms, maturities and pre-payment and re-pricing provisions. In addition, all loan sanction documents specifically entitle us to vary the interest rate on the undisbursed portion of any loan.

For additional information on our interest rate risk, see *"Risk Factors - Volatility in interest rates could adversely affect our business, net interest income and net interest margin, which in turn would adversely affect our business, results of operations and financial condition"* on page 22.

Liquidity Risk

Liquidity risk is the risk of our potential inability to meet our liabilities as they become due. We may face liquidity risks, which could require us to raise funds or liquidate assets on unfavourable terms. We manage our liquidity risk through a mix of strategies, including through forward-looking resource mobilization based on projected disbursements and maturing obligations.

We have established an effective asset liability management system and formed an Asset Liability Management Committee ("ALCO"). In compliance with the RBI guidelines, our ALCO consists of the Chairman and Managing Director, our Directors and other senior officials. The ALCO monitors risks related to liquidity and interest rates and also monitors the implementation of decisions taken in the ALCO meetings. Liquidity risk is monitored through liquidity gap analysis. The asset liability management framework includes periodic analysis of the long-term liquidity profile of asset receipts and debt service obligations. Such analysis is made every month in yearly tranches for the next ten years, and is used for critical decisions regarding the time, volume and maturity profile of the borrowings, creation of new assets and mix of assets and liabilities in terms of time period (short, medium and long-term).

In order to ensure that we have sufficient funds to meet our commitments, we maintain satisfactory levels of liquidity to ensure availability of funds at any time covering up to three months' liquidity requirements. Currently surplus funds are invested by way of short-term deposits with banks. We have an active policy of managing the maturities of our assets and liabilities.

For further information about the maturity profile of our assets and liabilities as at March 31, 2019, see *"Selected Statistical Information"* beginning on page 280.

Foreign Currency Risk

Foreign currency exchange risk involves exchange rate movements among currencies that may adversely impact the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements. We have foreign currency borrowings that could expose us to foreign currency exchange rate risk and we expect to increase our foreign currency-denominated borrowings in the future.

We have developed a Foreign Exchange and Derivatives Risk Management Policy to manage risks associated with foreign currency borrowing. We manage foreign currency risk through derivative products (such as currency forwards, options, principal swaps, interest rate swaps and forward rate agreements) offered by banks, who are authorized dealers. Our Foreign Exchange and Derivatives Risk Management Policy lays down the appropriate systems and controls to identify, measure, monitor, report and manage the currency risks, including interest rate risk. Some of the important features of the Foreign Exchange and Derivatives Risk Management Policy include benchmarks, hedging ratios, open position limits, exposure limits as regards empanelled banks. In addition, forex exposures are evaluated on a loan-to-loan basis, and the exposure is managed in accordance with the various parameters. The details of foreign currency exposure, open position and hedging are submitted to the Risk Management Committee, the Audit Committee and the Board.

As at March 31, 2019, we had foreign currency borrowings outstanding of USD 483.29 million, JPY 56,538.79 million and EUR 390.30 million (aggregate equivalent to ₹99,104.94 million, or 52.87% of our total borrowings as at such date). As at March 31, 2019, USD 470.18 million, EUR 254.51 million, JPY 34,387.95 million has been hedged through principal only swap and currency and interest rate swaps. As at March 31, 2019, we had partly hedged borrowings in EUR by taking principal only swap of USD 61.48 million. Further, maintained a USD deposit of USD 10.99 million partly through a principal only swap (USD/INR). As at March 31, 2019, our foreign currency liabilities which are not hedged by a derivative instrument or otherwise were USD 2.11 million (after considering USD deposit amounts as hedged), JPY 22,150.84 million and EUR 135.79 million (amount hedged under USD has been considered as unhedged amount).

For additional information on our foreign currency risk, see *"Risk Factor - We are exposed to fluctuations in foreign exchange rates which could adversely affect our results of operation and financial condition"* on page 42.

Operational Risk

Operational risks refer to risks generally associated with internal and external systems for the monitoring, negotiation and delivery of financial transactions. We have established operational policies, guidelines and manuals to provide a detailed description of the systems and procedures to be followed to minimize operational risks.

Operational Controls in Loan Activities

Our operational policy guidelines and manuals provide a detailed description of the systems and procedures to be followed in relation to disbursement of loans and receipt of loan repayments. Various checks and control measures have been built-in for timely review of the operating activities and monitoring of any gaps in the same.

Operational Controls in Treasury Activities

Our Board-approved guidelines for deployment of short-term surplus funds provide a description of process to be followed, with suitable exposure and counterparty limits. Compliance with our guidelines is monitored through internal control and systems, including external and internal audits.

Legal Risk

Legal risk arises from the uncertainty of the enforceability of contracts relating to the obligations of our borrowers. This could be on account of delay in the process of enforcement or difficulty in the applicability of the contractual obligations. We seek to minimize the legal risk through legal documentation that is drafted to protect our interests to the maximum extent possible.

Quality Management Certification

Our Company is an ISO/IEC 27001:2013. We acquired ISO/IEC 27001:2013 certification in January 2016 and the certification was renewed in January 2019.

Our Company is also IS/ISO: 9001:2015 Certified by the Bureau of Indian Standards (BIS) and is committed towards continual improvement in its quality management system encompassing various procedures and processes.

Information Technology

We recognize the importance of information technology, and we use both internally and externally developed applications. Internally, we have developed applications catering to our business operations like our Project Information and Documents Monitoring System (PIDMoS) and workflow applications for internal use by our employees. We also have an Enterprise Resource Planning System (ERP System), which has been deployed and maintained through an external agency. The ERP System caters to various processes related to finance and accounts, human resource and administration and legal department, which helps to improve our overall productivity. Our IT systems have the capability of end-to-end customer data capture and integration of accounts centrally. Loan appraisals and sanctions are controlled by our loan application system in conjunction with our PIDMoS and the ERP System, including our Credit Risk Rating System (CRRS) to ensure overall risk management control.

We have data centres at our registered and corporate offices, which hosts all our networking equipment, servers and data storage. We upgraded our data centres in 2018. Our data centres are ISO/IEC 27001:2013 certified, and we have implemented controls to mitigate the threat of data loss. We have a data centre at our registered office (primary site) as well as at our corporate office (secondary data centre). At our corporate office data centre, backup appliances have been installed and data backup is replicated from primary site at predefined intervals to comply with business continuity planning. Both our primary site and our secondary data centre are seamlessly connected through 45 Mbps and 50 Mbps point-to-point redundant connectivity. We are in the process of migration and implementation from Microsoft Dynamics AX 2009 ERP (client server technology) to Microsoft Dynamics 365 ERP (web-based technology).

We have engaged in the following initiatives toward digitization in Fiscal 2019.

E-office: As a step towards digitization, we have implemented an E-Office to automate movement of files and documents within the organization and making a shift towards complete elimination of maintaining of physical files and documents. This has led to cost and time savings and has also assisted us in maintaining records in accordance with regulatory requirements compliance.

Digitization of Board Agenda Notes: With a view to propagate paperless processing of Board meeting activities and to make available the Board agenda notes for approval of the Board of Directors in a digital mode, we have put into operation a Board PAC software. This has led to cost and time savings.

Time Monitoring Dashboards: As on on-going activity, various new time monitoring dashboards and reports have been developed during the year to effectively monitor various business processing activities.

Competition

We face competition in all lines of business. Our primary competitors are private and public sector banks, financial institutions and NBFCs, some of which have greater financial, marketing and management resources than we do. Many of our competitors have extensive branch networks, providing them with the advantage of a low-cost deposit base, and enabling them to lend at competitive rates. Many of our competitors also have large product portfolios and technological sophistication that also pose competition to us. We also compete with banks, financial institutions and NBFCs for the recruitment and retention of skilled and professional human resources.

We believe that our specialization in renewable sector and our focus on fast turnaround time, service quality, and diversified product lines will help us to continue to remain competitive within an increasingly dynamic landscape.

Employees

As at June 30, 2019, we had 164 full-time employees. The following table shows the number of our full-time employees by category as at the dates indicated below.

Type of Employee	As at June 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Executive	142	143	126	125
Non-Executives	22	22	23	27
Total	164	165	149	152

The average attrition rate of our full-time employees for Fiscal 2019, Fiscal 2018 and Fiscal 2017 is set forth in the table below.

Type of Employee	Fiscal 2019	Fiscal 2018	Fiscal 2017
Attrition (including superannuated employees)	3	3	5
Attrition Rate	1.91 %	2.01%	3.29%

We have no employee unions or associations. Although we believe that we have good industrial relations with our employees, we cannot guarantee that our employees will not undertake or participate in strikes, work stoppage or other industrial action in the future.

Training

We offer continuous learning programs for our employees to meet the ever-growing demand of the reinsurance industry. We conduct regular training programs and workshops for our employees on various areas related to our operations. We also promote knowledge sharing and knowledge transfer with continuous rotation of employees within the organization.

Benefits for our Employees

We have various schemes in place for the benefit of our employees which are in line with the guidelines of Department of Public Enterprises and practices followed by other CPSEs.

Intellectual Property

Our corporate logo and name are not registered as a trademark or service mark in any jurisdiction. We made an application to register our logo in India under the Trade Marks Act, 1999. No other application been made by us to register our logo and name as a trademark or service mark.

Insurance

We currently maintain insurance coverage against fire and allied perils, burglary and housebreaking and damage to portable equipment at our offices. In addition, we maintain insurance on our 50 MW Solar Photovoltaic Project in the 200 MW Kasargod Solar Park. We require borrowers to maintain insurance over project assets, and if a project loan becomes an NPA our Company takes insurance coverage on such project assets. Our insurance policies are renewed annually. Where insurance has not been maintained, we may be exposed to indefinite liability in the future.

Legal Proceedings

From time to time, we are involved in various disputes and proceedings in the ordinary course of our business. For details, see *“Outstanding Litigation and Other Material Developments”* beginning on page 320.

Property

The registered office of our Company is located at India Habitat Centre, East Court, Core 4 ‘A’, 1st Floor, Lodhi Road, New Delhi – 110003, and the property is on leasehold basis from India Habitat Centre. The conveyance deed in respect of this property has not been executed. The property area is about 733 sq.mtr.

Our Corporate office is located at Third Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi – 110066 and is allotted by the Housing and Urban Development Corporation Limited on a long-term sub-lease basis. The conveyance deed in respect of this property has not been executed. The property area is about 1813.18 sq.mtr

We have one residential property situated at C-19 (First Floor), Jangpura, HPL Housing Complex, New Delhi. We entered into an agreement with Hindustan Prefab Limited in 1994 for the transfer of the property into our name. Hindustan Prefab Limited has not yet received government approval for the transfer of the lease rights regarding this property. The property area is about 170.40 sq.mtr.

We also own a commercial property situated at 3rd floor, Block No.1, ‘SIDCO Electronic Complex’, Thiru Vi Ka Industrial Estate, Guindy, Chennai, from where our Chennai Branch office operates. This property has been transferred to our name through a registered sale deed. The property area is about 1,026 sq.ft.

Further, we also operate branch/camp offices located in Chennai, Hyderabad and Ahmedabad. The property at Chennai is owned and the properties at Hyderabad and Ahmedabad are on a rental basis.

In addition, we have a property that we are renting from RINL at Bhikaji Cama Place.

Corporate Social Responsibility

Our CSR strategy and activities have focused community development, environment, education, and health and disaster management. We have established a CSR Committee which coordinates and monitors our CSR functions. The CSR Committee meets at least once every quarter and the progress of our CSR programs are placed before the Board on a quarterly basis. In accordance with the provisions of the Companies Act, 2013, our Board has approved our CSR allocation for the Fiscal 2020, which is equivalent to 2% of our average net profit over the preceding three fiscal years, amounting to ₹122.10 million.

Our CSR policy has been prepared pursuant to Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014. For details regarding the composition of our CSR Committee and its responsibilities, see *“Our Management”* on page 127.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of the relevant sector specific regulations and policies applicable in India, as prescribed by the Government or state governments which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain and is based on the current provisions of Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions. The description of the applicable laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

I. Legislative framework governing NBFCs

Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Institution (“NBFC”). The business activities of NBFCs, like our Company, are regulated by various RBI regulations and certain provisions of the Reserve Bank of India Act, 1934 (the “RBI Act”). The key regulations and the provisions thereof are enunciated as below:

The Reserve Bank of India Act, 1934

The Reserve Bank of India (“RBI”) is entrusted with the responsibility of regulating and supervising activities of NBFCs by the power vested in it under chapter IIIB of the RBI Act. The RBI Act defines an NBFC under section 45-I(f) as:

- (i) a financial institution which is a company;
- (ii) a non-banking institution which is a company, and which has, as its principal business the receiving of deposits, under any scheme of arrangement or in any other manner, or lending in any manner; or
- (iii) such other non-banking institution or class of such institutions, as the Bank may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

Section 45-I(c) of the RBI Act defines a “financial institution” as a non-banking institution carrying on as its business or part of its business, amongst other activities, the financing, whether by making loans or advances or otherwise, of any activity, other than its own. Also, section 45-I (e) of the RBI Act defines a non-banking institution as a company, corporation or cooperative society. The RBI Act stipulates that no NBFC shall commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration (“CoR”). Furthermore, such an NBFC must also have a minimum net owned fund of ₹ 20 million by March, 2017.

The RBI has clarified through a press release dated April 8, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of a company to decide its principal business. A company will be treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and if its income from financial assets is more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

Master Direction – Non - Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended (“2016 NBFC Master Directions”).

The RBI by a notification dated September 1, 2016 notified the **2016 NBFC Master Directions** which contain detailed guidelines governing NBFC - Systemically Important Non-Deposit taking Company and Deposit taking Company (“NBFC-ND-SI”). This 2016 NBFC Master Directions issued by the RBI contains detailed directions on Corporate Governance norms, which *inter alia* set out guidelines on constitution of audit committee, nomination committee, risk management committee, and directs the NBFC-ND-SIs to frame a policy for ascertaining the fit and proper criteria for directors, and ensuring compliance with it through means of declarations, undertakings, deed of covenants and certificates from Managing Director. The 2016 NBFC Master Directions also contains detailed directions on prudential norms which *inter alia*, prescribe guidelines on income recognition, accounting of income from investments, framing of policy on demand/ call loans and classification of assets into the prescribed classes. Further, it prescribes directions on minimum capital requirements to be maintained by NBFC-ND-SIs, remuneration of directors and formulating a fair practice code that such NBFCs have to comply with.

Norms for excessive interest rates

The RBI, *vide* its notifications dated May 24, 2007, January 2, 2009 and February 18, 2013 requested all NBFCs to employ appropriate internal principles and procedures in determining interest rates and processing and other charges.

The board of directors of each NBFC are required to adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rates of interest and the approach for gradation of risks shall have to be made available on the websites of the companies or published in the relevant newspapers. Further, the rates of interest should be annualised so that borrowers are aware of the exact rates that would be charged to the account.

Know Your Customer Guidelines by RBI

The RBI has extended the Know Your Customer (“KYC”) guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The KYC policies are required to have certain key elements, including a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to KYC guidelines and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents. NBFCs are required to have a proper policy framework on KYC and anti-money laundering approved by the board of directors. The KYC policy of our Company was formulated and approved by the board of our Company in the 167th meeting held on March 9, 2007, and was last amended in 2016.

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, dated September 29, 2016

The direction lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs, including an NBFC-ND-SI.

Priority Sector Lending Guidelines of RBI

A master circular on priority sector lending issued by the RBI dated July 1, 2015, and subsequently amended regulates priority sector advances, loans granted by banks. It has included renewable energy projects under priority sector lending for which bank loans up to a limit of ₹ 150 million to borrowers will be available for renewable energy projects including solar-based power generators, biomass-based power generators, wind mills, micro-hydel plants, etc. For individual households, the loan limit is ₹ 1 million per borrower.

The Prevention of Money Laundering Act, 2002

The Prevention of Money Laundering Act, 2002 (the “PMLA”) was enacted to prevent money laundering and to provide for confiscation of property derived from, and involved in, money laundering. In terms of the PMLA, every financial institution, including housing finance institutions, is required to maintain records of all transactions including the value and nature of such transactions, furnish information of such transactions to the director defined under PMLA and verify and maintain the records of the identity of all its clients, in such manner as may be prescribed. The PMLA also provides for power of summons, searches and seizures to the authorities under the PMLA. In terms of PMLA, whosoever, directly or indirectly, attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of the offence of money laundering.

II. Legislative framework for recovery of debts

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the “SARFAESI Act”) governs securitization of assets in India. The SARFAESI Act provides that any securitization or reconstruction company may acquire the assets of a bank or financial institution by either entering into an agreement with such bank or financial institution for the transfer of such assets to the company or by issuing a debenture or bond or any other security in the nature of the debenture, for consideration, as per such terms and conditions as may be mutually agreed between them. The SARFAESI Act further provides that if the bank or financial institution is a lender in relation to any financial assets acquired by the securitization/reconstruction company as stated above, then such company shall be deemed to be the lender in relation to those financial assets. Upon such acquisition, all material contracts entered into by the bank or financial institution, in relation to the financial assets, shall also get transferred in favour of the securitization/reconstruction company.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the “DRT Act”) provides for establishment of the Debts Recovery Tribunals (“DRTs”) for expeditious adjudication and recovery of debts due to

banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and defendant's detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant. The DRT Act also provides that a bank or public financial institution having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed, by making an application to the DRT.

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (the “**IB Code**”) was passed by both houses of the Parliament of India on May 11, 2016 and received the assent of the President of India on May 28, 2016. The IB Code primarily consolidates the existing insolvency laws, inter alia, relating to companies and bodies corporate with the objective of providing clarity and consistency in treatment to all the stakeholders in the insolvency process. The IB Code classifies creditors into financial creditors, and operational creditors which include the financial loans for interest and loans arising from the operational nature of the debtor respectively. The IB Code proposes to appoint specialised insolvency professionals to assist companies and bodies corporate through the insolvency process.

The IB Code provides a 180-day timeline which may be extended by 90 days when dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 66% of voting share of financial creditors, which requires sanction by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. The National Company Law Tribunal will be the adjudicating authority with jurisdiction over companies and limited liability entities.

The IB Code aims to consolidate the laws relating to insolvency of companies and limited liability entities (including limited liability partnerships and other entities with limited liability), unlimited liability partnerships and individuals, presently contained in a number of legislations, into a single legislation. Such consolidation will provide for a greater clarity in law and facilitate the application of consistent and coherent provisions to different stakeholders affected by business failure or inability to pay debt.

Prudential Framework for Resolution of Stressed Assets Directions dated June 7, 2019:

As per the Prudential Framework for Resolution of Stressed Assets Directions issued by RBI on June 7, 2019 (“**RBI Directions on Stressed Assets**”), lenders are required to recognise incipient stress in loan accounts, immediately in default, by classifying such assets as special mention accounts as per the categories mentioned in the RBI Directions on Stressed Assets. The lenders are also required to sign an inter-creditor agreement which shall, *inter alia*, provide that the decision taken by 75% of the lenders by value and 60% of the lenders by number binds all lenders.

III. Laws related to environment

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 and the rules and regulations thereunder and The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. Pollution Control Boards (“**PCBs**”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state to control and prevent pollution. The PCBs are responsible for setting the standards for the maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.

IV. Laws related to employment

We are subject to various labour laws for the safety, protection, conditions of working, employment terms and welfare of labour and/or our employees. We are required to comply with certain labour and industrial laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Employees State Insurance Act, 1948, the Minimum Wages Act, 1948, the Maternity Benefit Act, 1961, the Payment of Bonus Act, 1965, Workmen's Compensation Act, 1923, the Payment of Gratuity Act, 1972, Contract Labour (Regulation and Abolition) Act, 1970, the Payment of Wages Act, 1936, Industrial Disputes Act, 1947, Industrial Employment (Standing Orders) Act, 1946, the Apprentices Act, 1961, the Trade Unions Act, 1926, Equal Remuneration Act, 1976, Public Premises (Eviction of Unauthorized Occupants) Act, 1971 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 among others.

V. Intellectual Property Laws

Certain laws relating to intellectual property rights such as copyright protection under the Copyright Act, 1957 (the “**Copyright Act**”), trademark protection under the Trade Marks Act, 1999 (the “**Trademarks Act**”), for patent protection under the Patents Act, 1970 (the “**Patents Act**”) and design protection under the Designs Act, 2000 (the “**Designs Act**”) are applicable to us. The Copyright Act governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as a *prima facie* evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Trademarks Act provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. The Designs Act prescribes for registration of design. The Designs Act specifically lays down the essentials of a design to be registered and *inter alia*, provides for application for registration of designs, copyright in registered designs etc.

Electricity Act, 2003

The Electricity Act, 2003 (“**Electricity Act**”) is the central legislation which covers, amongst others, generation, transmission, distribution, trading and use of electricity. It governs the establishment, operation and maintenance of any electricity generating company and prescribes technical standards in relation to the connectivity of generating companies with the grid. As per provisions of the Electricity Act, generating companies are required to establish, operate and maintain generating stations, sub-stations and dedicated transmission lines. Further, the generating companies may supply electricity to any licensee or even directly to consumers, subject to availing open access to the transmission and distribution systems and payment of transmission charges, including wheeling charges and any other open access charges, as may be determined by the concerned electricity regulatory commission.

In accordance with Section 7 of the Electricity Act, a generating company may establish, operate and maintain a generating station without obtaining a license under the Electricity Act if it complies with the technical standards relating to connectivity with the grid prescribed under clause (b) of Section 73 of the Electricity Act.

Under the Electricity Act, the State Electricity Regulatory Commissions (“**SERCs**”) are required to promote co-generation and generation of electricity from renewable sources of energy and sale of electricity to any person from sources other than the incumbent distribution licensee under the provisions of open access. The Electricity Act further requires the SERCs to specify, for the purchase of electricity from renewable sources, a percentage of the total consumption of electricity within the area of a distribution licensee, which has been implemented in the form of renewable purchase obligations (“**RPOs**”).

Solar Park Scheme

Ministry of New and renewable Energy (“**MNRE**”) has drawn a scheme to set up number of solar parks across various states in the country, each with a capacity of Solar Projects generally above 500 MW. The Scheme proposes to provide financial support by Government of India to establish solar parks with an aim to facilitate creation of infrastructure necessary for setting up new solar power projects in terms of allocation of land, transmission and evacuation lines, access roads, availability of water and others, in a focused manner.

The Solar Park is a concentrated zone of development of solar power generation projects. As part of Solar park development, land required for development of Solar Power Projects with cumulative capacity generally 500 MW and above will be identified and acquired and various infrastructure like transmission system, water, road connectivity and communication network etc. will be developed. The parks will be characterized by well-developed proper infra-structure where the risk & gestation period of the projects will be minimized. At the state level, the solar park will enable the states to bring in significant investment from project developers in Solar Power sector, to meet its Solar Purchase Obligation (“**SPO**”) mandates and provide employment opportunities to local population. The state will also be able to reduce its carbon footprint by avoiding emissions equivalent to the solar park’s generated capacity.

VI. Other Indian laws

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder, relevant central and state tax laws, foreign exchange and investment laws and foreign trade laws and other applicable laws and regulations imposed by the central and state government and other authorities for over day to day business, operations and administration.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated on March 11, 1987, under the Companies Act, 1956, as a public limited company and has obtained certificate of commencement of business dated March 21, 1987. Our Company was notified as a public financial institution under Section 4A of the Companies Act, 1956 on October 17, 1995, by the Department of Company Affairs, Ministry of Finance, GoI. Further, the Reserve Bank of India granted a certificate of registration to our Company on January 23, 2008, permitting us to carry on the business of Non-Banking Financial Company without accepting public deposits.

Changes in the Registered Office

The details of the change in the Registered Office are as follows:

Effective Date	Details of Change	Reasons for Change
June 22, 1989	Registered office was shifted from Paryavaran Bhavan, Block B-4, 10 th Floor, CGO Complex, Lodhi Road, New Delhi-110 003 to 3, Ring Road (First Floor), Kilokri, Opp. Maharani Bagh, New Delhi-110014.	Operational efficiency
October 31, 1994	Registered office of our Company was shifted from 3, Ring Road (First Floor), Kilokri, Opp. Maharani Bagh, New Delhi-110014 to India Habitat Centre, East Court, Core-4A, 1 st Floor, Lodhi Road, New Delhi – 110003.	Operational efficiency

Major events in the history of our Company

Details of any capacity/ facility creation or location of plants

Our Company owns a 50 MW solar photovoltaic power project in Village Ambalathara, District Kasaragod, Kerala. This project was fully commissioned on September 14, 2017.

Time and Cost Overruns

In relation to our 50 MW solar photovoltaic power project in Village Ambalathara, District Kasaragod, Kerala, our Company has incurred a time overrun of 409 days on account of delay in commissioning due to non-allocation of land by RPKCL within the timeline specified and non-availability of transmission line by Renewable Power Corporation of Kerala Limited.

Key Events

The table below sets forth the key events in the history of our Company:

Year	Particulars
1987	Incorporated as a public limited company.
1995-96	The GoI notified our Company as Public Financial Institution under section 4(A) of the Companies Act
1996-97	First loan agreement/s signed with Asian Development Bank for line of credit of US\$100 million
1996-97	Reserve Bank of India classified our Company as Loan Company
2008	Granted certificate of registration to commence/carry on the business of non-banking financial institution without accepting public deposits
2009-10	Upgraded from 'Schedule C' to 'Schedule B' Central Public Sector Enterprise
2015-16	Granted "Mini-Ratna" (Category-I) Status by MNRE
2017	First Indian financial institution to raise 'Green Masala Bonds' listed on LSE/ SGX
2019	Issued subordinated debt (Tier-2 capital) aggregating to ₹ 1,500 million
2019	Issued green taxable bonds aggregating to ₹ 8,650 million

Awards and Accreditations

The table below sets forth the key awards and accreditations received by our Company:

Year	Particulars
1999	Received "World Climate Technology Award for the year 1999" from Climate Technology Initiative (CTI), Paris, France
2012	Received the "Rajiv Gandhi National Quality Award, 2010" from Bureau of Indian Standards
2012	Received Gold Trophy of "SCOPE meritorious Award for Best Managed Bank, Financial Institution or Insurance Company" for the year 2011-12
2013	Received India Pride Award for "Excellence in Financial Sector, Government NBFCs" for the year 2013-14
2014	Received "India Today PSU Award – best performing Public Sector Undertaking in the area of R&D Innovation" from India Today Group
2014	Received ICORE 2013 award for Renewables for Development of Rural Areas

Year	Particulars
2015	Received “CBIP award for excellence in the Renewable Energy Sector” from CBIP
2015	Received “Golden Peacock Award for Sustainability”
2016	Received “SCOPE award for Excellence and Outstanding Contribution to the PSE Management 2013-14 – Institutional Category III (Other Profit Making PSEs)”
2016	Received “CST & Solar Cooker Excellence Awards 2016” for issuing schemes to provide loans for CST systems at National Workshop on Concentrating Solar Technologies & Solar Cookers from the MNRE
2016	Received “Outstanding Performance Award 2016” in the Category of Non-Banking Financing Companies (Public Sector) for “Highest lending by a Public Sector NBFC in Renewable Energy Space” for the period February 2015 – March 2016” from MNRE
2016	Received “Golden Peacock Award for Excellence in Corporate Governance” from Institute of Directors
2016	Received “India Pride Award 2016-17” from Dainik Bhaskar Group
2016	Received ISO/IEC 27001:2013 certification by TUV Nord with effect from February 2016 to February 2019.
2016	Received the “Certificate of Honour” in the category of Best Funding Agency of the Year at the Renewable Energy India Awards
2017	Received the “MSME Banking Excellence Awards-2016” from the Chamber of Micro Small & Medium Enterprises
2017	Received “Best Financial Performance (Mini Ratna Company) Award from Hindustan Newspaper at the Hindustan Ratna PSU Award 2017
2017	Received IS/ISO 9001:2015 certification by Bureau of Indian Standards with effect from March 2017 to December 2019.
2017	Received the “Golden Peacock Award for Corporate Ethics”
2017	Received the “2017 Best Performing Project Award” from the Department of Economic Affairs, Ministry of Finance, Government of India and the Asian Development Bank
2017	Received the “India Pride Awards 2016-17 for Excellence in CSR, Environment Protection and Conservation” from Dainik Bhaskar
2018	Received CBIP Award 2018 for “Outstanding Contribution for Development in Renewable Energy”
2018	Received the “Deal of the Year” award at the UK-India Awards for issue of masala bonds listed at London Stock Exchange
2018	Received the “Golden Peacock Environment Management Award”
2018	Received the “India Pride Awards 2017-18 under Miniratna – 1 Category” from Dainik Bhaskar
2019	Received the CBIP Award 2019 for “Best Financing Agency in Renewable Energy”
2019	Received the “Technology Sabha Awards” in the category ‘Enterprise Applications’

Main Objects of our Company

The main objects as contained in the Memorandum of Association are as follows:

1. *“To operate a revolving fund for promoting and developing new and renewable and non-conventional sources of energy (NRSE).”*
2. *To give financial support to specific projects and schemes for generating energy through non-conventional and renewable materials and sources.*
3. *To extend financial support to projects and schemes for generating energy through renewables / hybrid energy systems (conventional-cum-renewables or renewables and renewables); and conserving energy and / or energy efficiency of renewables/conventional energy.*
4. *To provide financial support to manufactures of new and renewable sources of energy systems and devices.*
5. *To provide financial assistance for leasing out or to directly lease out NRSE (New and Renewable Sources of Energy) equipment to individuals and institutions.*
6. *To function as financial intermediary with the financial institutions on behalf of NRSE industries.*
7. *To undertake evaluation of the performance of the scheme for which financial assistance is granted by the Company.*
8. *To partially finance renovation and modernization of industries engaged in manufacturing NRSE systems and devices.*
9. *To partially finance schemes aimed at revival of the NRSE systems and devices, already established.*
10. *To finance partially, in collaborating with other financial institutions, innovative projects based on NRSE by providing seed money.*
11. *To partially finance maintenance and repair of capital equipment including facilities for repair of such equipment, training of manpower employed in this area.*

12. *To partially finance surveys, studies, schemes, experiments and research activities associated with various aspects of technology in energy development and supply through new and renewable sources of energy.*
13. *To promote, organize or carry on consultancy services in the related activities of the Company, referred to in paras (1) to (12) above.*
14. *To assist in promoting selected pilot and demonstration projects related to the activities of the Company.*
15. *To monitor periodically the progress of the projects financed by the Company.*
16. *To finance schemes/ projects for generating conserving energy, especially in rural areas.*
17. *To assist in the rapid commercialization of NRSE technologies, systems and devices.*
18. *To assist in upgradation of technologies in the country through appropriate means including their importation.*
19. *To own, develop, set up projects for generation in Solar, Wind & Hydro Power sectors and all other forms of renewable energies both grid connected and off-grid and all ancillary activities thereto including planning, investigation, design and preparation of preliminary feasibility and definite project Reports, construction, generation, comprehensive operation, maintenance, renovation and modernization of power stations and projects, associated transmission, distribution and sale, exchange of power generated at stations in India and abroad, either on its own or through subsidiary company or in joint venture with public or private sectors.”*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out from the use of Net Proceeds as disclosed in the section “*Objects of the Issue*” on page 69.

Amendments to our Memorandum of Association

The amendments to our Memorandum of Association in the last ten years of our Company are set out below.

Date of Shareholders’ Resolution	Particulars
September 26, 2013	<p>Clause III B of the MoA was amended to incorporate the following as new sub-clause 3 in Part “B” relating to the main objects:</p> <p>“3. <i>To borrow, for the purposes of the Company, foreign currency or to obtain foreign lines of credit including commercial loans from any Bank or financial institution or Government/Authority in India or abroad up to eight times of IREDA’s net worth. Provided that, if the borrowings exceeds eight times of IREDA’s net worth, prior consent of President of India is required.</i>”</p>
April 6, 2015	<p>Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹ 10,000,000,000 divided into 10,000,000 equity shares of ₹1000 each to ₹ 60,000,000,000 divided into 60,000,000 equity shares of ₹1,000 each.</p>
April 6, 2015	<p>Clause III A of the MoA was amended to incorporate the following as new clause 19 in Part “A” relating to the main objects:</p> <p>“19. <i>To own, develop, set up projects for generation in Solar, Wind & Hydro Power sectors and all other forms of renewable energies both grid connected and off-grid and all ancillary activities thereto including planning, investigation, design and preparation of preliminary feasibility and definite project Reports, construction, generation, comprehensive operation, maintenance, renovation and modernization of power stations and projects, associated transmission, distribution and sale, exchange of power generated at stations in India and abroad, either on its own or through subsidiary company or in joint venture with public or private sectors.</i>”</p>
July 31, 2017	<p>Clause III B of the MoA was amended by substituting the existing clause 3 of Clause B relating to the incidental or ancillary objects under Clause III of the MoA with below:</p> <p>“3. <i>To borrow and/or secure the payment of any sum or sums of money for the purpose of the Company from time to time subject to the applicable provisions of the Companies Act, 2013 and compliance of applicable Capital to Risk Assets Ratio (CRAR) prescribed by RBI</i>”</p>
November 28, 2017	<p>Clause V of the MoA was amended to sub divide each equity share of ₹ 1,000 each to 100 Equity Shares of ₹ 10 each.</p>

Date of Shareholders' Resolution	Particulars
November 28, 2017	Sub-clause 27 of Clause III B of the MoA was amended to the following: “27. To promote and undertake the formation of any institution or company for the purpose of developing, promoting and commercializing new and renewable and non-conventional sources of energy and acquiring all or any of the property rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company, or form any subsidiary company or companies in the achievement of its objectives subject to the adherence of Rules and Regulations of Govt. of India.”

Holding company

As on the date of this Draft Red Herring Prospectus, our Company has no holding company.

Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Joint Venture

As on the date of this Draft Red Herring Prospectus, our Company has one joint venture, i.e., M.P. Windfarms Limited (“MPWL”), details of which are provided below.

M.P. Windfarms Limited

Corporate Information

MPWL was incorporated on October 20, 1994 under the Companies Act, 1956 at Gwalior. MPWL was established pursuant to a memorandum of understanding, dated July 14, 1994 with Consolidated Energy Consultants (P) Limited, our Company and M.P. Urja Vikas Nigam Limited for establishment of wind power estates in the state of Madhya Pradesh.

Nature of Business

MPWL is involved in the business of promoting, developing, and maintaining infrastructure facilities for generation, supply and distribution of electricity through wind farms projects and procuring and running wind electric generators.

Capital Structure

The share capital pattern of MPWL is as follows:

Authorised	Aggregate Nominal Value
1,000,000 equity shares of face value of ₹ 10 each	₹ 10,000,000
Issued, subscribed and paid up	
700,000 equity shares of face value of ₹ 10 each	₹ 7,000,000

Shareholding Pattern

The shareholding pattern of MPWL is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Consolidated Energy Consultants Limited	346,500	49.50
2.	M P Urja Vikas Nigam Limited	175,000	25.00
3.	Indian Renewable Energy Development Agency Limited	168,000	24.00
4.	Individuals	10,500	1.50
	Total	700,000	100.00

Defaults or rescheduling or restructuring of borrowings with financial institutions or banks

There have been no defaults or rescheduling of borrowings with financial institutions or banks in relation to borrowings availed by our Company from any financial institutions or banks.

Agreements with Key Managerial Personnel, Director or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Key terms of other subsisting material agreements

Our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on date of this Draft Red Herring Prospectus, our Board comprises of nine Directors including three Executive Directors (including our Chairman and Managing Director), one Government Nominee Directors and five Independent Directors (including two women Directors).

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other directorships
1.	<p>Praveen Kumar</p> <p>DIN: 01523131</p> <p>Designation: Chairman and Managing Director</p> <p>Term: Until further orders</p> <p>Period of directorship: Director since March 1, 2019</p> <p>Address: A-7, Tower 4, New Moti Bagh, New Delhi, Delhi – 110 021</p> <p>Occupation: Service</p> <p>Date of birth: June 23, 1961</p> <p>Age: 58 years</p>	<p>Indian Companies:</p> <ul style="list-style-type: none"> Solar Energy Corporation of India Limited <p>Foreign Companies:</p> <ul style="list-style-type: none"> Nil
2.	<p>Satish Kumar Bhargava</p> <p>DIN: 01430006</p> <p>Designation: Director (Finance)</p> <p>Term: With effect from December 26, 2017 until January 31, 2020 i.e., the date of his superannuation or until further orders in this respect, whichever is the earlier</p> <p>Period of directorship: Director since December 26, 2012</p> <p>Address: C-208, First Floor, Surya Nagar, Chander Nagar, Ghaziabad – 201 011</p> <p>Occupation: Service</p> <p>Date of birth: January 29, 1960</p> <p>Age: 59 years</p>	<p>Indian Companies:</p> <ul style="list-style-type: none"> Nil <p>Foreign Companies:</p> <ul style="list-style-type: none"> Nil
3.	<p>Chintan Navinbhai Shah</p> <p>DIN: 07795952</p> <p>Designation: Director (Technical)</p> <p>Term: Five years with effect from March 5, 2018, or until the date of his superannuation or until further orders in this respect, whichever is the earliest.</p> <p>Period of directorship: Director since March 5, 2018</p>	<p>Indian Companies:</p> <ul style="list-style-type: none"> Nil <p>Foreign Companies:</p> <ul style="list-style-type: none"> Nil

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other directorships
	<p>Address: S-316, First Floor, Panchsheel Park, New Delhi – 110 017.</p> <p>Occupation: Service</p> <p>Date of birth: July 4, 1972</p> <p>Age: 47 years</p>	
4.	<p>Bhanu Pratap Yadav</p> <p>DIN: 07835275</p> <p>Designation: Director (Government Nominee)</p> <p>Term: Until the date of his superannuation or until further orders in this respect, whichever is earlier.</p> <p>Period of directorship: Director since May 29, 2017</p> <p>Address: Flat no. 472, Type 5A, Asian Games Village Complex, New Delhi – 110 049</p> <p>Occupation: Government Service</p> <p>Date of birth: July 27, 1966</p> <p>Age: 53 years</p>	<p>Indian Companies:</p> <ul style="list-style-type: none"> • Nil <p>Foreign Companies:</p> <ul style="list-style-type: none"> • Nil
5.	<p>Indu Bala</p> <p>DIN: 07956450</p> <p>Designation: Independent Director</p> <p>Term: Three years with effect from October 4, 2017</p> <p>Period of directorship: Director since October 4, 2017</p> <p>Address: Village Gankhetar, P.O. Baijnath, Tehsil Baijnath District, Kangra – 176 125</p> <p>Occupation: Business</p> <p>Date of birth: April 12, 1967</p> <p>Age: 52 years</p>	<p>Indian Companies:</p> <ul style="list-style-type: none"> • Nil <p>Foreign Companies:</p> <ul style="list-style-type: none"> • Nil
6.	<p>Abhishek Mahawar</p> <p>DIN: 02192597</p> <p>Designation: Independent Director</p> <p>Term: Three years with effect from September 14, 2017</p> <p>Period of directorship: Director since September 14, 2017</p> <p>Address: C-7, Tagore Nagar, Raipur – 492 001</p> <p>Occupation: Professional</p>	<p>Indian Companies:</p> <ul style="list-style-type: none"> • Witworth Insolvency Professionals Private Limited • Geschaft Formulae India Private Limited • Ditya Finance Private Limited <p>Foreign Companies:</p> <ul style="list-style-type: none"> • Nil

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other directorships
	Date of birth: March 9, 1973 Age: 46 years	
7.	Madhusri M. Swamy DIN: 07539535 Designation: Independent Director Term: Three years with effect from March 19, 2018 or until further orders in this respect, whichever is earlier. Period of directorship: Director since March 19, 2018 Address: 113, Benaka Krupa, 5 th Cross Sharada Nagara, Yelahanka New Town, Bengaluru – 560 065 Occupation: Professional Date of birth: April 18, 1968 Age: 51 years	Indian Companies: <ul style="list-style-type: none"> • Nil Foreign Companies: <ul style="list-style-type: none"> • Nil
8.	Dr. Gangidi Manohar Reddy DIN: 07028036 Designation: Independent Director Term: Three years with effect from March 19, 2018, or until further orders in this respect, whichever is earlier. Period of directorship: Director since March 19, 2018 Address: H.No.-17-1-388/P/69, Poornodaya Colony, Saidabad, Hyderabad- 500 059 Occupation: Academician Date of birth: June 10, 1965 Age: 54 years	Indian Companies: <ul style="list-style-type: none"> • Fertilizers and Chemicals Travancore Limited Foreign Companies: <ul style="list-style-type: none"> • Nil
9.	Sanjay Kumar Jain DIN: 08103209 Designation: Independent Director Term: Three years with effect from April 12, 2018 or until further orders in this respect, whichever is earlier. Period of directorship: Director since April 12, 2018 Address: Gurumukh Building, Near Allahabad Bank, Kalibari Road, Dimapur-797 112, Nagaland Occupation: Professional Date of birth: March 11, 1965 Age: 54 years	Indian Companies: <ul style="list-style-type: none"> • Nil Foreign Companies: <ul style="list-style-type: none"> • Nil

Relationship between our Directors

None of our directors are related to each other or to the Key Managerial Personnel.

Brief biographies of our Directors

Praveen Kumar, aged 58 years, is the Chairman and Managing Director of our Company. He is an IAS Officer from 1987 batch of the Tamil Nadu Cadre. He is presently working as Additional Secretary, MNRE. Prior to this, he has handled various important positions in the State Government as well as in the Central Government, where he was involved in policy formulation and implementation in various public departments. He holds a bachelor's and master's degree in technology (metallurgy) from IIT, Kanpur. He also holds Post Graduate Diplomas in Business Administration and Public Administration.

Satish Kumar Bhargava, aged 59 years, the Director (Finance) and CFO of our Company. He holds a bachelor's degree in commerce from University of Delhi. He is a fellow member of the Institute of Cost Accountants of India and the Institute of Company Secretaries of India. He has been associated with our Company since 2000 and has over 33 years of experience. In the past, he has been associated with National Thermal Power Corporation Limited, HMT Limited and Central Electronics Limited.

Chintan Navinbhai Shah, aged 47 years, is the Director (Technical) of the Company. He holds a Bachelor of Engineering in Chemical Engineering from Maharaja Sayajirao University of Baroda. He has served as the President – SBD and Corporate Affairs with Suzlon Energy Limited and as Vice President – SBD with Suzlon Energy Limited and Suzlon Green Power Limited and has also previously worked with the Energy and Resources Institute (TERI). He has over 22 years of experience in renewable energy including various activities namely manufacturing of RE Systems/ Products, project execution, project consultancy, project financing and policy planning.

Bhanu Pratap Yadav, aged 53 years, is the Director (Government Nominee) of our Company. He holds a bachelor's degree in civil engineering and a master's degree in behavioural and social sciences from the Indian Institute of Technology, Delhi. He has completed the post graduate programme in management for senior executives from the Indian School of Business, Hyderabad and is a certified internal auditor from the Institute of Internal Auditors. He has been associated with our Company since May 2017. He has over 20 years of experience in the field of internal as well as external audit. He is presently working as Joint Secretary in the Ministry of New and Renewable Energy, Government of India.

Indu Bala, aged 52 years, is an Independent Director in our Company. She holds bachelor's degree in arts from Himachal Pradesh University, Shimla. She has been associated with our Company since October 2017. She is also associated as Director with Parmarth International School, Kangra.

Abhishek Mahawar, aged 46 years, is an Independent Director in our Company. He holds bachelor's degree in electronics engineering from Pandit Ravishankar Shukla University, Raipur. He has been associated with our Company since September, 2017. He is a member of the Institute of Chartered Accountants of India and has over 20 years of experience in the fields of auditing, taxation and ERP consulting. He is partner in APAS & Co. Chartered Accountants since 2005. Prior to joining APAS & Co., he was associated for approximately six years with Infosys Limited as senior consultant.

Madhusri M Swamy, aged 51 years, is an Independent Director of the Company. She holds a Bachelor's Degree in Law from Bangalore University and a Master's degree in Political Science from Kuvempu University. She has been associated with the Company since March 19, 2018. She is also a social activist, having worked with Swami Vivekananda Yoga and Holistic Health Trust for the past 10 years.

Dr. Gangidi Manohar Reddy, aged 54 years, is an Independent Director in the Company. He holds a Master's Degree in Chemistry and Doctorate in Chemistry from Osmania University, Hyderabad. He has been associated with the Company since March 19, 2018. He is a visionary educationalist and is a member of many educational institutions. He was a Lecturer in Hyderabad. He is also a lifetime member of the Young Men's Improvement Society.

Sanjay Kumar Jain, aged 54 years, is an Independent Director of the Company. He is a member of the Institute of Chartered Accountants of India and has over 25 years of experience in the field of taxation, auditing, corporate affairs, insurance and management consultancy.

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors is, or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except as stated below, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director or member of the senior management.

Pursuant to our Articles of Association, the President of India appoints the Chairman and such other Directors in consultation with our Chairman. The President may from time to time, appoint a managing director and other whole-time Director/Directors on such terms and remuneration (whether by way of salary or otherwise) as he may think fit.

Service contracts with Directors

No Director has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Details of Borrowing Powers

Subject to the provisions of the Companies Act, our Articles of Association authorise our Board, at its discretion, to generally secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a resolution passed by the shareholders of our Company on July 31, 2017, our Board has been authorised to borrow sums of money upon such terms and conditions for such purposes as it may deem fit, provided that the aggregate indebtedness of our Company shall not exceed fifteen times of the net worth of our Company.

Terms of appointment of our Directors

1. Remuneration to Executive Directors:

Our Company has paid the following remuneration to our Executive Directors, including contingent or deferred compensation accrued in Fiscal 2019:

S. No.	Name of Director	Total remuneration (in ₹ million)
1.	Kuljit Singh Popli*	9.78
2.	Praveen Kumar	0.00
3.	Satish Kumar Bhargava	7.70
4.	Chintan Navinbhai Shah	3.40
	Total	20.88

* Kuljit Singh Popli ceased to be the Chairman and Managing Director of our Company with effect from February 28, 2019

Praveen Kumar

No remuneration was paid to Praveen Kumar by our Company for the Fiscal 2019.

Satish Kumar Bhargava

Satish Kumar Bhargava is entitled to remuneration from our Company pursuant to letter dated April 10, 2013 issued by the MNRE. He was appointed as the Director (Finance) for a term of five years with effect from December 26, 2012, or until the date of his superannuation or until the further orders in this respect, whichever event occurs earliest. Subsequently, his term of employment was extended further with effect from December 26, 2017 till January 31, 2020, or until further orders, whichever occurs earlier. Details of his employment are provided below:

Particulars	Terms of Remuneration
Basic Salary	₹ 160,000 per month in the pay scale of ₹ 160,000 - ₹ 290,000 with effect from December 26, 2012.
Annual increment	3% on his basic pay on the anniversary date of his appointment in the scale and further increments on the same date in subsequent years until his entitlement reaches maximum in his pay scale.
Perquisites and benefits	Benefits such as dearness allowance, performance related payments, house rent allowance, leased accommodation and conveyance.

Chintan Navinbhai Shah

Chintan Navinbhai Shah is entitled to remuneration from our Company pursuant to letter dated May 23, 2018 issued by the MNRE. He was appointed as the Director (Technical) for a term of five years with effect from March 5, 2018 or until the date of his superannuation or until the further orders in this respect, whichever event occurs earliest. Details of his employment are provided below:

Particulars	Terms of Remuneration
Basic Salary	₹160,000 per month in the pay scale of ₹ 160,000 - ₹ 290,000 with effect from March 5, 2018.
Annual increment	3% on his basic pay on the anniversary date of his appointment in the scale and further increments on the same date in subsequent years until his entitlement reaches maximum in his pay scale.

Particulars	Terms of Remuneration
Perquisites and benefits	Benefits such as dearness allowance, performance related payments, house rent allowance, leased accommodation and conveyance.

2. Remuneration to Independent Directors:

Each part-time non-official director (Independent Director) is entitled to receive sitting fees of ₹ 20,000 for attending each meeting of our Board and committees thereof respectively pursuant to a resolution of the Board dated June 27, 2014 within the limits prescribed under the Companies Act, 2013.

The details of the sitting fees paid to the Independent Directors by our Company during Fiscal 2019 is as follows:

S. No.	Name of Director	Sitting fees paid (in ₹ million)	Commission paid (in ₹ million)
1.	Indu Bala	0.26	NIL
2.	Abhishek Mahawar	0.58	NIL
3.	Madhusri M. Swamy	0.44	NIL
4.	Dr. Gangidi Manohar Reddy	0.52	NIL
5.	Sanjay Kumar Jain	0.04	NIL
	Total	1.84	NIL

3. Remuneration to Government Nominee Directors

Our Company is not required to pay any remuneration to the Government Nominee Directors. Accordingly, no remuneration was paid to the Government Nominee Directors by our Company during Fiscal 2019.

Bonus or profit sharing plan for the Directors

Other than the performance-related pay scheme for our employees, through which bonus incentive payments are made to our employees (including our executive directors), our Company does not have a bonus or profit sharing plan for our Directors.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except for Praveen Kumar and Bhanu Pratap Yadav, Chairman & Managing Director and Government Nominee Director of our Company, who each hold 100 Equity Shares each in our Company as nominee of the President of India, none of our Directors hold any Equity Shares.

Interest of Directors

None of our Directors have interest in any property acquired or proposed to be acquired, by our Company.

None of our Directors are interested in the promotion or formation of our Company as on date of this Draft Red Herring Prospectus.

No consideration in cash or shares or otherwise or in any other form has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested, by any person, either to induce such Director to become, or to help such Director to qualify as a Director, or otherwise for services rendered by him/ her or by the firm or company in which he/ she is interested, in connection with the promotion or formation of our Company.

All our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, if any, payable to them by our Company under our Articles of Association and respective appointment letters, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends and other distributions in respect of such Equity Shares), held by them in the capacity of a nominee director of our Promoter. For details, see “*Capital Structure – Details of Shareholding of our Promoter in the Company*” on pages 65 to 67.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/Cessation	Reason for change
Arun Kumar	July 10, 2019	Cessation as Director (Government Nominee)
Praveen Kumar	March 1, 2019	Appointment as Chairman and Managing Director
Kuljit Singh Popli	February 28, 2019	Cessation as Chairman and Managing Director
Arun Kumar	January 28, 2019	Appointment as Ex-Officio Part Time Director (Government)

Name	Date of Appointment/ Change/Cessation	Reason for change
		Nominee)
Gargi Kaul	December 21, 2018	Nomination withdrawn by appointing authority
Sanjay Kumar Jain	April 12, 2018	Appointment as an Independent Director
Madhusri M. Swamy	March 19, 2018	Appointment as an Independent Director
Gangidi Manohar Reddy	March 19, 2018	Appointment as an Independent Director
Chintan Navinbhai Shah	March 5, 2018	Appointment as Director (Technical)
Gargi Kaul	December 27, 2017	Appointment as Ex-Officio Part Time Director
J.B. Mohapatra	November 30, 2017	Cessation as Director (Government Nominee)
Chander Mohan Bhatla	September 29, 2017	Cessation due to superannuation
Indu Bala	October 4, 2017	Appointment as an Independent Director
Abhishek Mahawar	September 14, 2017	Appointment as an Independent Director
Bhanu Pratap Yadav	May 29, 2017	Appointment as Ex-Officio Part Time Director
Arun Kumar Tripathi	May 23, 2017	Nomination withdrawn by appointing authority.
Battual Venkateswara Rao	February 28, 2017	Cessation due to superannuation

Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises with respect to corporate governance, provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations and the Companies Act in respect of corporate governance including the constitution of our Board and committees thereof, and formulation and adoption of various policies.

Pursuant to an MCA notification dated June 5, 2015, the Central Government has exempted/ modified the applicability of certain provisions of the Companies Act, 2013 in respect of Government Companies. In accordance with this notification, the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and our Articles of Association, matters pertaining to, among others, appointment, remuneration and performance evaluation of our Directors are determined by the President of India. Further, our Statutory Auditor is appointed by the CAG of India. Accordingly, in so far as the aforesaid matters are concerned, the terms of reference of our Nomination and Remuneration Committee and Audit Committee only allow these committees to take on record the actions of the President of India or the Comptroller and Auditor General of India CAG, as the case may be.

Our Board has been constituted in compliance with the Companies Act, the SEBI Listing Regulations and the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas.

As on the date of filing of the Draft Red Herring Prospectus, our Company is not in compliance with Regulation 19(4) read with Schedule II – Part D and Regulation 18(3) read with Schedule II - Part C of the of the SEBI Listing Regulations. In relation to the above non-compliances, our Company is filing an exemption letter dated July 29, 2019 with SEBI under Regulation 300 of the SEBI ICDR Regulations seeking relaxation from strict compliance of the relevant provisions of the SEBI Listing Regulations and the corporate governance norms under Paragraph (10)(F)(g)(i) of Part A of Schedule VI of the SEBI ICDR Regulations.

Committees of the Board

Audit Committee

The Audit Committee of our Board consists of five members. The members of the Audit Committee are:

S. No.	Name and designation of Director	Committee designation
1.	Abhishek Mahawar - Independent Director	Chairman
2.	Gangidi Manohar Reddy - Independent Director	Member
3.	Sanjay Kumar Jain - Independent Director	Member
4.	Bhanu Pratap Yadav - Director (Government Nominee)	Member
5.	Indu Bala – Independent Director	Member

The Audit Committee was constituted on March 13, 2001 and re-constituted by the Board on June 22, 2017, November 11, 2017, re-constituted again through a circular resolution dated November 1, 2017 and notified by the Board on November 11, 2017, re-constituted again on May 14, 2018 and on March 27, 2019 and last re-constituted by the Board on July 29, 2019. The terms of reference of the Audit Committee were revised pursuant to Board resolution dated September 22, 2017 and last revised pursuant to Board resolution dated July 29, 2019. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations (except to the extent that

the statutory auditors of our Company are appointed by CAG, as our Company is a government company) and its terms of reference include the following:

1. 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;
2. To take note for the appointment, and terms of appointment of the auditors of the company;
3. To recommend to the Board on the fixation of audit fees;
4. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing and examining with the management, the annual financial statements and the auditors' report thereon before submission to the Board for approval with particular reference to:
 - (a) Matters required to be included in the directors' 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;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Modified opinion(s) in the draft audit report.
6. Reviewing with the management, the quarterly/ half-yearly financial statements before submission to the Board for approval;
7. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
8. 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;
9. Discussion with Internal Auditors and/ or Auditors of any significant findings and follow up there on;
10. Reviewing the findings of any internal investigations by the internal auditors / auditors / agencies 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;
11. 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;
12. 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;
13. To review and monitor the function of the whistle blower mechanism;
14. Approving appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; provided where Director (Finance) is appointed by the administrative ministry, he will act as the chief financial officer;
15. To review the follow up action on the audit observations of CAG audit;
16. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament;
17. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors;
18. Approval or any subsequent modification of transactions of the Company with related parties;

19. To make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
20. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage reduction of redundant efforts, and the effective use of all audit resources;
21. Consider and review the following with the independent auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security; and
 - Related findings and recommendations & the independent auditor and internal auditor, together with the management responses.
22. Consider and review the following with the management, internal auditor and the independent auditor:
 - Significant findings during the year, including the status of previous audit recommendations; and
 - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
23. The Audit Committee shall mandatorily review the following information:
 - I. Management discussion and analysis of financial condition and results of operations;
 - II. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - III. Management letters / letter of internal control weaknesses issued by the Statutory Auditors;
 - IV. Internal audit reports relating to internal control weaknesses;
 - V. The appointment, removal and transfer of the Chief of the internal / systems audit shall be placed before the Audit Committee;
 - VI. Certification / declaration of financial statements by the Chief Executive / Chief Finance Officer to be designated by the Board;
 - VII. Statement of deviations:
 - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
24. Review and monitor the statutory auditor's independence and performance, and effectiveness of audit process;
25. Scrutiny of inter-corporate loans and investments;
26. Valuation of undertakings or assets of the Company, wherever it is necessary;
27. Evaluation of internal financial controls and risk management systems;
28. 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;
29. Reviewing the utilization of loans and/ or 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 April 1, 2019;
30. Carrying out any other function as prescribed under the DPE Guidelines, Companies Act and the SEBI Listing Regulations, as applicable to the Company from time to time and any other function as deemed appropriate or

determined by the Board from time to time in the best interest of the Company and other stakeholders of the Company; and

31. The powers of the Audit Committee include the following:

- (a) To investigate into the matters of any activity specified within its terms of reference;
- (b) To seek information from any employee of the Company;
- (c) To obtain legal or other professional advice from external sources, if necessary;
- (d) To secure attendance of outsiders with relevant expertise, if necessary; and
- (e) To have full access to the information contained in the records of the Company.

For the purpose of above terms of reference:

- (a) The Committee may invite the Director (Finance) or head of the finance function and a representative of the statutory auditor and any other such executives of the Company to be present at the meetings of the committee. Provided that occasionally the audit committee may meet without the presence of any executives of the Company;
- (b) The Committee may call for the comments of the auditors about the internal control systems, the scope of audit, including the observations of auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and management of the Company;
- (c) The auditors of the Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote; and
- (d) The Board's report under section 134(3) of the Companies Act, 2013, shall disclose the composition of an Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed in such report along with the reasons therefor;

Unless otherwise defined, for the purposes of the definition of auditor above, shall include statutory auditors, secretarial auditors, cost auditors and internal auditors.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board consists of four members. The members of the Nomination and Remuneration Committee are:

S. No	Name and designation of Director	Committee designation
1.	Indu Bala - Independent Director	Chairperson
2.	Gangidi Manohar Reddy - Independent Director	Member
3.	Madhusri M. Swamy - Independent Director	Member
4.	Sanjay Kumar Jain - Independent Director	Member

The Nomination and Remuneration Committee was constituted on February 25, 2011. The Committee was renamed from Remuneration Committee to Nomination and Remuneration Committee on October 22, 2014. It was re-constituted by the Board on June 29, 2016, re-constituted through a circular resolution dated November 1, 2017 and notified by the Board on November 11, 2017, re-constituted again on December 21, 2017 and last re-constituted by the Board on May 14, 2018. The terms of reference of the Nomination and Remuneration committee were revised pursuant to the Board resolution dated September 22, 2017, and last revised pursuant to Board resolution dated July 29, 2019. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Regulation 19 of the SEBI Listing Regulations (except for the fact the Nomination and Remuneration Committee of our Company does not have the power to appoint the directors and decide their terms of appointment, given that our Company is a government company and the directors of our Company are appointed by the Government). The terms of reference of the Nomination and Remuneration Committee include:

1. To review the shortlisted candidates for the post of one level below the Board and make recommendations;
2. To identify suitable candidates for promotion to the posts of one level below the Board;
3. To recommend to the Board annual bonus and policy for its distribution to the executives, within the limits as prescribed by the applicable law/ guidelines;

4. To frame suitable policies, procedure and systems to ensure that there is no violation of securities law as amended from time to time;
5. To ensure that the Company has formal and transparent procedures for the selection and appointment of Key Managerial Personnel (excluding Directors) and senior management personnel at the level of General Manager and above in accordance with the criteria laid down;
6. To consider and recommend to the Board for appointment and removal of Key Managerial Personnel (excluding Directors) and senior management personnel at the level of General Manager and above in accordance with the criteria laid down;
7. To recommend to the Board, all remuneration, in whatever form, payable to senior management;
8. To take on record the appointment and removal of directors, including independent directors, by the President of India, acting through administrative ministries;
9. To take on record the extension, if any, of the term of the independent directors of our Company, as may be directed by the President of India, acting through the respective ministries;
10. To ensure that the Company has in place programmes for the effective induction of new directors;
11. To take on record the various policies, if any, promulgated by the GoI including, inter alia, policy on diversity of board of the directors and criteria for evaluation of performance of the directors;
12. To attend to any other responsibility as may be entrusted by the Board within the Terms of Reference;
13. To carry out any other function contained in the SEBI Listing Regulations and the Companies Act, 2013 as and when amended from time to time; and
14. To periodically review the Terms of Reference and make recommendations to the Board for changes.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Board consists of six members. The members of the Stakeholders' Relationship Committee are:

S. No	Name and designation of Director	Committee designation
1.	Sanjay Kumar Jain - Independent Director	Chairman
2.	Satish Kumar Bhargava - Director (Finance)	Member
3.	Chintan Navinbhai Shah - Director (Technical)	Member
4.	Abhishek Mahawar - Independent Director	Member
5.	Indu Bala - Independent Director	Member
6.	Madhusri M. Swamy - Independent Director	Member

The Stakeholders' Relationship Committee was constituted on by the Board on December 18, 2014, re-constituted through a circular resolution dated November 1, 2017 and notified by the Board on November 11, 2017 and last re-constituted by the Board on May 14, 2018. The terms of reference of the Stakeholders' Relationship Committee were revised pursuant to Board resolution dated July 29, 2019. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference are as follows:

1. To review the mechanism adopted for redressal of shareholders, debenture holders and other security holders' complaints;
2. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
3. Review of measures taken for effective exercise of voting rights by shareholders.
4. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
5. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

6. To review and carry out such other matters as per the directions of the Board of Directors and/or as required under the SEBI Listing Regulations relating to corporate governance, as amended, from time to time as well as under any other applicable statutory rules and regulations.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of our Board consists of six members. The members of the Corporate Social Responsibility Committee are:

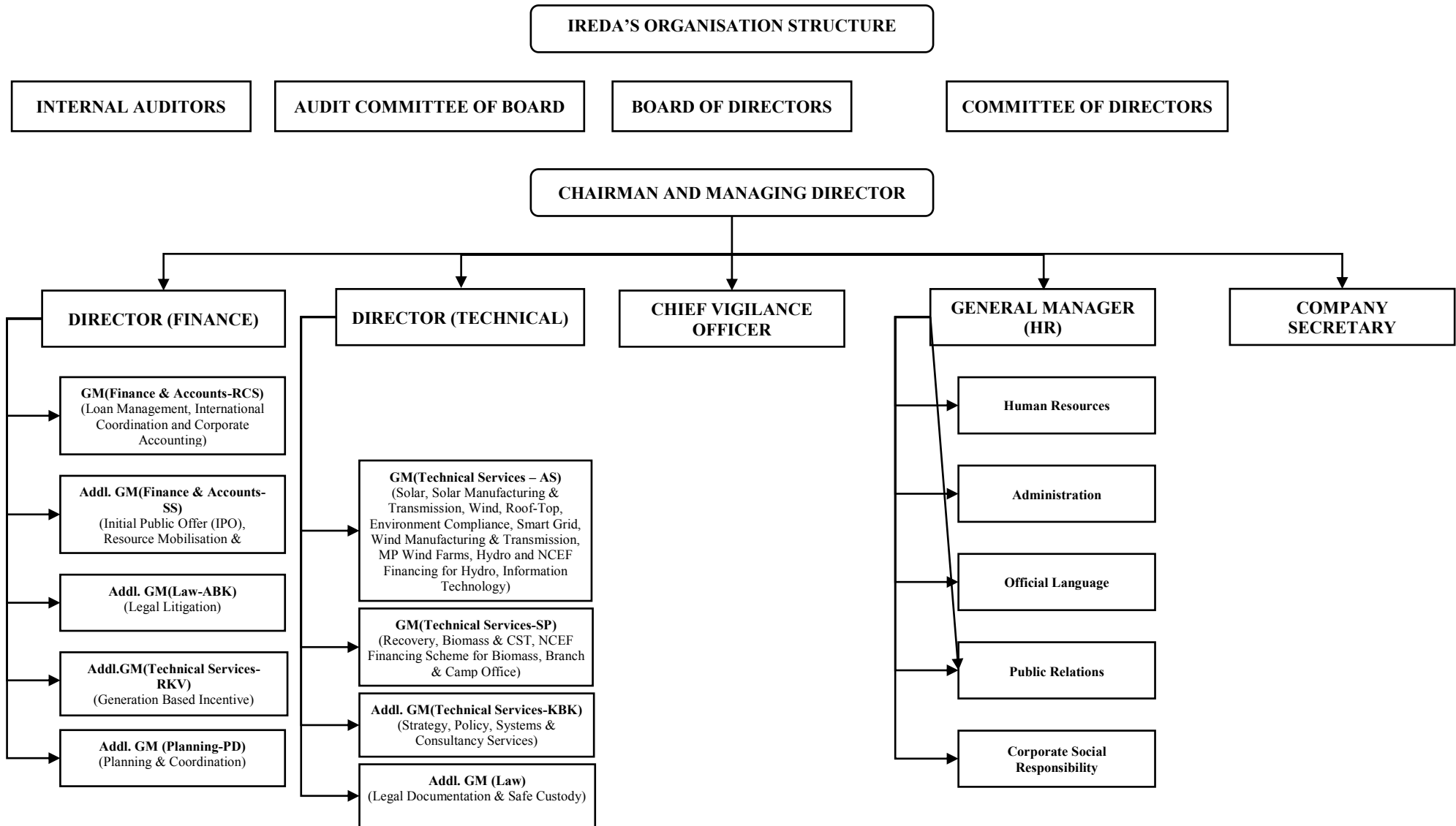
S. No	Name and designation of Director	Committee designation
1.	Praveen Kumar - Chairman and Managing Director	Chairperson
2.	Satish Kumar Bhargava - Director (Finance)	Member
3.	Chintan Navinbhai Shah - Director (Technical)	Member
4.	Bhanu Pratap Yadav - Director (Government Nominee)	Member
5.	Indu Bala - Independent Director	Member
6.	Madhusri M Swamy - Independent Director	Member

The Corporate Social Responsibility Committee was constituted by our Board on March 11, 2014 and has been re-constituted by our Board on May 26, 2017, re-constituted again through a circular resolution dated November 1, 2017 and notified by the Board on November 11, 2017, re-constituted again on May 14, 2018 and last re-constituted by the Board on March 27, 2019. The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

1. To assist Board of Directors to formulate suitable policies and strategies to take CSR & Sustainability agenda forward in the desired direction;
2. To monitor the Corporate Social Responsibility Policy of the Company from time to time;
3. To oversee the implementation of the CSR activities; and
4. To comply with the other requirements on Corporate Social Responsibility Policy as amended from time to time.

Further, we have also constituted an IPO Committee and certain internal committees for the internal management of our Company.

Management Organisation Structure



Key Managerial Personnel

In addition to Praveen Kumar, Satish Kumar Bhargava and Chintan Navinbhai Shah whose details are provided in “*Brief biographies of our Directors*” above, the details of our other Key Managerial Personnel, as on the date of this Draft Red Herring Prospectus are set forth below:

Surender Suyal, aged 55 years, is the Company Secretary of our Company. He holds a bachelor’s degree in commerce from University of Delhi. He is an associate member of the Institute of Company Secretaries of India and the Institute of Cost Accountants of India. He has been associated with our Company since June 17, 1996 and has over 30 years of experience. His functions and areas of experience in our Company include matters related to finance, accounts and secretarial services. Prior to joining our Company, he was associated with NHPC Limited, Hindustan Copper Limited and Partap Steels Limited. During Fiscal 2019, he received a remuneration of ₹ 4.54 million from our Company.

Status of Key Managerial Personnel

Except Praveen Kumar, who is presently working as Additional Secretary, MNRE and is currently in-charge as the Chairman and Managing Director of our Company, all the Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

Except for Praveen Kumar, Chairman and Managing Director of our Company, who holds 100 Equity Shares in our Company as a nominee of the President of India, none of our Key Managerial Personnel holds any Equity Shares.

Changes in the Key Managerial Personnel

Other than as disclosed in “*Our Management - Changes in the Board in the last three years*” on pages 132 to 133, there have been no changes in the Key Managerial Personnel of our Company, other than by way of retirement in the normal course in the preceding three years.

Interest of Key Managerial Personnel

Except Praveen Kumar who is interested to the extent of his shareholding in the Company (as a nominee), the Key Managerial Personnel, do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and the reimbursement of expenses incurred by them during the ordinary course of business. All the Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

Payment or Benefit to Key Managerial Personnel

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company’s officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Senior Management Personnel

Phillip Bara, aged 59 years, is the Chief Vigilance Officer of our Company. He holds a bachelor’s degree in arts from Ranchi University. He has been associated with our Company since February 7, 2017 and has more than 27 years of experience in Vigilance (Enquiry / Investigation) industry. He is involved in vigilance activities in our Company. Prior to joining our Company, he was associated with the Central Vigilance Commission and the New Delhi Municipal Council. During Fiscal 2019, he received a remuneration of ₹ 3.31 million from our Company.

Abhilakh Singh, aged 59 years, is the General Manager (Technical Services) of our Company. He holds a bachelor’s degree in electrical engineering from the Indian Institute of Technology, Delhi, a master’s degree in consultancy management from Birla Institute of Technology and Science, Pilani and an advanced diploma in management from the Indira Gandhi National Open University. He is fellow member of Institute of Engineers (I.E.) and the Institute of Electronic and Telecommunication Engineers (I.E.T.E.). He has been associated with our Company since March 10, 1994 and has over 25 years of experience in wind and solar project financing. He is involved in the evaluation of projects related to Wind, Solar and Hydro sector and also is the head of the IT Department in our Company. Prior to joining our Company, he was associated with Electronics Test & Development Centre (E.T.D.C.), Department of Electronics. During Fiscal 2019, he received a remuneration of ₹ 4.62 million from our Company.

Dr. P. Sreenivasan, aged 56 years, the General Manager Human Resource of our Company. He holds a bachelor’s degree in science from the University of Madras, Tamil Nadu and master’s degree in arts from Bharathidasan University, Tamil Nadu. He holds a diploma in training and development from Indian Society for Training & Development. He also holds a post graduate diploma in management from All India Management Association and diploma in labour laws with administrative law from Annamalai University. He also holds a Ph. D. in management from IGNOU. He has been associated with our Company since December 6, 2013 and has more than 30 years of experience in the field of human resource in recruitment,

employee engagement and welfare, industrial relations, collective bargaining, compensation and benefits, appraisal and human resource development industry. Prior to joining our Company, he was associated with Power Grid Corporation of India Limited, Airports Authority of India, Neyveli Lignite Corporation Limited, Madras Industrial Linings Limited and Dalmia Cement Bharat Limited. During Fiscal 2019, he received a remuneration of ₹ 4.59 million from our Company.

Dr. Ramesh Chandra Sharma, aged 55 years, is the General Manager (Finance &Accounts) of our Company. He holds a bachelor's and master's degree in commerce from University of Rajasthan. He is an associate member of the Institute of Cost Accountants of India and holds a Ph.D degree in commerce from University of Rajasthan. He has been associated with our Company since December 31, 1997 and has over all 23 years of experience which include 20 years of experience in financing in the renewable energy sectors. He is involved in Loan management, corporate accounts, taxation & audits. In addition to this, he looks after hedging of forex loans, raising and management of international loan resources and also heads the Risk Management Unit in our Company. Prior to joining our Company, he was associated with Neyveli Lignite Corporation Limited, Nathpa Jhakri Power Corporation Limited (Presently known as Satluj Jal Vidyut Nigam Ltd.) and National Mineral Development Corporation Limited. During Fiscal 2019, he received a remuneration of ₹ 3.33 million from our Company.

Som Pal, aged 56 years, is the General Manager (Technical Services) of our Company. He holds a bachelor's degree in mechanical engineering from G.B. Pant University of Agriculture and Technology, Uttarakhand. He has been associated with our Company since February 11, 1994 and has more than 20 years of experience in our Company. He is involved in evaluation of projects related to Biomass, CST, Energy Efficiency and he also heads the Recovery Group in our Company. Prior to joining our Company, he was associated with Central Electricity Authority, Ministry of Power and Bharat Electronics Limited. During Fiscal 2019, he received a remuneration of ₹ 4.16 million from our Company.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter is the President of India acting through the Ministry of New and Renewable Energy, Government of India. Our Promoter, along with its nominees, currently holds 100% of the pre-Issue paid-up equity share capital of our Company. After this Issue and assuming full subscription in the Issue, our Promoter shall hold 84.95% of the post Issue paid-up equity share capital of our Company. Since our Promoter is the President of India, acting through the Ministry of New and Renewable Energy, Government of India, disclosures on the 'promoter group' (defined in Regulation 2(pp) of the SEBI ICDR Regulations) as specified in Schedule VI of the SEBI ICDR Regulations have not been provided.

DIVIDEND POLICY

As per Guidelines on Capital Restructuring of Central Public Sector Enterprises, dated May 27, 2016, issued by Department of Investment and Public Asset Management, Ministry of Finance, Government of India (“**CPSE Capital Restructuring Guidelines**”), containing the guidelines for payment of dividend, applicable from Financial Year ending on or after March 31, 2016 our Company is required to pay a minimum annual dividend of 30% of profit after tax or 5% of the net-worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions and the conditions mentioned in the aforesaid CPSE Capital Restructuring Guidelines.

However, the declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our shareholders, at their discretion, in accordance with the provisions of the Articles of Association and the Companies Act. Further, the dividends, if any, will depend on a number of factors, including but not limited to our earnings, guidelines issued by the DPE, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including the results of operations, financial condition, contractual restrictions, and restrictive covenants under the loan or financing arrangements we may enter into. For further details, see “*Financial Information –Statement of Dividend Declared by the Company*” and “*Financial Indebtedness*” on pages 270 and 292 respectively. Our Company may also, from time to time, pay interim dividends.

The dividend paid on the Equity Shares by our Company is set out in the following table:

Particulars	From April 1, 2019 till the date of the Draft Red Herring Prospectus		Fiscal 2019		Fiscal 2018		Fiscal 2017	
	Final	Interim	Final	Interim	Final	Interim	Final	Interim
Number of Equity Shares (in million)	784.60	784.60	784.60	784.60	784.60	784.60	784.60	784.60
Rate of dividend (%)	-	-	16.34	-	2.78	13.38	3.25	12.75
Amount of dividend (in ₹ million)**	-	-	1,281.90*	-	218.35	1,050.00	255.01	1000.00
Mode of payment of dividend	N.A.	N.A.	RTGS	N.A.	RTGS	RTGS	RTGS	RTGS

* Final dividend for Fiscal 2019 is considered as per recommendation of the Board.

** Dividend Distribution Tax will be considered on the basis of payment.

The amounts distributed as dividends in the past are not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future. For further details, see “*Risk Factors –Our ability to pay dividends in the future will depend on number of factors, including our profit after tax for the fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by us, and the payments will be subject to the CPSE Capital Restructuring Guidelines.*” on pages 38 to 39. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. Future dividends will depend on guidelines issued by DPE, our profits, revenues, capital requirements, contractual restrictions and overall financial position of our Company.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors

Indian Renewable Energy Development Agency Limited

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of [Indian Renewable Energy Development Agency Limited (the "Company" or the "Issuer") and its associate M. P. Wind Farms Limited ("Associate") comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2019, 2018 and 2017, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended March 31, 2019, 2018 and 2017, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on July 29, 2019 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP")/Red Herring Prospectus("RHP")/Prospectus (collectively referred to as "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") in terms of the requirements of:
 - (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, relevant stock exchanges and the Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in para 4.

The respective Board of Directors of the Company and its Associate are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Company and its Associate comply with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Consolidated Financial Information taking into consideration:
 - (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 19, 2017 in connection with the proposed IPO of equity shares of the Issuer;
 - (b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - (d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. These Restated Consolidated Financial Information have been compiled by the management from:
 - (a) Audited Consolidated Ind AS financial statements of the Company and its Associates as at and for the year ended March 31, 2019, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as 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, which have been approved

by the Board of Directors at their meeting held on May 30, 2019. The comparative information for the year ended March 31, 2018 included in such financial statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on May 26, 2018.

(b) The Restated Consolidated Financial Information also contains the proforma consolidated Ind AS financial information as at and for the year ended March 31, 2017. The proforma consolidated Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2017 which have been approved by the Board of Directors at their meeting held on June 30, 2017 as described in Note 38 (2) to the Restated Consolidated Financial Information.

5. For the purpose of our examination, we have relied on Auditors' reports issued by us dated May 30, 2019, May 26, 2018 and June 30, 2017 on the consolidated financial statements of the company as at and for the year ended March 31, 2019, 2018 and 2017 respectively as referred in Paragraph 4 above;

6. The audit reports on the consolidated financial statements issued by us were not modified and included following matters on the financial statements as at and for the years ended March 31, 2019, 2018 and 2017:

Key Audit matter for the year ending March 31, 2019

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><i>Income tax Case</i></p> <p>Refer Note 38(4)(a)</p> <p>The company has material uncertain tax position in respect of matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>The Income Tax cases for AY 1998-99 – AY 2009-10 were referred back on the direction of Honorable High Court to Honorable ITAT and Honorable ITAT to the Assessing Officer. The AO had not passed the order on these cases within the statutory time limit prescribed under the Act and the company had deposited the taxes on the basis of demand raised for the aforementioned Assessment Year.</p> <p>Now by virtue above, the demands paid over and above the tax payable as per return filled became refundable. Accordingly, during the year, Writ has been filled with Honorable High Court to issue the necessary order to the department to grant the refund for the aforementioned years. The High Court had passed the following interim order –</p> <p>“In the meanwhile, the respondents are permitted to proceed and complete the assessment orders and not give effect to it or take any coercive action.”</p>	<p>Obtained details of income tax cases under dispute from management. We undertook procedure to evaluate management's position on these uncertain tax position.</p>
2.	<p><i>Impact on constituents being subsidiaries of the company as Corporate Guarantor, under National Company Law Tribunal (NCLT).</i></p> <p>Refer Note No 38 (48):</p> <p>M/s Wind World India a company that has stood as Corporate Guarantor to loans amounting to Rs. 1500.51 million given by the company to the entities, which are subsidiaries of the said company, has been referred to National Company Law Tribunal (NCLT). Further loans amounting to Rs 1163.01 million to one of such entities had been classified Non-Performing Asset in 2017-18. The effect of such action on other loans cannot be stated.</p>	<p>Obtained details from the management and undertook procedure to verify the same.</p>

Emphasis of Matter

- i. The company has changed its accounting policy on recognition of foreign exchange profit/loss on translation of unhedged foreign exchange long term monetary items. The company was hitherto charging all such profits/losses to the statement of profit & loss. The company has now started amortizing such forex gains/losses over the residual period of respective maturities of such forex items by opting the option available in Accounting Standard 11 on 'The Effects of changes in Foreign Exchange Rates'. Consequently, the profit before tax and after tax for the year is higher by Rs. 2139.19 million and Rs.1514.51 million respectively. (For the year ending March 2018)
- ii. No 38(48): M/s Wind World India a company that has stood as Corporate Guarantor to loans amounting to Rs. 1792.40 million given by the company to the entities, which are subsidiaries of the said company, has been referred to National Company Law Tribunal (NCLT). Further loans amounting to Rs 1163.01 million to one of such entities has become Non Performing Asset during the year. The effect of such action on other loans cannot be stated. (For the year ending March 2018)
- iii. No. 38(32 B&C) regarding the obligation under section 135 of The Companies Act, 2013 on Corporate Social Responsibility (CSR) having not been discharged during the year.(For the year ending March 31, 2018 and 2017)
- iv. No. 38(37) which states that specific audit of accounts of Generation based Incentive funds has not been done.(For the year ending March 2018 and 2017)
- v. General Provision for Standard Assets amounting to Rs. 175.96 million made in the accounts include Rs.71.92 million for restructured account (For the year ending March 2018)
- vi. No. 38(1) regarding provisions relating to Asset classification/provisioning of restructured/rescheduled accounts not being in conformity with the Articles of Association of the company. (For the year ended March 31, 2017)
- vii. No. 38(29) regarding capitalization of solar Plant on the basis of information provided by the consultant. The necessary adjustments and compliances need to be carried out at the time of receipt of final bills of the contractor. Further bills have yet to be raised for power transmitted from the solar plant and income has been recognized on an estimate basis. (For the year ended March 31, 2017)

7. As indicated in our audit reports referred above:

- (a) We did not audit financial statements of our Associate whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ loss in its associates included in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditors, M/s Jayant Kothari & Co., and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this component, is based solely on the reports of the other auditors:

(Rs in million)

Particulars	As at/ for the year ended March 31, 2019	As at/ for the year ended March 31, 2018	As at/ for the year ended March 31, 2017
Total assets	27.18	26.74	27.91
Total revenue	3.33	3.49	12.87
Share of profit/ (loss) in its associates	2.68	3.06	2.71

- (b) The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements have been audited by us.

8. Based on our examination and according to the information and explanations given to us we report that the Restated Consolidated Financial Information:

- (a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2018 and 2017 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March, 2019;

- (b) have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2017 as described in Note 38(2) to the Restated Consolidated Financial Information;
 - (c) do not require any adjustments for the matters mentioned in paragraph 6 above; and
 - (d) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.]
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.
10. We have also examined the following Restated Consolidated Financial Information set out in annexure prepared by management and approved by the Board of Directors of the Company:
- (a) Other significant notes as restated as appearing in Note No 01 to 38
 - (b) Statement of dividends declared per share, as restated, for the year ending March 31, 2019, 2018 and 2017 as appearing in Annexure-1
 - (c) Statement of Capitalisation as restated as appearing in Annexure-2;
 - (d) Statement of accounting ratio for the year ending March 31, 2019, 2018 and 2017 as appearing in Annexure-3;
 - (e) Statement of tax shelter for the year ending March 31, 2019, 2018 and 2017 as appearing in Annexure-4
 - (f) Statement of Reconciliation of Audited Financial Statements to Restated Financial Statements for the year ending March 2019, 2018 and 2017 as appearing in Annexure-5;
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, the National Stock Exchange of India Limited and the Registrar of Companies, National Capital Territory of Delhi and Haryana, in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Jain Chopra & Company
Chartered Accountants
(FRN: - 002198N)

Rajesh Kumar
Partner
(M. No. 501860)
Place: Delhi
Date: July 29, 2019

Indian Renewable Energy Development Agency Limited
Restated Consolidated Balance Sheet

S.No	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
I	ASSETS		(Rs. in Millions)	(Rs. in Millions)	(Rs. in Millions)
A	Financial Assets				
	(a) Cash and cash equivalents	2	5,563.75	18,631.95	20,613.89
	(b) Bank Balance other than (a) above	3	4,955.78	5,338.81	11,796.30
	(c) Derivative financial instruments	4	1,543.26	887.90	504.10
	(d) Receivables				
	(I) Trade Receivables	5	23.96	219.16	23.96
	(II) Other Receivables		-	-	-
	(e) Loans	6	208,337.85	154,290.33	133,099.71
	(f) Other financial assets	8	1,521.75	1,578.57	1,804.57
	Total (A)		221,946.35	180,946.72	167,842.53
B	Non-financial Assets				
	(a) Current tax Assets (Net)	9	1,384.28	1,643.30	1,381.48
	(b) Deferred Tax Assets (Net)	10	1,149.33	608.22	995.16
	(c) Investment in Associate using Equity accounting	7	4.96	5.33	4.99
	(d) Investment Property	11	0.61	0.73	0.87
	(e) Property, Plant and Equipment	12	3,026.93	3,136.46	3,172.00
	(f) Capital Work-in-progress	13	0.09	30.32	-
	(g) Intangible assets under development	14	-	0.56	2.14
	(h) Intangible assets	15	2.15	2.52	2.17
	(i) Other non-financial assets	16	17,833.25	17,565.54	14,567.92
	Total (B)		23,401.60	22,992.98	20,126.73
	Total Assets (A+B)		245,347.95	203,939.70	187,969.26
II.	LIABILITIES AND EQUITY				
	LIABILITIES				
A	Financial Liabilities				
	(a) Derivative financial instruments	4	2,659.24	2,037.54	4,688.28
	(b) Payables				
	(I) Trade Payables	17			
	(i) total outstanding dues of micro enterprises and small enterprises		6.05	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,255.61	1,389.04	1,377.68

	(c) Debt Securities	18	76,050.85	68,380.05	48,996.22
	(d) Borrowings (Other than Debt Securities)	19	109,907.69	81,472.03	78,774.87
	(e) Subordinated Liabilities	20	1,496.79	-	
	(f) Other financial liabilities	21	8,963.94	8,235.90	12,167.02
	Total(A)		200,340.17	161,514.56	146,004.07
B	Non-Financial Liabilities				
	(a) Provisions	22	1,692.17	1,261.54	1,071.15
	(b) Deferred Tax Liability(Net)	10	-	-	-
	(c) Other non-financial liabilities	23	17,551.62	16,708.50	16,616.23
	Total(B)		19,243.79	17,970.04	17,687.38
C	EQUITY				
	(a) Equity Share Capital	24	7,846.00	7,846.00	7,846.00
	(b) Other Equity	25	17,917.99	16,609.10	16,431.81
	Total(C)		25,763.99	24,455.10	24,277.81
	Total Liabilities and Equity(A+B+C)		245,347.95	203,939.70	187,969.26

The above statement should be read with Statement of reconciliation of audited financial statements to the restated financial statements, Basis of preparation and Significant Accounting Policies and Notes to Restated Financial information as appearing at Annexure 5, Note 1 and Note 38 respectively.

As per our Report of even date

For Jain Chopra & Company

Chartered Accountants

ICAI Regn No.- 002198N

For and on Behalf of the Board of Directors

Rajesh Kumar

Partner

M.No.- 501860

S K Bhargava

Director (Finance)

DIN No. 01430006

Praveen Kumar

Chairman and Managing Director

DIN No. 01523131

Place : New Delhi

Date : July 29, 2019

Surender Suyal

Company Secretary

M. No. A11900

Indian Renewable Energy Development Agency Limited

Restated Consolidated Statement of Profit and Loss

Particulars		Note No.	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
I	Revenue from Operations		(Rs. in Millions)	(Rs. in Millions)	(Rs. in Millions)
i)	Interest Income	26	19,253.03	16,867.99	14,071.13
ii)	Rental Income	27	0.66	0.62	0.60
iii)	Fees and Commission Income	28	354.07	520.72	454.13
iv)	Net gain on fair value changes on derivatives	29	343.48	510.24	(1,238.11)
v)	Revenue from Solar Plant Operations	30	288.91	200.34	22.90
	Total Revenue from operations (I)		20,240.15	18,099.91	13,310.65
II	Other Income	31	25.76	69.30	31.66
III	Total Income (I+II)		20,265.91	18,169.21	13,342.31
IV	Expenses				
i)	Finance Cost	32	11,832.40	10,059.44	8,104.45
ii)	Net translation/ transaction exchange loss	33	515.52	632.16	(237.79)
iii)	Impairment on financial instruments	34	2,658.65	984.75	1,628.50
iv)	Employee Benefits Expenses	35	443.32	437.98	279.47
v)	Depreciation, amortization and impairment	36	233.56	213.28	73.20
vi)	Others expenses	37	621.38	346.96	269.61
	Total Expenses (IV)		16,304.83	12,674.57	10,117.44
V	Profit/(loss) before exceptional items and tax (III-IV)		3,961.08	5,494.64	3,224.87
VI	Exceptional Items		743.29	-	96.94
VII	Profit/(loss) before tax (V-VI)		3,217.79	5,494.64	3,127.93
VIII	Tax expense				
	(i) Current tax		1,450.00	1,051.90	1,555.81
	(ii) Deferred tax		(543.54)	389.48	(528.85)
IX	Profit/(loss) for the period from continuing operations (VII-VIII)		2,311.33	4,053.26	2,100.97
X	Share in profit of Associate		(0.38)	0.34	(0.23)
XI	Profit/(loss) for the period		2,310.95	4,053.60	2,100.74

XII	Other Comprehensive Income				
(A)	(i) Items that will not be reclassified to profit or loss				
	- Remeasurements of the defined benefit plans:-				
	Gratuity		3.83	(1.45)	(0.68)
	Post retirement medical benefit		(4.18)	(7.53)	(0.53)
	Baggage allowance		(0.02)	0.29	(0.03)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.43)	2.54	4.99
	Subtotal (A)		(2.80)	(6.15)	3.74
(B)	(i) Items that will be classified to profit or loss :-				
	Effective portion of gain /(loss) on hedging instrument in cash flow hedge reserve		(929.55)	(64.75)	(879.24)
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	
	Subtotal (B)		(929.55)	(64.75)	(879.24)
	Other Comprehensive Income (A+B)		(932.35)	(70.90)	(875.50)
XIII	Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and other Comprehensive Income for the period)		1,378.60	3,982.70	1,225.24
XIV	Earning per equity share (for continuing operations)(Annualised)				
	Basic (Rs.)		2.95	5.17	2.68
	Diluted (Rs.)		2.95	5.17	2.68

The above statement should be read with Statement of reconciliation of audited financial statements to the restated financial statements, Basis of preparation and Significant Accounting Policies and Notes to Restated Financial information as appearing at Annexure 5, Note 1 and Note 38 respectively.

As per our Report of even date

For Jain Chopra & Company

Chartered Accountants

ICAI Regn No.- 002198N

For and on Behalf of the Board of Directors

Rajesh Kumar

Partner

M.No.- 501860

S K Bhargava

Director (Finance)

DIN No. 01430006

Praveen Kumar

Chairman &
Managing Director

DIN No. 01523131

Place : New Delhi

Date : July 29, 2019

Surender Suyal

Company Secretary

M. No. A11900

Indian Renewable Energy Development Agency Limited
Restated Consolidated Cash Flow Statement

(Rs. in Millions)

	Particulars	For the period ended March 31, 2019		For the period ended March 31, 2018		For the period ended March 31, 2017 (Proforma)	
A	Cash Flow from Operating Activities:						
	Profit After OCI Items	1,378.60		3,982.70		1,225.24	
	Adjustment for:						
	1 Income Tax Provision	1,450.00		1,051.90		1,555.81	
	2 Deferred Tax expense	(543.54)		389.48		(533.84)	
	3 Provision of Commercial Paper	689.91		-		-	
	4 Loss on sale of Fixed Assets/Adjustment	(0.00)		0.00		(0.52)	
	5 Impairment of Financial Assets	2,658.65		984.75		2,679.12	
	6 Depreciation	233.56		213.28		73.20	
	7 Net translation/ transaction exchange loss	585.72		702.35		237.79	
	8 OCI Items Exchange Fluctuations	929.55		64.75		-	
	9 OCI Items derivatives changes	-		-		3,979.80	
	10 Provision Written Back	(1.93)		(4.40)		-	
	11 OCI Items Employee Items	0.37		8.69		1.24	
	12 Net gain on fair value changes on derivatives	(343.48)		(510.24)		1,238.11	
	13 Amortization of capital reserve	-		-		(0.22)	
	14 Share in profit of Associate	0.38		(0.34)		0.23	
	Operating profit before Working Capital Changes	7,037.79		6,882.92		10,455.96	
	Increase / (Decrease) in						
	1 Loans						
	Term Loan including Refinancing at Amortized Value	(54,056.20)		(21,505.61)		(31,123.43)	
	Impairment of Financial Assets	-		-		(2,679.12)	
	Other	0.43		3.49		-	
	2 Other Financial Assets	56.84		(2,354.91)		(121.23)	
	3 Other Non-Financial Assets	4.63		(152.79)		(14,090.37)	
	4 Trade Receivable	195.20		(195.20)		(22.35)	
	5 Other non-financial liabilities	851.36		179.99		16,554.79	
	6 Other financial liability	731.48		(3,927.27)		3,910.75	
	7 Trade Payable	(127.39)		11.36		1,308.56	

	8	Change in Bank Balances other Cash and Cash equivalent	383.03		6,457.49		4,224.87	
	9	Change in Derivative financial instruments Assets/Liabilities	(1,277.05)		(3,034.54)		-	
	10	Provisions	430.63		414.17		407.61	
			(52,807.04)		(24,103.82)		(21,629.92)	
		Cash Generated from Operations	(45,769.25)		(17,220.90)		(11,173.96)	
		Income Tax	(1,126.00)		(1,240.00)		(1,641.19)	
		Net Cash Generated from Operations		(46,895.25)		(18,460.90)		(12,815.15)
B		Cash Flow From Investing Activities						
	1	Purchase of FA	(92.81)		(269.49)		(2,956.79)	
	2	Sale of Fixed Assets	0.05		0.00		0.98	
	3	Advance for Capital Expenditure	(272.41)		(264.62)		140.33	
		Net Cash flow from Investing Activities		(365.17)		(534.11)		(2,815.48)
C		Cash Flow from Financial Activities						
	1	Securities Premium	-		(0.50)		-	
	2	Increase on Borrowing in Rs	18,182.00		18,851.32		7,000.00	
	3	Increase/Repayment of Borrowing in FC	17,999.66		(2,707.57)		18,976.79	
	4	Increase in Financial Liabilities/Liabilities incl FCMIT under 46A	(1,726.64)		2,440.50		1,668.28	
	5	Dividend paid including CDT	(262.80)		(1,570.68)		(1,203.58)	
		Net Cash flow from Financing Activities		34,192.22		17,013.07		26,441.50
		Net Increase in Cash and Cash Equivalents		(13,068.20)		(1,981.94)		10,810.87
		Cash and Cash Equivalents at the beginning of the year		18,631.95		20,613.89		9,803.02
		Cash and Cash Equivalents at the end of the year		5,563.75		18,631.95		20,613.89
		Net Increase in Cash and Cash Equivalents		(13,068.20)		(1,981.94)		10,810.87
		COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD						
	1	In Current Accounts with Banks in Indian Branch		3,910.10		6,055.94		4,616.84
	2	In Current Accounts with Banks in Foreign Branch		3.72		2,016.24		7,099.65
	3	In Overdraft Accounts with Banks		0.39		0.62		0.02
	4	In Deposit Accounts with Banks		1,649.50		10,559.10		8,897.31
	5	Cheques Under Collection/DD In hand and Postage imprest		0.04		0.05		0.07
				5,563.75		18,631.95		20,613.89
Notes to the Cash Flow statement.								
Previous years figures have been rearranged and regrouped wherever necessary.								
1 Cash and cash equivalent includes foreign currency deposits which are available to meet the foreign currency loans only.								
2								
3 There is no such cash and cash equivalent balance held by IREDA that are not available for use for IREDA								

The above statement should be read with Statement of reconciliation of audited financial statements to the restated financial statements, Basis of preparation and Significant Accounting Policies and Notes to Restated Financial information as appearing at Annexure 5, Note 1 and Note 38 respectively.

As per our Report of even date

For Jain Chopra & Company

Chartered Accountants

ICAI Regn No. - 002198N

For and on Behalf of the Board of Directors

Rajesh Kumar

Partner

M.No.- 501860

S K Bhargava

Director (Finance)

DIN No. 01430006

Praveen Kumar

Chairman and Managing Director

DIN No. 01523131

Place : New Delhi

Date : July 29, 2019

Surender Suyal

Company Secretary

M. No. A11900

Indian Renewable Energy Development Agency Limited

Restated Consolidated Statement of Changes In Equity

Equity Share Capital

		(Rs. in Millions)
Balance as at April 1, 2017		Amount
Balance as at March 31, 2017 (Proforma)		7,846.00
Changes in share capital during the year		-
Balance as at March 31, 2018*		7,846.00
Changes in share capital during the year		-
Balance as at March 31, 2019		7,846.00

* Converted 7,846,000 Equity Shares of Rs. 1,000 each to 7,846,00,000 Equity Shares of Rs. 10 each

Other Equity: For the period ended March 31, 2019

Particulars	Reserve & Surplus											Effective portion of Cash Flow Hedges	Total
	General Reserve	Special reserve	Debenture Redemption Reserve	Deferred grants					NBFC Reserve	Retained Earning	Foreign currency monetary item translation difference		
				Capital Grant from world bank for purchase of Fixed Assets	Grant-in-aid from Government of Netherlands	Grant-in-aid from World Bank	Other Capital Grant	Securities Premium					
Balance as at 1 April 2018	9,556.77	7,365.11	1,665.19	0.20	167.86	839.48	60.14	-	-	(1,110.88)	(918.43)	(1,016.35)	16,609.10
Profit for the year	-	-	-	-	-	-	-	-	-	2,310.95	-	-	2,310.95
Other comprehensive income	-	-	-	-	-	-	-	-	-	(2.80)	-	-	(2.80)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	2308.15	-	-	2308.15
Add: Additions during the year	1,067.69	900.00	462.91	-	-	-	-	-	488.27	-	(10.61)	(929.55)	1,978.70
Less: Amortisation during the year	-	-	-	-	-	-	-	-	-	-	(203.70)	-	(203.70)
Less: Written back/Utilised during the year	-	-	-	0.20	167.86	839.48	60.14	-	-	-	-	-	1,067.69
Less: Dividend for FY 2017-18	-	-	-	-	-	-	-	-	-	218.35	-	-	218.35
Less: Corporate Dividend Tax on Dividend for FY 2017-18	-	-	-	-	-	-	-	-	-	44.45	-	-	44.45
Less: Transfer to Special Reserve	-	-	-	-	-	-	-	-	-	900.00	-	-	900.00
Less: Transfer to Debenture Redeumption Reserve	-	-	-	-	-	-	-	-	-	462.91	-	-	462.91
Less: Transfer to NBFC Reserve	-	-	-	-	-	-	-	-	-	488.27	-	-	488.27
Balance as at March 31, 2019	10,624.46	8,265.11	2,128.10	-	-	-	-	-	488.27	(916.71)	(725.34)	(1,945.91)	17,917.99

Indian Renewable Energy Development Agency Limited

Restated Consolidated Statement of Changes In Equity

Other Equity: For the period ended March 31, 2018

Particulars	Reserve & Surplus											Effective portion of Cash Flow Hedges	Total
	General Reserve	Special reserve	Debenture Redemption Reserve	Deferred grants					NBFC Reserve	Retained Earning	Foreign currency monetary item translation difference		
				Capital Grant from world bank for purchase of Fixed Assets	Grant-in-aid from Government of Netherlands	Grant-in-aid from World Bank	Other Capital Grant	Securities Premium					
Balance as at 1 April 2017	8,396.77	6,583.20	1,202.28	0.20	167.86	839.48	60.14	0.50	-	(1,182.83)	1,315.80	(951.60)	16,431.81
Profit for the year	-	-	-	-	-	-	-	-	-	4,053.60	-	-	4,053.60
Other comprehensive income	-	-	-	-	-	-	-	-	-	(6.15)	-	-	(6.15)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	4047.45	-	-	4047.45
Add: Additions during the year	1,160.00	781.91	462.91	-	-	-	-	-	-	-	(2,393.34)	(64.75)	(53.26)
Less: Amortisation during the year	-	-	-	-	-	-	-	-	-	-	(159.11)	-	(159.11)
Less: Written back/Utilised during the year	-	-	-	-	-	-	-	0.50	-	-	-	-	0.50
Less: Dividend for FY 2016-17	-	-	-	-	-	-	-	-	-	255.01	-	-	255.01
Less: Corporate Dividend Tax on Dividend for FY 2016-17	-	-	-	-	-	-	-	-	-	51.91	-	-	51.91
Less:Interim Dividend	-	-	-	-	-	-	-	-	-	1,050.00	-	-	1,050.00
Less:Corporate Dividend Tax on Interim dividend	-	-	-	-	-	-	-	-	-	213.76	-	-	213.76

Less: Transfer to Special Reserve	-	-	-	-	-	-	-	-	-	781.91	-	-	781.91
Less: Transfer to Debenture Redeumption Reserve	-	-	-	-	-	-	-	-	-	462.91	-	-	462.91
Less: Transfer to General Reserve	-	-	-	-	-	-	-	-	-	1,160.00	-	-	1,160.00
Less: Transfer to NBFC Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	9,556.77	7,365.11	1,665.19	0.20	167.86	839.48	60.14	-	-	(1,110.88)	(918.43)	(1,016.35)	16,609.10

Indian Renewable Energy Development Agency Limited

Restated Consolidated Statement of Changes In Equity

Other Equity: For the period ended March 31, 2017

Rs. in Million

Particulars	Reserve & Surplus											Effective portion of Cash Flow Hedges	Total
	General Reserve	Special reserve	Debenture Redemption Reserve	Deferred grants					NBFC Reserve	Retained Earning	Foreign currency monetary item translation difference		
				Capital Grant from world bank for purchase of Fixed Assets	Grant-in-aid from Government of Netherlands	Grant-in-aid from World Bank	Other Capital Grant	Securities Premium					
Balance as at 1 April 2016	7,891.77	5,413.61	739.37	0.41	167.86	839.48	60.14	0.50	-	55.74	(352.48)	(72.36)	14,744.06
Profit for the year	-	-	-	-	-	-	-	-	-	2,100.74	-	-	2,100.74
Other comprehensive income	-	-	-	-	-	-	-	-	-	3.74	-	-	3.74
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	2,104.48	-	-	2104.48
Add: Additions during the year	505.00	1,169.59	462.91	-	-	-	-	-	-	-	1,723.52	(879.24)	2,981.78
Less: Amortisation during the year	-	-	-	-	-	-	-	-	-	-	55.24	-	55.24
Less: Written back/Utilised during the year	-	-	-	0.22	-	-	-	-	-	-	-	-	0.22
Less:Interim Dividend	-	-	-	-	-	-	-	-	-	1,000.00	-	-	1,000.00
Less:Corporate Dividend Tax on Interim dividend	-	-	-	-	-	-	-	-	-	203.58	-	-	203.58
Less: Transfer to Special Reserve	-	-	-	-	-	-	-	-	-	1,169.59	-	-	1,169.59
Less: Transfer to Debenture Redeumption Reserve	-	-	-	-	-	-	-	-	-	462.91	-	-	462.91

Less: Transfer to General Reserve	-	-	-	-	-	-	-	-	-	505.00	-	-	505.00
Less: Transfer to NBFC Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Prior period adjustment	-	-	-	-	-	-	-	-	-	1.98	-	-	1.98
Balance as at March 31, 2017	8,396.77	6,583.20	1,202.28	0.19	167.86	839.48	60.14	0.50	-	(1,182.84)	1,315.80	(951.60)	16,431.81

The above statement should be read with Statement of reconciliation of audited financial statements to the restated financial statements, Basis of preparation and Significant Accounting Policies and Notes to Restated Financial information as appearing at Annexure 5, Note 1 and Note 38 respectively.

As per our Report
of even date
For Jain Chopra &
Company
Chartered
Accountants
ICAI Regn No.-
002198N

For and on Behalf of the Board of Directors

Rajesh Kumar
Partner
M.No.- 501860

Surender Suyal
Company Secretary
M. No. A11900

S K Bhargava
Director (Finance)
DIN No. 01430006

Praveen Kumar
Chairman and Managing Director
DIN No. 01523131

Place : New Delhi
Date : July 29,
2019

NOTE 1

1) Corporate Information

Indian Renewable Energy Development Agency Limited (IREDA) is a Mini Ratna (Category – I) Government of India enterprise under the administrative control of Ministry of New and Renewable Energy (MNRE). IREDA is a Public Limited Government Company. The company is registered with Reserve Bank of India under Section 45-IA of The Reserve Bank of India Act, 1934 as non-deposit taking NBFC. Since 1987, IREDA is engaged in promoting, developing and extending financial assistance for setting up projects relating to new and renewable sources of energy and energy efficiency/conservation with the motto: “ENERGY FOR EVER”. The Company owns 50 MW Solar project situated at Kasargod in the state of Kerala.

2) Basis of Preparation

(i) Statement of Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with the Sec. 133 of the Companies Act 2013 and in compliance with the Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 and as further amended.

The financial statements are prepared on a going concern basis on accrual basis of accounting. The Company has adopted historical cost convention except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

For and upto the year ended 31 March 2018, the Company has prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under section 133 of the Companies Act 2013, read together with para 7 of the Companies (Accounts) Rules 2014 (Indian GAAP). The financial statements for the year ended 31 March 2019 are being prepared in accordance with Ind-AS.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure/s, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(iii) Functional and presentation currency

These financial statements are presented in Indian rupees, values being rounded in lakhs to the nearest two decimals except when stated otherwise.

3) SIGNIFICANT ACCOUNTING POLICIES

(i) Property, Plant and Equipment (PPE)

The Company has adopted the cost model of recognition to measure the Property, Plant and Equipment. Consequently all Property, Plant and Equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of Property, Plant and Equipment comprises of its purchase price, including import duties, non-refundable taxes, after deducting trade discounts & rebates and any cost directly attributable in bringing the asset to the location and condition necessary for it to be ready for its intended use. Stores and spares which meets the recognition criteria of Property, Plant and Equipment are capitalized and added in the carrying amount of the underlying asset.

Items of PPE are derecognized when no future economic benefits are expected from their use or upon disposal. Gains or losses arising from derecognition of items of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss in the period in which the asset is derecognized. .

(ii) Intangible Assets

Intangible assets are recognized when it is probable that future economic benefit attributable to the assets will flow to the company and the cost of the assets can be measured reliably. Such assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.

(iii) Depreciation and Amortization

Depreciation on Tangible PPE is provided in accordance with the manner and useful life as specified in Schedule –II of the Companies Act 2013, on Written Down Basis (WDV) except for the assets mentioned as below :

- Depreciation on Library books is provided @ 100% in the year of purchase.
- Depreciation on PPE of Solar Power Project (excluding Roads and Leaseholds land) is provided on Straight Line Method at rates/methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) and relevant state Commission Tariff Orders.
- Depreciation is provided @100% in the financial year of purchase in respect of assets of Rs. 5,000/- or less.
- Intangible assets are amortized over their estimated useful life. The estimated useful life does not exceed 10 years.

(iv) Government Grant / Assistance

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received and the Company will be able to comply with the conditions attached to them. These grants are classified as grants relating to assets and revenue based on the nature of the grant.

Government grants with a condition to purchase, construct or otherwise acquire long term assets are initially recognised as deferred income. Once recognised as deferred income, such grants are recognised in the statement of profit and loss on a systematic basis over the useful life of the asset. Changes in estimates are recognized prospectively over the remaining life of the asset.

Grant in the form of revenue grant/subsidy are deferred and recognised in the statement of profit and loss over the period that the related costs, for which it is intended to compensate, are expensed.

Grant-in-aid for financing projects in specified sectors of New and Renewable Sources of Energy (NRSE) is treated and accounted as deferred income.

The expenditure incurred under Technical Assistance Programme (TAP) is accounted for as recoverable and shown under the head 'Current Assets'. The assistance reimbursed from Multilateral/Bilateral Agencies is credited to the said account.

(v) Impairment

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable value.

(vi) Leases

A Lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

As a lessee

Finance leases are capitalized at the inception date of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating lease rentals are charged to the Statement of profit and loss on a straight-line basis over the lease term.

As a lessor

Lease rentals from operating leases is recognized as income on a straight-line basis over the term of the relevant lease.

(vii) Cash and cash equivalents

Cash comprises of cash in hand, cash at bank including debit balance in bank overdraft, if any, demand deposits with banks, commercial papers and foreign currency deposits. Cash equivalents are short term deposits (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(viii) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized upto the date when the asset is ready for its intended use after netting off any income earned on temporary investment of such funds.

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Other borrowing costs are expensed in the period in which they are incurred.

(ix) Foreign currency transactions

Transactions in currencies other than the functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

IREDA has adopted exemption of para D13AA of Ind AS 101, according to which a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Accordingly, all transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. The exchange differences arising on reporting of long-term foreign currency monetary items outstanding as on March 31, 2018, other than the hedged items, at rate prevailing at the end of each reporting period, different from those at which they were initially recorded during the period, or reported in previous financial statements, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item, by recognition as income or expense in each of such periods.

Long-term foreign currency monetary items are those which have a term of twelve months or more at the date of origination.

Short-term foreign currency monetary items (having a term of less than twelve months at the date of origination) are translated at rate prevailing at the end of each reporting period. The resultant exchange fluctuation is recognized as income or expense in each of such periods.

As per para 27 of Ind AS 21, exchange difference on monetary items that qualify as hedging instruments in cash flow hedge are recognized in other comprehensive income to the extent hedge is effective. Accordingly, company recognize the exchange difference due to translation of foreign currency loans at the exchange rate prevailing on reporting date in cash flow hedge reserve.

(x) Accounting for Hedge transactions

The Company uses derivative financial instruments, in form of Principal Only Swap(POS), Currency & Interest Rate Swap (CIRS), Forwards, Interest Rate Swaps (IRS), Cross Currency Swaps (CCS), Currency and Cross Currency Options, structured / cost reduction products etc. to hedge its foreign currency risks and interest rate risks.

Derivatives Contracts designated as hedging instruments

- The derivatives that are designated as hedging instrument under Ind AS 109 to hedge its risk arising out of foreign currency hedge transactions are accounted for as cash flow hedges, subject to fulfilling conditions specified in Ind AS 109.

- Cash Flow hedging is done to protect cash flow positions of the company from changes in exchange rate fluctuations and to bring variability in cash flow to fixed ones.

- The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors; provide written principles which are consistent with the risk management strategy/policies of the Company.

- The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis. The effective portion of change in the fair value as assessed based on MTM valuation provided by respective banks/third party valuation of the designated hedging instrument is recognized in the “Other Comprehensive Income” as “Cash Flow Hedge Reserve”. The ineffective portion is recognized immediately in the Statement of Profit and Loss as and when occurs. The amount accumulated in Cash Flow Hedge Reserve is reclassified to profit or loss in the same period(s) during which the hedged item affects the Statement of Profit or Loss Account. In case the hedged item is the cost of non- financial assets / liabilities, the amount recognized as Cash Flow Hedge Reserve are transferred to the initial carrying amount of the non-financial assets / liabilities.

- If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in Cash Flow Hedging Reserve remains in Cash Flow Hedging Reserve till the period the hedge was effective. The cumulative gain or loss previously recognized in the Cash Flow Hedging Reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

(xi) Earnings per Share

The basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xii) Provisions

A provision is recognized when the company has a present obligation (Legal or Constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Expected credit loss (ECL)

The Company at each reporting date tests a financial asset or a group of financial assets (other than financial assets held at fair value through profit or loss) for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and impairment loss recognised if the credit risk of the financial asset is significantly increased.

The impairment losses and reversals are recognised in statement of profit and loss. All credit exposure is classified into performing and non-performing assets as per RBI guidelines applicable to Non-Banking Financial Companies (NBFCs).

The Company at each reporting date checks the loan given to companies for impairment and Impairment loss is recognized as per provision of Ind AS or as per RBI guidelines, whichever is higher .

Asset Classification and provisioning with respect of Loans is done as per RBI norms applicable to NBFC which are as follows:

• Assets classification

- I. Standard Asset: - An asset is classified as Standard Asset if it is not a Non-Performing Asset (NPA).
- II. Non-performing Asset: A non-performing asset (NPA) is a loan where:
 - An asset, in respect of which, interest and/ or principal has remained overdue for a period of more than 120 days as on 31.03.2019 and more than 90 days as on 31.03.2020 & onwards.
- III. The Non-performing Asset is further classified as below:-
 - i. **Sub-standard Assets**
A sub-standard asset is one, which has remained NPA for a period of upto 12 months.
 - ii. **Doubtful Assets**
A doubtful asset is one, which has remained in the substandard category for a period exceeding 12 months.
 - iii. **Loss assets**
A Loss asset is one which is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value and where loss has been identified by the company or internal or external auditors or any other relevant Government authority but the amount has not been written off wholly or the asset remains doubtful asset for a period exceeding 5 years.

- **Provisioning against loans**

The provisioning in respect of loans & advances is made as under:

- (i) **Standard Assets:** Provision in respect of Standard Assets will be 0.40% of the outstanding loan . The floating provision cannot be reversed by credit to the statement of Profit And Loss. It can only be utilized for making specific provisions in respect of the impaired accounts.
- (ii) **Sub-standard Assets:** A provision of 10% of loan outstanding is made.
- (iii) **Doubtful Assets:** 100% of the extent to which the loan is not covered by the realizable value of the security to which IREDA has a valid recourse. With regard to secured portion of loan, provision as follows is made:-

Period for which the asset has been considered as doubtful	% of provision
Upto one year	20%
1 to 3 year	30%
More than 3 years	50%

Loss Assets: - 100% of the loan outstanding is provided for.

(xiii) Contingent liabilities

Contingent liabilities are not recognized but disclosed in Notes when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

(xiv) Contingent Assets

Contingent Assets are not recognized but disclosed in Notes which usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits.

Contingent assets are assessed continuously to determine whether inflow of economic benefits becomes virtually certain, then such assets and the relative income will be recognised in the financial statements

(xv) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Managing Director (CMD) of the Company has been identified as the Chief Operating Decision Maker (CODM).

(xvi) Prior Period Items

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes. Prior period items upto Rs. 1,00,000/- per item are charged to Statement of Profit & Loss as and when incurred/adjusted/received.

(xvii) Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax is recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax is also recognized in other comprehensive income or directly in equity respectively. Where current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Accordingly, deferred tax on actuarial gain/loss on re-measurement of defined benefit plans is recognized in other comprehensive income.

(xviii) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

After initial recognition, the company measures investment property at cost.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment properties is depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset at the Company.

Though investment property is measured using cost model, the fair value of investment property is disclosed in the notes.

(xix) Employee Benefits

All short term employee benefits are recognized on an undiscounted basis in the year in which they are incurred / the related service is rendered.

A liability is recognized for the amount expected to be paid under short-term employee benefits if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Company's contribution to the Provident Fund / Superannuation Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

Provision for Defined benefit plans in respect of gratuity, leave encashment, Sick leave, post-retirement medical benefit and Baggage allowance is made on the basis of actuarial valuation using the Projected Unit Credit (PUC) method.

Re-measurement comprising of actuarial gains and losses, is reflected in other comprehensive income in the period in which they occur and are not subsequently reclassified to the Statement of Profit and Loss.

The liability for retirement benefits of employees in respect of provident fund, benevolent fund, superannuation fund and Gratuity is funded with separate trusts.

The company's contribution to Provident Fund / Superannuation Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

(xx) Financial instruments

i) Non-derivative financial instruments

Non-derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- Financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

a) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at bank, demand deposits with banks, cash credit, fixed deposits and foreign currency deposits, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value less any directly attributable transaction fees received and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The company estimates the un-collectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

c) Investments in Subsidiary, Associates and Joint Venture

The company accounts investment in subsidiary, joint ventures and associates at cost.

An entity controlled by the company is considered as a subsidiary of the company.

Investments in subsidiary company outside India are translated at the rate of exchange prevailing on the date of acquisition.

Investments where the company has significant influence are classified as associates. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement is classified as a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

d) Other payables

Other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

ii) Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities. The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives.

Derivative transactions includes principal swap, Currency & Interest Rate Swap (CIRS), forwards, interest rate swaps, cross currency swaps, currency and cross currency options, structured product, etc. to hedge foreign currency assets and liabilities.

Derivatives are recognized and measured at fair value(MTM). Attributable transaction costs are recognized in statement of profit and loss as cost.

Derecognition of Financial asset:

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires, or transfers the contractual rights to receive the cash flows from the asset.

Financial liabilities:

Borrowings, payables or other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost using the effective interest rate method.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

- **De-recognition of financial liability**

A financial liability is derecognized 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

- **Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(xxi) Revenue and Expense Recognition

- Income and expenses are accounted for on accrual basis with the exception of:
 - (a) Income on Non- Performing Assets where interest and/or principal has remained overdue for a period of more than 120 for the FY 2018-19 and more than 90 days for the FY 2019-20 onwards, is recognized as and when actually realized.
 - (b) The interest income –Funded interest/ overdue interest in respect of Non-Performing Assets (NPAs) which are partly re--financed on the basis of National Clean Energy Fund (NCEF) Scheme approved by MNRE - in this regard the interest income is recognized as and when such accounts are eligible under the scheme and 100% provision in respect of such income recognized is made.
- Loan/Bond issue expenses (such as Front-end fee/Arranger's fee, Stamp duty, etc.) and all other premiums or discounts are amortized over the life of the loan/ Bond using the “effective interest rate” method.
- Any fees received against sanction of loan is amortized over the life of the loan using the “effective interest rate” method.
- Prepaid expenses upto Rs. 50,000/- per item are charged to Statement of Profit & Loss as and when incurred/adjusted/received.
- Insurance claims are accounted for as and when admitted by the insurance company.
- Dividend Income is recognized when right to receive is established.

Any retrospective revision in prices / rates is accounted for in the year of such revision.

Indian Renewable Energy Development Agency Limited

Restated Consolidated Notes to Financial Statements

Note 2 : Cash and Cash Equivalents

(Rs. in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
I. Cash and cash equivalents			
(A) Cash in hand	-	-	-
(B) Balances with Banks :-			
(a) Current Account with schedule banks			
- In Indian Branches	3,910.10	6,055.94	4,616.84
-In Foreign Branches			
(i) In USD	3.72	2,016.24	3,890.45
(ii) In Euro	-	-	1,463.01
(iii) In JPY	-	-	1,746.19
(b) Deposit Account			
- In Indian Branches			
INR-Short term Deposit(Remaining maturity less than 3 months)			
IREDA	1,649.50	10,559.10	8,897.31
(C) Cheques Under Collection/DD In hand and Postage imprest	0.04	0.05	0.07
(D) In Overdraft Accounts	0.39	0.62	0.02
Total (A+B+C+D)	5,563.75	18,631.95	20,613.89

Note 3 : Bank balances other than (a) above
(Rs. In Millions)

Particulars	As at March31, 2019	As at March31, 2018	As at March 31 ,2017 (Proforma)
a. Earmarked Balances with Banks			
A) In Current Account			
- MNRE	0.22	0.22	0.21
- MNRE GOI Fully Service Bond Bank a/c	37.12	35.00	35.00
- IREDA (Interest on Bonds)	3.88	2.15	1.34
-IREDA Dividend A/C	0.01	0.01	0.01
Sub total (A)	41.23	37.38	36.56
B) In Saving Account			
-MNRE UNDP/GEF biomass power project-model project	-	0.01	0.01
- MNRE UNDP Account	3.15	69.54	70.83
- MNRE National Hydrogen Energy Board	0.01	0.01	0.01
- IREDA (MNRE GBI Fund)	1,042.82	275.95	4,829.13
- MNRE Rooftop & Other Small Solar Power Plant	296.15	396.17	622.35
- MNRE Capital Subsidy for Channel Partners	547.93	608.10	589.21
- IREDA National Clean Energy Fund	8.95	29.27	254.51
-MNRE -Association of Renewable Energy Agencies of State	0.00	0.00	0.00
Sub total (B)	1,899.01	1,379.05	6,366.05
C) In Deposit Account			
(a) In Indian Branches			
- IREDA	3.41	3.19	2.98
- MNRE	1.73	1.73	1.73
- MNRE Implementation of SWHS	-	34.13	32.67
-MNRE- National Hydrogen Energy Board	0.55	0.52	0.49
- MNRE- IREDA Co Generation	3.32	3.12	2.92
- IREDA National Clean Energy Fund	2,162.10	1,824.86	1,536.07
- MNRE GOI Fully Service Bond Bank	84.01	97.78	2,643.91
- MNRE GBI Fund	-	1,000.00	-
Sub total (C)	2,255.12	2,965.33	4,220.77
- Dollar Deposit	760.42	957.05	1,172.92
Sub total (D)	760.42	957.05	1,172.92
Total(A+B+C+D)	4,955.78	5,338.81	11,796.30

Note 4 : Derivative financial Instruments
(Rs. in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017 (Proforma)	
	Fair Value - Assets	Fair Value - Liabilities	Fair Value - Assets	Fair Value - Liabilities	Fair Value - Assets	Fair Value - Liabilities
Financial Instruments						
(i) Cash flow hedging:						
Principal only swap	1,367.55	2,484.91	660.99	12,46.79	274.71	3,031.90
Cross currency interest rate swap	118.28	19.68	226.91	350.05	229.15	645.22
Foreign exchange forward contract	-	-	-	-	-	59.98
Subtotal (i)	1,485.83	2,504.59	887.90	1596.84	503.86	3,737.10
(ii) Undesignated Derivatives						
Principal only swap	57.43	154.65	-	440.70	-	951.18
Cross currency interest rate swap	-	-	-	-	0.24	-
Subtotal (ii)	57.43	154.65	-	440.70	0.24	951.18
Total Derivative Financial Instruments	1,543.26	2,659.24	887.90	2037.54	504.10	4,688.28

Note 5 : Receivables
Trade Receivables
(Rs. in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
(a) Receivables considered good - Secured	-	-	-
(b) Receivables considered good - Unsecured	23.96	219.16	23.96
{c) Receivables which have significant increase in credit risk	-	-	-
{d) Receivables credit impaired	-	-	-
Sub Total (A)	23.96	219.16	23.96
Allowance for Impairment loss (B)	-	-	-
Total (A-B)	23.96	219.16	23.96

Indian Renewable Energy Development Agency Limited
Restated Consolidated Notes to Financial Statements

Note 6 : Loans

(Rs. in Millions)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
	At Amortized Cost	At Amortized Cost	(Proforma) At Amortized Cost
A) Loans			
Term Loans :-			
- Onlending	212,624.09	156,718.04	134,511.48
- Refinancing (N.C.E.F.-I)	215.40	291.30	417.53
- Refinancing (N.C.E.F.-II)	1,047.20	1,194.56	1,117.61
Gross Sub total	213,886.69	158,203.90	136,046.62
Front end fee adjustment	(664.90)	(551.04)	(396.66)
Gross Loans at amortized cost	213,221.79	157,652.86	135,649.96
-Loans to constituents of MNRE			
(a) Loans to constituents of MNRE	25.48	25.48	25.48
(b) Interest Accrued and due on MNRE Loans	66.47	66.47	66.47
Loans to employees	32.17	32.88	36.00
Loans to related parties	0.82	0.55	0.92
Total (A) - Gross	213,346.73	157,778.24	135,778.83
Less: Impairment loss allowance:-			
For Doubtful Assets	5,008.88	3,487.91	2,679.12
Total (A) - Net	208,337.85	154,290.33	133,099.71
Sub-classification of above :			
(i) Secured by tangible assets			
Term Loans :-			
- On lending	196,813.43	152,370.07	115,284.22
- Term Loans refinancing (N.C.E.F.-I)	-	-	50.33
- Term Loans refinancing (N.C.E.F.-II)	919.06	948.43	966.52
Loans to employees	32.17	32.88	36.00
Loans to related parties	0.82	0.55	0.92
-Loans to constituents of MNRE			
Loans to constituents of MNRE	25.48	25.48	25.48
Interest Accrued and due on MNRE Loans	66.47	66.47	66.47

(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/Government Gurantees			
- Term Loans Secured by Bank Guarantee	-	43.36	56.82
(iv) Unsecured			
- Term Loans -Onlending	15,145.76	3,753.56	18,773.76
- Term Loans Refinancing (N.C.E.F.-I)	215.40	291.30	367.20
- Term Loans Refinancing (N.C.E.F.-II)	128.14	246.14	151.11
Total (B) - Gross	213,346.73	157,778.24	135,778.83
Less: Imapirment loss allowance	5,008.88	3,487.91	2,679.12
Total (B) - Net	208,337.85	154,290.33	133,099.71

No Loans given to Directors , KMPs and RPs except above Refer to Note 38 _Notes on Accounts for details

Note 7 :Investments

(Rs. in Millions)

Investments	As at March 31,2019	As at March 31,2018	As at March 31,2017 (Proforma)
	Cost	Cost	Cost
Investment in Associate			
	4.96	5.33	4.99
Total - Gross (A)	4.96	5.33	4.99
(i) Investment outside India	-	-	-
(ii) Investment in India	4.96	5.33	4.99
Total (B)	4.96	5.33	4.99
Less: Allowance for Impairment loss (C)	-	-	-
Total - Net (D)=(A)-(C)	4.96	5.33	4.99

Note 8: Other Financial Assets**(Rs. in Million)**

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Security Deposits	1.78	2.14	32.31
Advances to employees	4.94	3.71	4.25
Advances to related parties	-	0.11	0.08
Other receivables:-			
FDRs - Borrowers	80.52	147.09	58.49
Interest accrued but not due on deposits with banks	13.92	130.69	16.29
Interest Accrued and due on Loans	1,090.71	1,090.67	1,529.64
Liquidated Damaged Accrued and due	9.65	12.30	15.94
Interest Accrued but not due on Loans	122.13	91.17	127.45
Interest Accrued but not due on Loans of Related Party	0.60	0.60	0.62
Commercial papers	689.91	-	-
Less: Impairment loss allowance	(689.91)	-	-
Others	197.50	100.09	19.50
TOTAL(B)	1,521.75	1,578.57	1,804.57

Note 9: Current tax Assets(Net)**(Rs. in Million)**

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Advance Income Tax and TDS	10,623.22	9,432.24	8,118.52
Less: Provision for tax	9,238.94	7,788.94	6,737.04
Total	1,384.28	1,643.30	1,381.48

Note 10: Deferred Tax Assets/Liability(Net)
(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (proforma)
Profit or Loss section			
Deferred Tax Assets			
Provision for Leave Encashment	8.50	5.97	11.66
Provision for Gratuity	(0.06)	9.41	4.61
Provision for Post medical retirement	16.77	12.81	11.57
Provision for Sick Leave	9.10	8.19	6.68
Provision for Baggage Allowance	0.37	0.40	0.26
Withholding Tax	-	10.06	-
Provision for pay revision	-	3.04	-
Provision for Performance Incentive	34.24	27.33	12.67
Impairment of assets	1,693.43	1,133.77	1,764.54
Grant received	3.85	-	-
Fees deferred	271.16	197.62	(142.25)
Sub total	2,037.36	1,408.60	1,669.74
Deferred Tax Liabilities			
Depreciation	644.06	513.06	236.05
Forex loss translation difference	213.20	266.54	381.86
Bonds	30.88	23.31	57.03
Sub total	888.14	802.91	674.94
Total (A)	1,149.22	605.69	994.80
OCI Section			
Deferred Tax Assets			
Actuarial Loss on Gratuity	-	0.42	0.20
Actuarial Loss on post medical retirement	1.23	2.20	0.15
Actuarial gain on Baggage allowance	0.01	-	0.01
Sub total	1.24	2.62	0.36
Deferred tax liability			
Actuarial gain on Baggage allowance	-	0.09	-
Actuarial gain on Gratuity	1.13	-	-
Actuarial gain post retirement medical benefit	-	-	-
Sub total	1.13	0.09	-
Total (B)	0.11	2.53	0.36
Net deferred tax asset/(liability) (A+B)	1,149.33	608.22	995.16

Note 11 : Investment Property**(Rs. in Millions)**

Particulars	Investment Property (Building - residential)
-	
Gross Block-Deemed Cost	
Balance as at 1 April, 2016 (Proforma)	1.05
Additions	-
Less: Disposals/Sale/Transfer	-
Balance as at 31 March, 2017 (Proforma)	1.05
Additions	-
Less: Disposals/Sale/Transfer	-
Balance as at 31 March, 2018	1.05
Additions	-
Less: Disposals/Sale/Transfer	-
Balance as at 31 March, 2019	1.05
Accumulated Depreciation	
Balance as at 1 April, 2016 (Proforma)	-
Depreciation expense	0.17
Less: Eliminated on disposals/Sale/Transfer	-
Balance as at 31 March, 2017 (Proforma)	0.17
Depreciation expense	0.15
Less: Eliminated on disposals/Sale/Transfer	-
Balance as at 31 March, 2018	0.32
Depreciation expense	0.12
Less: Eliminated on disposals/Sale/Transfer	-
Balance as at 31 March, 2019	0.44
Carrying Amount	
As at 31 March, 2017 (Proforma)	0.87
As at 31 March, 2018	0.73
As at 31 March, 2019	0.61

(Rs. in Millions)

Value of the Property	Market Value	Realisable Value
As at 31 March, 2017 (Proforma)	20.00	-
As at 31 March, 2018	22.30	-
As at 31 March, 2019	24.80	21.10

Note: The Company has elected to continue with the carrying value of its investment property recognized as of 01 April 2017 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date. Details of gross block, accumulated depreciation and net block as per Indian GAAP are given below: (Refer Note 38 Para 2)

(Rs. in Millions)

Particulars	Investment Property (Building - residential)
Gross carrying value as at March 31, 2016	4.15
Ind AS Adjustments	-
Gross carrying value as at April 1, 2016	4.15
Accumulated Depreciation	
Accumulated depreciation as at March 31, 2016	3.10
Ind AS Adjustments	-
Accumulated depreciation as at April 01, 2016	3.10
Deemed cost as at April 01, 2016	1.05

Indian Renewable Energy Development Agency Limited

Restated Consolidated Notes to Financial Statements

Note 12 : Property, Plant and Equipment

(Rs. in Millions)

Particulars	Buildings				Plant and Machinery		Vehicles	Furniture and Fixtures	Office Equipment	Library	Total
	Leasehold-IHC	Leasehold-AKB	Office Space at Chennai	Solar plant	Solar plant	Computer					
Gross Block-Deemed Cost											
Balance as at April 01, 2016 (Proforma)	19.63	236.56	12.98	-	-	9.87	1.69	5.99	2.83	-	289.55
Additions during the year	-	-	1.32	209.64	2,730.21	4.55	3.89	4.01	0.62	-	2,954.23
Less: Disposals/Sale/Transfer during the year	-	-	-	-	-	2.58	2.16	0.13	0.40	-	5.27
Balance as at March 31, 2017 (Proforma)	19.63	236.56	14.30	209.64	2,730.21	11.84	3.42	9.87	3.05	-	3,238.51
Additions during the year	-	-	-	12.30	160.20	2.85	-	0.56	0.43	-	176.34
Less: Disposals/Sale/Transfer during the year	-	-	-	-	-	0.14	-	-	-	-	0.14
Balance as at March 31, 2018	19.63	236.56	14.30	221.94	2,890.41	14.55	3.42	10.43	3.48	-	3,414.71
Additions during the year	-	-	-	5.79	75.48	39.06	1.67	0.83	0.39	-	123.22
Less: Disposals/Sale/Transfer during the year	-	-	-	-	-	0.17	-	0.03	0.08	-	0.28
Balance as at March 31, 2019	19.63	236.56	14.30	227.73	2,965.89	53.44	5.09	11.23	3.79	-	3,537.65
Accumulated Depreciation-After Deemed Cost	(Rs. in Millions)										
Balance as at 1 April, 2016 (Proforma)	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	2.40	25.55	1.30	3.78	26.76	6.67	1.54	2.43	0.88	-	71.31
Less: Eliminated on disposals/Sale/Transfer	-	-	-	-	-	2.45	2.04	0.05	0.25	-	4.80
Balance as at 31 March, 2017 (Proforma)	2.40	25.55	1.30	3.78	26.76	4.22	(0.50)	2.38	0.63	-	66.51
Depreciation expense	2.07	22.78	1.24	12.62	164.29	4.89	1.23	2.19	0.56	-	211.87
Less: Eliminated on disposals/Sale/Transfer	-	-	-	-	-	0.13	-	-	-	-	0.13
Balance as at March 31, 2018	4.47	48.33	2.54	16.40	191.05	8.98	0.73	4.57	1.19	-	278.25

Depreciation expense	1.80	20.33	1.12	13.46	175.32	17.10	1.29	1.75	0.51	-	232.68
Less: Eliminated on disposals/Sale/Transfer	-	-	-	-	-	0.15	-	0.02	0.06	-	0.23
Balance as at March 31, 2019	6.27	68.66	3.66	29.86	366.37	25.93	2.02	6.30	1.64	-	510.70
Carrying Amount											
As at March 31, 2017	17.23	211.01	13.00	205.86	2,703.45	7.62	3.92	7.49	2.42	-	3,172.00
As at March 31, 2018	15.16	188.22	11.76	205.54	2,699.36	5.57	2.69	5.86	2.29	-	3,136.45
As at March 31, 2019	13.36	167.90	10.64	197.87	2,599.52	27.51	3.07	4.93	2.15	-	3,026.95

(Rs. in Millions)

Particulars	Buildings				Plant and Machinery		Vehicles	Furniture and Fixtures	Office Equipment	Library	Total
	Leasehold-IHC	Leasehold-AKB	Office Space at Chennai	Solar plant	Solar plant	Computer					
Gross Block											
Gross carrying value as at March 31, 2016	43.96	422.76	14.35	-	-	51.87	5.70	28.90	32.04	1.86	601.45
Ind AS Adjustments	-	-	-	-	-	-	-	-	-	-	-
Gross carrying value as at April 1, 2016	43.96	422.76	14.35	-	-	51.87	5.70	28.90	32.04	1.86	601.45
Accumulated depreciation as at March 31, 2016	24.33	186.20	1.37	-	-	42.00	4.02	22.92	29.21	1.86	311.90
Deemed cost as at April 01, 2016	19.63	236.56	12.98	-	-	9.87	1.69	5.99	2.83	-	289.55

Note 13 : Capital Work-In-Progress (CWIP)

(Rs. in Millions)

Particular	Building	50 MW Solar Project	Total
Balance as at April 1, 2016 (Proforma)	0.01	140.32	140.33
Additions	2.04	2,798.24	2,800.27
Borrowing cost capitalised	-	-	-
Less: Transfer to Property Plant & Equipment/ Investment property	2.05	2,938.56	2,940.60
Balance as at March 31, 2017 (Proforma)	-	-	-
Additions during the year	30.32	-	30.32
Borrowing cost capitalised	-	-	-
Less: Transfer to Property Plant & Equipment/ Investment property	-	-	-
Balance as at March 31, 2018	30.32	-	30.32
Additions during the year	0.09	-	0.09
Borrowing cost capitalised	-	-	-
Less: Transfer to Property Plant & Equipment/ Investment property	30.32	-	30.32
Balance as at March 31, 2019	0.09	-	0.09

Note 14: Intangible assets under development

(Rs. in Millions)

Particular	Software under Development
Balance as at April 1, 2016 (Proforma)	0.56
Additions	2.57
Less : Transfer to intangible assets	0.99
Balance as at March 31, 2017 (Proforma)	2.14
Additions	0.05
Less : Transfer to intangible assets	1.63
Balance as at March 31, 2018	0.56
Additions	-
Less : Transfer to intangible assets	0.56
Balance as at March 31, 2019	-

Note 15 :Intangible assets

(Rs. in Millions)

Particular	Computer Software
<u>Gross Block-Deemed Cost</u>	
Balance as at 1 April, 2016 (Proforma)	2.89
Additions	0.99
Less: Disposals/Sale/Transfer	-
Balance as at 31st March, 2017 (Proforma)	3.88
Additions	1.62
Less: Disposals/Sale/Transfer	-
Balance as at 31st March, 2018	5.50
Additions	0.39
Less: Disposals/Sale/Transfer	-
Balance as at 31st March, 2019	5.89
<u>Accumulated Depreciation-After Deemed Cost</u>	
Balance as at 1 April, 2016 (Proforma)	-
Amortization expenses	1.71
Less: Eliminated on disposals/Sale/Transfer	-
Accumulated depreciation as at 31st March, 2017 (Proforma)	1.71
Amortization expenses	1.27
Less: Eliminated on disposals/Sale/Transfer	-
Accumulated depreciation as at 31st March, 2018	2.98
Amortization expenses	0.76
Less: Eliminated on disposals/Sale/Transfer	-
Accumulated depreciation as at 31st March, 2019	3.74
<u>Carrying Amount</u>	
As at 31 March, 2017	2.17
As at 31 March, 2018	2.52
As at 31 March, 2019	2.15

Particular	Computer Software
Gross block	
Gross carrying value as at March 31, 2016	14.59
Ind AS Adjustments	-
Gross carrying value as at April 1, 2016	14.59
Accumulated depreciation	
Accumulated depreciation as at March 31, 2016	11.69
Ind AS Adjustments	-
Accumulated depreciation as at April 01, 2016	11.69
Deemed cost as at April 01, 2016	2.89

Note 16 :Other non-financial assets

(Rs. in Millions)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017 (Proforma)
Advance for capital expenditure	1,264.78	992.38	727.74
(For Purchase of office and residence premises)including parking at NBCC Complex			
GOI Fully Service Bonds Money Receivable	16,387.92	16,387.92	13,807.60
Other receivables	6.10	19.39	5.26
Other advances	165.99	165.85	7.77
UnAmortized transaction cost	-	-	19.55
IPO expenses-deferred	8.46	-	-
Total	17,833.25	17,565.54	14,567.92

Note 17 : Payables

(Rs. in Millions)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017 (Proforma)
Trade payable			
(i) Total outstanding dues of micro enterprises and small enterprises	6.05	-	-
(i) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,255.61	1,389.04	1,377.68
	1,261.66	1,389.04	1,377.68

Note 18 :Debt Securities

(Rs. in Millions)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017 (Proforma)
	At Amortized Cost	At Amortized Cost	At Amortized Cost
Bonds:-			
(I) Taxfree Bonds - Non Convertible Redeemable Debentures(Secured)			
(Secured by paripassu charge on Loans and Advances (book debts) of the company.)			
(i)8.16% Tax free Bonds	757.59	757.59	757.59
(Series XIII Tranche-I-IA- 2013-14)(Repayable on 13/03/2024)			
(ii) 8.41% Tax free Bonds	1,052.91	1,052.91	1,052.91
(Series XIII Tranche-I-IB- 2013-14) (Repayable on 13/03/2024)			
(iii) 7.17% Tax free Bonds	2,832.05	2,831.30	2,830.59
(Series XIV Private IC- 2015-16) (Repayable on 1/10/2025)			
(iv) 7.28 % Tax free Bonds	1,085.81	1,085.53	1,085.28
(Series XIV Tranche-I-IA- 2015-16) (Repayable on 21/01/2026)			
(v) 7.53 % Tax free Bonds	1,275.20	1,274.88	1,274.58
(Series XIV Tranche-I-IB- 2015-16) (Repayable on 21/01/2026)			
(vi) 8.55% Tax free Bonds	1,230.77	1,230.77	1,230.77
(Series XIII Tranche-I-IIA- 2013-14) (Repayable on 13/03/2029)			
(vii) 8.80% Tax free Bonds	2,345.51	2,345.51	2,345.51
(Series XIII Tranche-I-IIB- 2013-14) (Repayable on 13/03/2029)			
(viii) 8.56% Tax free Bonds	360.00	360.00	360.00
(Series XIII Tranche-I-IC- 2013-14) (Repayable on 27/03/2029)			
(ix) 7.49 % Tax free Bonds	8,812.98	8,811.96	8,811.01
(Series XIV Tranche-I-IIA- 2015-16) (Repayable on 21/01/2031)			
(x) 7.74 % Tax free Bonds	4,818.84	4,818.30	4,817.80
(Series XIV Tranche-I-IIB- 2015-16) (Repayable on 21/01/2031)			
(xi) 8.55% Tax free Bonds	388.12	388.12	388.12
(Series XIII Tranche-I-IIIA- 2013-14) (Repayable on 13/03/2034)			

(xii) 8.80% Tax free Bonds (Series XIII Tranche-I-IIIB- 2013-14) (Repayable on 13/03/2034)	1,441.64	1,441.64	1,441.64
(xiii) 7.43 % Tax free Bonds (Series XIV Tranche-I-IIIA- 2015-16) (Repayable on 21/01/2036)	363.13	363.12	363.10
(xiv) 7.68 % Tax free Bonds (Series XIV Tranche-I-IIIB- 2015-16) (Repayable on 21/01/2036)	747.29	747.25	747.22
Sub-Total(A)	27,511.84	27,508.88	27,506.12
(II) Taxable Bonds - Non Convertible Redeemable Debentures(Secured)			
(Secured by negative lien on Loans and Advances (Book Debts) of the company .)			
(Secured by negative lien on Loans and Advances (Book Debts) of the company .)			
(i) 9.60% Taxable Bonds (Series I- 2008-09)(Repayable on 24/02/2019)	-	1,000.00	1,000.00
	1,500.00	1,500.00	1,500.00
(ii) 8.85% Taxable Bonds (Series II- 2009-10)(Repayable on 13/01/2020)			
	2,500.00	2,500.00	2,500.00
(iii) 9.02% Taxable Bonds (Series III- 2010-11- Tranche-II)(Repayable on 24/09/2025)			
(iv) 9.49% Taxable Bonds (Series IV- 2012-13) (Repayable on 04/06/2022)	3,000.00	3,000.00	3,000.00
(v) 8.44% Taxable Bonds (Series VA- 2013-14) (Repayable on 10/05/2023)	3,000.00	3,000.00	3,000.00
(vi) 8.87% Taxable Bonds (Series III- 2010-11 - Tranche-I) (Repayable on 24/09/2020)	1,500.00	1,500.00	1,500.00
(vii) 8.12% Taxable Green Bonds (Series VI A - 2016-17) (Repayable on 24/03/2027)	1,997.40	1,997.28	1,997.17
(viii) 8.05% Taxable Green Bonds (Series VI B - 2016-17) (Repayable on 29/03/2027)	4,993.48	4,993.19	4,992.93
(ix) 8.49% Taxable Bonds	188 2,000.00	2,000.00	2,000.00

(Series VB- 2013-14) (Repayable on 10/05/2028)			
(x) 8.51% Taxable Bonds	2,747.54	-	-
(Series VIIA- 2018-19) (Repayable on 3/01/2029)			
(xi) 8.47% Taxable Bonds	5,897.53	-	-
(Series VIIB- 2018-19) (Repayable on 17/01/2029)			
Sub-Total(B)	29,135.95	21,490.47	21,490.10
III) Masala Bonds (Unsecured)			
(i) 7.125% Green Masala Bond	19,403.06	19,380.70	-
(Series I- 2017-18)(Repayable on 10/10/2022)			
Sub-Total(C)	19,403.06	19,380.70	-
Total Bonds(A+B+C)	76,050.85	68,380.05	48,996.22
Debt securities in India	56,647.79	48,999.35	48,996.22
Debt securities outside India	19,403.06	19,380.70	-
Total (A+B+C))	76,050.85	68,380.05	48,996.22

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017 (Proforma)
	At Amortized Cost	At Amortized Cost	At Amortized Cost
(a)Term Loans-			
(I)From Banks			
A. Term Loans – secured			
(i) Bank of Baroda (INR Loan)	281.33	449.31	601.66
(Secured by US\$ deposit with BOB London)			
(Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021. Installments ranging between Rs. 19,147,506 to Rs. 96,126,342.)			
(ii) Union Bank of India Term Loan-II	-	71.41	357.13
(Secured by pari-passu charge on the Loans and Advances (Book Debts))			
(Interest @ base rate (Floating), Repayment on quarterly basis starting from 09.09.14. Balance repayable in 8 Installments of Rs. 71,430,000 each and 1 installment of Rs 71,410,000.)			
(iii) Loan I from Asian Development Bank (ADB)	764.67	961.04	1,176.90
(Secured by pari-passu charge on the Loans and Advances (Book Debts) and Further Guaranteed by the Government of India)			
(Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021 in installments ranging between US\$ 398,900 to US\$ 2,428,269.)			
(iv) KFW Loan-V	7,361.29	452.49	388.67
(Secured by pari-passu charge on the Loans and Advances (Book Debts))			
(Repayment on half yearly basis starting from 30.12.2018 till 30.12.2027 in 16 installments of Euro 5,263,000 each and 3 installments of Euro 5,264,000 each .)			
(v) HDFC Term Loan	1,833.33	-	
Pari-passu charge on Loans and Advances (book debts and receivables)			
Repayment on quarterly basis starting from 28.03.2019. Balance repayable in 11 installments of Rs 16,66,66,666 each			
(vi) SBI Term Loan	7,549.00	-	
Pari-passu charge on Loans and Advances (book debts) of the Company			
Outstanding term loan to be repaid in 20 equal quarterly installments .First repayment is due on 22.09.2019			
(vii) Nordic Investment Bank (NIB)	247.04	696.86	1,157.83
(Secured by pari-passu charge on the Loans and Advances (Book Debts))			
(Repayment on half yearly basis starting from 17.12.2012 till 17.06.2019 in 8 installments of US\$ 3,571,428.58 each and 6 installments of US\$ 3,571,428.56 each)			

(viii) Loan II from Asian Development Bank (ADB)	13,834.26	9,107.55	7,134.19
(Guaranteed by the Government of India)			
(Secured by pari-passu charge on the Loans and Advances (Book Debts))			
(Repayment on half yearly basis starting from 15.04.2020 till 15.10.2034 in 29 equal installments of US\$ 3,667,665.54 each and 30th installment of US\$ 3,667,676.55)			
Sub total(A)	31,870.92	11,738.66	10,816.38
B. Term Loans – Unsecured			
(i) KFW Loan-I	1,915.20	2,081.67	1,869.25
(Guaranteed by the Government of India)			
(Repayment on half yearly basis starting from 30.12.2009 till 30.12.2039 in 28 installments of Euro 586,451.79 each, 32 installments of Euro 586,963.08 each and 1 installment of Euro 586,963 .)			
(ii) KFW Loan-II	776.09	1,266.06	1,483.28
(Guaranteed by the Government of India)			
(Repayment on half yearly basis starting from 30.09.2012 till 30.09.2020 in 16 installments of Euro 2,858,000 each & 1 installment of Euro 4,272,000.)			
(iii) KFW Loan-III	1,551.79	1,610.06	1,382.94
(Guaranteed by the Government of India)			
(Repayment on half yearly basis starting from 30.06.2020 till 30.12.2049 in 9 installments of Euro 332,000 each & 51 installments of Euro 333,000 each .)			
(iv) KFW Loan-IV	6,906.97	8,957.85	9,233.06
(Guaranteed by the Government of India)			
(Repayment on half yearly basis starting from 30.06.2014 till 30.12.2022 in 16 installments of Euro 11,111,000 each and 2 installments of Euro 11,112,000 each .)			
(v) International Bank for Reconstruction and Development (IBRD)	532.26	810.02	1,098.56
(Guaranteed by the Government of India)			
(Repayment on half yearly basis starting from 15.12.2005 till 15.06.2020 in installments ranging from USD 1,309,700 to USD 2,651,500 .)			
(vi) Loan III from International Bank for Reconstruction and Development (IBRD)	327.86	60.97	-
(Guaranteed by the Government of India)			
(Repayment on half yearly basis starting from 15.04.2022 till 15.10.2035 in 27 installments of US\$ 2,677,500.00 each and 28th installment of US\$ 2,707,500.00.)			
(vii) Loan III from International Bank for Reconstruction and Development (IBRD) (CTF) (Guaranteed by the Government of India)	104.37	16.26	-

Repayment on half yearly basis starting from 15.04.2027 till 15.10.2056 in 20 installments of US\$ 230,000.00 each and 40 installments of US\$ 460,000.00 each.			
Sub total (B)	12,114.54	14,802.89	15,067.09
Total loan from banks (C=A+B)	43,985.46	26,541.55	25,883.47
(II) From Others			
D. Term loans – secured			
	160.00	440.00	720.00
(i) Small Industrial Development Bank of India (Secured by pari-passu charge on the Loans and Advances (Book Debts))			
(Interest @ 9.35% ,repayable on quarterly basis starting from 10.06.2016 in 14 installments of Rs. 70,000,000 each and last installment of Rs. 20,000,000 .)			
Sub total (D)	160.00	440.00	720.00
E. Term loans – unsecured			
(i) Loan from NCEF- IREDA	861.48	941.00	1,016.84
Repayable in 33 - 40 structured quarterly instalments.			
(ii) Agence Francaise De Development (AFD)	4,351.34	4,890.95	4,524.17
(Guaranteed by the Government of India)			
Repayment on half yearly basis starting from 31.07.2016 till 31.01.2031 in 30 installments of Euro 2,333,333.33 each .			
(iii) Agence Francaise De Development (AFD)-II	7,464.52	5,068.52	4,353.55
Repayment on half yearly basis starting from 30.11.2019 till 30.05.2029 in 20 installments of Euro 5,000,000 each .			
(iv) Japan International Cooperation Agency (JICA)	18,756.00	18,300.00	17,388.00
(Guaranteed by the Government of India)			
Repayment on half yearly basis starting from 20.6.2021 to 20.06.2041 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each .			
(v) Japan International Cooperation Agency (JICA)-II	16,592.05	8,641.79	8,211.12
(Guaranteed by the Government of India)			
Repayment on half yearly basis starting from 20.03.2024 to 20.03.2044 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each .			
(vi) European Investment Bank (EIB)	14,895.62	14,005.97	13,962.60
(Guaranteed by the Government of India)			
Tranche I - Repayment on half yearly basis starting from 26.09.2019 to 26.03.2035 in 32 installments of US\$ 662,000 each .			
Tranche II - Repayment on half yearly basis starting from 15.07.2020 to 15.07.2036 in 32 installments of US\$ 1,999,636.36 each and 1 installment of US\$ 1,999,636.48 .			

Tranche III - Repayment on half yearly basis starting from 16.02.2021 to 15.08.2036 in 32 installments of US\$ 4,005,375 each .			
(vii) Government of India	2,723.62	2,642.25	2,715.12
Against International Development Agency (IDA) - Second Renewable Energy Project (INR Loan)			
Repayment on half yearly basis starting from 15.10.2010 to 15.04.2035 in 20 installments of US\$ 625,000 each and 30 installments of US\$ 1,250,000 each payable in INR .			
Sub-Total (E)	65,644.63	54,490.48	52,171.40
Total loans from others (F=D+E)	65,804.63	54,930.48	52,891.40
Total term loans (a=C+F)	109,790.09	81,472.03	78,774.87
(b)Loans repayable on demand :-			
Secured			
Vijaya Bank	-	-	-
Union Bank of India	117.60	-	-
(Secured by pari passu charge on book debts)			
Bank of India	-	-	-
Sub total	117.60	-	-
Grand total(a+b)	109,907.69	81,472.03	78,774.87
Borrowings in India	10,802.75	1,901.72	2,695.64
Borrowings outside India	99,104.94	79,570.31	76,079.23
Total	109,907.69	81,472.03	78,774.87

Note 20 : Subordinated Liabilities

(Rs. in Millions)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017 (Proforma)
	At Amortized Cost	At Amortized Cost	At Amortized Cost
Unsecured			
9.23% IREDA Taxable Unsecured *	1,496.79	-	-
(Subordinated Tier-II Bonds-Repayable on 22/02/2029)			
Total(A)	1,496.79	-	-
Subordinated Liabilities in India	1,496.79	-	-
Subordinated Liabilities outside India	-	-	-
Total(B)	1,496.79	-	-

*The above is net off of the Amortized cost of Rs. 3.21 Millions. The actual amount raised being Rs. 1,500.00 Millions .

Note 21 :Other Financial Liabilities

(Rs. in Millions)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017 (Proforma)
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(a)IREDA-National Clean Energy Fund (NCEF)	2,708.49	2,492.37	2,310.05
(b) Interest & Other Charges Accrued but not due on Borrowings	3,614.99	2,758.38	2,021.76
(c) Other Payables :			
MNRE Programme Funds	94.49	94.49	94.49
MNRE Co Generation Specific Grant	3.29	3.08	2.89
National Hydrogen Energy Board	0.55	0.52	0.49
MNRE GBI Fund	1,042.83	1,207.55	6,149.38
Assosication of Renewable Energy of States	0.00	-	-
Roof Top and other Small Scale Solar Project	296.15	396.17	622.36
MNRECapital Subsidy For Channel Patners	552.90	608.11	589.21
MNRE UNDP Funds	3.15	69.55	70.83
MNRE SWHS	35.79	34.13	32.67
Unclaimed Bond Interest	3.88	2.15	1.34
Payable to NCEF from IREDA	192.45	99.06	-
Corporate Social Responsibility Fund	201.92	205.38	138.13
Others	213.06	264.96	133.41
Total	8,963.94	8,235.90	12,167.01

Note 22 :Provisions

(Rs. in Millions)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017 (Proforma)
Provision for Employee Benefits:-			
-Provisiosn for Leave Encashment	28.92	20.57	40.15
-Provision for - Gratuity	(4.03)	33.89	16.58
-Provision for - Post medical retirment	61.25	51.73	40.41
-Provision for - Sick Leave	30.97	28.24	23.01
-Provision for Baggage Allowance	1.26	1.08	0.94
-Contingent provision for Standard Asset (including Floating Provision)	1,573.80	1,126.03	950.06
Total	1,692.17	1,261.54	1,071.15

Note 23 :Other non-financial liabilities

(Rs. in Millions)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017 (Proforma)
Provident fund payable	194 -	3.74	2.89

Statutory Dues	26.11	51.20	32.23
GOI Fully Service Bonds	16,400.00	16,400.00	16,400.00
Interest on MIBOR Deposit payable to MNRE (GOI Fully Service Bonds)	109.06	120.70	86.50
Funded Interest Term Loan	743.29	-	-
Others	2.42	2.95	1.13
Deferred income portion of grant for reimbursement of transaction cost	13.09	-	-
UnAmortized front end fee	257.65	129.91	93.48
Total	17,551.62	16,708.50	16,616.23

Note 24 :Equity Share Capital

(Rs. in Millions)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017* (Proforma)
(A) Authorised Share Capital			
6,000,000,000 Equity Shares of Rs. 10 each	60,000.00	60,000.00	60,000.00
	60,000.00	60,000.00	60,000.00
(B) Issued, subscribed and fully paid up			
784,600,000 Equity Shares of Rs. 10 each fully paid up	7,846.00	7,846.00	7,846.00
Fully Paid Up			
Total	7,846.00	7,846.00	7,846.00

* Converted 7,846,000 Equity Shares of Rs. 1,000 each to 784,600,000 Equity Shares of Rs. 10 each in FY 2017-18.

Reconciliation of the number of shares outstanding: -

(Rs. in Millions)

Particulars	As at March 31,2019		As at March 31,2018		As at March 31 ,2017* (Proforma)	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	784,600,000	7,846	784,600,000	7,846	7,846,000	7,846
Add:- Shares issued during the year	-	-	-	-	-	-
Brought Back During year	-	-	-	-	-	-
Equity Shares at the end of the year	784,600,000	7,846	784,600,000	7,846	7,846,000	7,846
Note						

* Converted 7,846,000 Equity Shares of Rs. 1,000 each to 784,600,000 Equity Shares of Rs. 10 each in FY 2017-18.

Details of the shares held by each shareholder holding more than 5% shares

(Rs. in Millions)

Particulars	As at March 31,2019		As at March 31,2018		As at March 31 ,2017 (Proforma)	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Government of India	784,600,000	100	7,846,000	100	7,846,000	100

Note : Converted 7,846,000 Equity Shares of Rs. 1,000 each to 784,600,000 Equity Shares of Rs. 10 each in FY 2017-18.

Note 25 : Other Equity

(Rs. in Millions)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017 (Proforma)
(a) Reserves and Surplus	195		

(i) Capital Reserves	-	1,067.69	1,067.69
(ii) Security Premium Reserve	-	-	0.50
(iii) Special Reserve	8,265.11	7,365.11	6,583.20
(iv) Debenture Redemption Reserve	2,128.10	1,665.19	1,202.28
(v) General Reserve	10,624.46	9,556.77	8,396.77
(vi) Foreign Currency Monetary Item Translation Reserve	(725.34)	(918.43)	1,315.80
(vii) Retained Earnings	(916.70)	(1,110.88)	(1,182.83)
(viii) NBFC Reserve	488.27	-	-
(b) Effective portion of Cash Flow Hedges			
(i) Cash Flow Hedge Reserve	(1,945.91)	(1,016.35)	(951.60)
Total Other Equity (a+b)	17,917.99	16,609.10	16,431.81

Details of other equity is shown as below:

(Rs. in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Capital Reserves			
i. Capital Grant from world bank for purchase of Fixed Assets			
Balance at the beginning of the year	0.20	0.20	0.41
Add: Current Year Transfer	-	-	-
Less: Written Back in Current period	0.20	-	0.22
Balance at the end of the year	-	0.20	0.20
ii. Grant-in-aid from Government of Netherlands			
Balance at the beginning of the year	167.86	167.86	167.86
Add: Current Year Transfer	-	-	-
Less: Written Back in Current period	167.86	-	-
Balance at the end of the year	-	167.86	167.86
iii. Grant-in-aid from World Bank			
Balance at the beginning of the year	839.48	839.48	839.48
Add: Current Year Transfer	-	-	-
Less: Written Back in Current period	839.48	-	-
Balance at the end of the year	-	839.48	839.48
iv. Other Capital Grant			
Balance at the beginning of the year	60.14	60.14	60.14
Add: Current Year Transfer	-	-	-
Less: Written Back in Current period	60.14	-	-
Balance at the end of the year	-	60.14	60.14
Sub total	-	1,067.69	1,067.69
Security Premium Reserve			
Balance at the beginning of the year	-	0.50	0.50
Add: Current Year Transfer	-	-	-
Less: Utilised during the year	-	0.50	-
Balance at the end of the year	-	-	0.50

Special Reserves			
(i) Under Section 36(1)(viii) of the Income Tax Act 1961			
Balance at the beginning of the year	7,365.11	6,583.20	5,413.61
Add: Current Year Transfer	900.00	781.91	1,169.59
Less: Written Back in Current period	-	-	-
Balance at the end of the year	8,265.11	7,365.11	6,583.20
Debenture Redemption Reserve			
Balance at the beginning of the year	1,665.19	1,202.28	739.37
Add: Current Year Transfer	462.91	462.91	462.91
Less: Written Back in Current period	-	-	-
Balance at the end of the year	2,128.10	1,665.19	1,202.28
General Reserve			
Balance at the beginning of the year	9,556.77	8,396.77	7,891.77
Add: Current Year Transfer	1,067.69	1,160.00	505.00
Less: Written Back in Current period	-	-	-
Balance at the end of the year	10,624.46	9,556.77	8,396.77
Foreign Currency Monetary Item Translation Reserve (FCMITR)			
opening balance	(918.43)	1,315.80	(352.48)
Add:Additions during the year	(10.61)	(2,393.34)	1,723.52
Less: Amortisation during the year	(203.70)	(159.11)	55.24
Balance at the end of the year	(725.34)	(918.43)	1,315.80
Retained earnings			
Retained earning at the beginning of the year	(1,110.88)	(1,182.83)	55.74
Add:Profit for the year	2,310.95	4,053.60	2,100.74
Add: Other comprehensive income	(2.80)	(6.15)	3.74
Less: Proposed Dividend for FY 2017-18	218.35	-	-
Less: Corporate Dividend Tax on Proposed Dividend FY 2017-18	44.45	-	-
Less: Proposed Dividend for FY 2016-17	-	255.01	-
Less: Corporate Dividend Tax on Proposed Dividend FY 2016-17	-	51.91	-
Less:Interim Dividend	-	1,050.00	1,000.00
Less:Corporate Dividend Tax on Interim dividend	-	213.76	203.58
Less: Transfer to Special Reserve	900.00	781.91	1,169.59
Less: Transfer to Debenture Redeumption Reserve	462.91	462.91	462.91
Less: Transfer to General Reserve	-	1,160.00	505.00
Less: Transfer to NBFC Reserve	488.27	-	-
Less: Prior period adjustment	-	-	1.98
Balance at the end of the year	(916.70)	(1,110.88)	(1,182.83)
NBFC Reserve(Section 45-IC of RBI Act 1934)			
opening balance			
Add:Additions during the year	488.27	-	-
Less: Amortisation during the year	-	-	-
Balance at the end of the year	488.27	-	-
198			-

Effective portion of Cash Flow Hedges			-
Cash flow hedge reserve			-
Opening balance	(1,016.35)	(951.60)	(72.36)
Add: Effective portion of gain and (loss) on hedging instrument	(929.55)	(64.75)	(879.24)
Balance at the end of the year	(1,945.91)	(1,016.35)	(951.60)
Total	17,917.99	16,609.10	16,431.81

Note 26 : Interest Income

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
	Interest on Financial Assets measured at Amortized Cost	Interest on Financial Assets measured at Amortized Cost	Interest on Financial Assets measured at Amortized Cost
Interest on Loans from lending operations	18,177.53	15,533.34	13,422.18
Interest on deposits with Banks:-	-	-	-
-Short Term Deposit-INR	729.70	980.91	507.58
-Short Term Deposit-Foreign Currency	25.85	16.09	12.39
Other interest Income:-	-	-	-
Differential interest	276.77	337.65	128.98
Interest on Commercial Papers	43.18	-	-
Total	19,253.03	16,867.99	14,071.13

Note 27 : Rental income

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
Rent from let out property	0.66	0.62	0.60
Total	0.66	0.62	0.60

Note 28:Fees and commission income

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
(a) Business Service Fees			
(i) Front end Fee	116.49	123.43	56.43
(ii) Application Fee on Loans	117.24	96.03	86.24
(iii) Application Fee - Accelerated Depreciation	0.04	0.12	0.01
(iv) Application Fee - Generation Based Incentive	(1.41)	195.81	232.25
(v) Documentation Fees	3.60	-	-
Total business service fees	235.96	415.39	374.93
			-
(b) Business Service Charges			
(i) Service Charges - UNDP Programme Fund	0.05	0.63	0.91
(ii) Service Charges - Generation Based Incentive	49.92	64.63	39.47
(iii) Service Charges - MNRE Capital Subsidy for CPs, SNAs and PA	0.70	0.14	9.93
(iv) Service Charges - Roof Top and Other Small Solar Power Project	35.19	22.48	28.86

(v) Service Charges - Biogas Feed Fertilizer Plant	-	-	0.03
Total business service charges	85.86	87.88	79.20
(c) Gurantee Commission	32.25	17.45	-
Total (a+b+c)	354.07	520.72	454.13

Note 29 : Net gain/(loss) on fair value changes*

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
Net gain/(loss) on financial instruments at fair value through profit or loss			
(i) Derivatives			
- Fair value changes on derivative cover taken for foreign currency loans	343.48	510.24	(1,238.11)
Fair Value changes:			
- Realised	-	-	-
- Unrealised	343.48	510.24	(1,238.11)
Total Net gain/(loss) on fair value changes	343.48	510.24	(1,238.11)

*Fair Value changes in this schedule are other than those arising on account of accrued interest income/expenses

Note 30 :Revenue from Solar Plant Operations

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
Revenue from Solar plant operations	288.91	200.34	22.90
Total	288.91	200.34	22.90

Note 31 :Other income

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
Provision Written Back	1.93	4.39	-
Bad debts recovered	15.38	61.00	8.02
Interest on staff loan	2.69	2.87	2.68
Amortisation of Masala Bond Grant	2.73	-	-
Profit On Sale Of Fixed Assets	0.02	-	0.52
Others	3.01	1.04	20.44
Total	25.76	69.30	31.66

Note 32 :Finance Cost

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
	Finance Cost on Financial liabilities measured at fair value through Amortized Cost	Finance Cost on Financial liabilities measured at fair value through Amortized Cost	Finance Cost on Financial liabilities measured at fair value through Amortized Cost
Interest on borrowings	5,286.57	4,476.58	4,020.45
Interest on debt securities	5,558.92	4,668.68	3,451.33
Other borrowing cost	961.08	901.38	630.32
Transaction cost	25.83	12.80	2.35
Total	11,832.40	10,059.44	8,104.45

Note 33 : Net translation/ transaction exchange loss / (gain)

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
Net translation/ transaction exchange loss / (gain)	311.82	473.05	(182.54)
Amortisation of FCMITR	203.70	159.11	(55.25)
Total	515.52	632.16	(237.79)

Note 34 :Impairment on Financial assets

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
	On Financial instruments measured at Amortized Cost	On Financial instruments measured at Amortized Cost	On Financial instruments measured at Amortized Cost
Loans	2,658.65	984.75	1,628.50
Total	2,658.65	984.75	1,628.50

**Loans are valued at carrying value*

Note 35 :Employee Benefits Expenses

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
Salaries and wages	372.14	372.14	233.27
Contribution to provident and other funds	37.79	39.40	27.85
Staff welfare expenses	27.40	24.03	16.76
Human Resource Development expenses	5.99	2.41	1.59
Total	443.32	437.98	279.47

Note 36 :Depreciation And Amortization Expenses

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
Depreciation on Property plant and equipment	232.68	211.87	71.32
Depreciation on Intangible assets	0.76	1.27	1.71
Depreciation on Investment property	0.12	0.14	0.17
Total	233.56	213.28	73.20

Note 37 :Other expenses

(Rs. in Millions)

Particulars	Period Ended 31st March, 2019	Period Ended 31st March, 2018	Period Ended 31st March, 2017 (Proforma)
Rent, taxes and energy costs	26.22	17.25	13.83
Repairs and maintenance	50.24	18.18	17.86
Communication Costs	3.69	3.55	3.01
Printing and stationery	4.11	3.87	5.84
Advertisement and publicity	25.76	46.18	98.57
Director's fees, allowances and expenses	1.84	0.60	-
Auditor's fees and expenses	1.08	4.61	1.78
Legal and Professional charges	32.81	37.97	23.26
Insurance	1.33	0.72	0.71
Corporate Social Responsibility	122.10	103.30	75.07
Bad debts	249.06	-	-
Discount on Sale of Power	5.78	4.46	-
Credit rating expenses (surveillance included)	17.92	15.34	9.16
Loss on sale of fixed asset	0.01	0.00	0.04
Other expenditure	79.43	90.93	20.48
Total	621.38	346.96	269.61

NOTE - 38
NOTES ON ACCOUNTS

1. Corporate Information

Indian Renewable Energy and Development Agency Limited (the “Company or “IREDA”) is registered with the Reserve Bank of India (RBI) as a Non- Banking Financial Company (NBFC) vide order dated 10.02.1998. As per notification No. DNBS (PD).CC.No. 12/02.01/99-2000 dated 13.01.2000 of RBI, Government companies as defined under Section 2(45) of The Companies Act, 2013 have been exempted from applicability of the provisions of Reserve Bank of India Act, 1934 relating to maintenance of liquid assets and creating of Reserve funds and the Directions relating to acceptance of public deposits and prudential norms. The said notification is also applicable to IREDA, being Govt. Company conforming to Section 2(45) of The Companies Act, 2013. Further, as per para No. 1(3) (iv) of RBI’s Master Circular No. DNBS(PD) CC No. 333/03.02.001/2013-14 dated July 1, 2013, IREDA being a Government Company as defined under section 2(45) of The Companies Act, 2013 continues to be exempted from the applicability of non-banking financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Moreover in view of the non-applicability of the provisions of Section 45(I) C of the RBI Act 1934 regarding creation of Reserve Fund, the Reserve Fund is not created.

In terms of the exemption vide notification No. DNBS (PD).CC.No. 12/02.01/99-2000 dated 13.01.2000 as explained above, the Board of Directors of IREDA approved company’s prudential norms relating to income recognition, assets classification and provisioning including restructuring / reschedulement of borrower’s account which are being followed consistently. Some important features of these prudential norms are given in significant accounting policy No. 2 (v). These norms have been approved by the Board of Directors in terms of the Articles of Association of the Company.

However, it has been observed that said articles do not specifically cover the asset classification / provisioning for restructured / rescheduled accounts for which classification / modification from Ministry of New and Renewable Energy (MNRE) has been sought.

MNRE has communicated approval for amendment in the article to cover the asset classification / provisioning for restructured / rescheduled accounts. After the approval by shareholders, the articles have been suitably amended.

Government owned companies, as defined under Clause (45) of Section 2 of the Companies Act, 2013 (Section 617 of the Companies Act, 1956) and registered with the Reserve Bank of India as NBFCs, were exempt from the following regulatory and statutory provisions: (i) Sections 45-IB and 45-IC of the RBI Act, 1934. (ii) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (except provisions contained in paragraph 23 of these Directions). (iii) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 (except provisions contained in paragraph 36, 37 and 41 of these Directions). RBI, vide notification no DNBR (PD) CC.No.092/03.10.001/2017-18 dated 31.05.18 has withdrawn the aforementioned exemptions.

Any direction issued by RBI or other regulator are implemented as and when they become applicable.

2. Transition from IGAAP to IND AS

The balance sheet, the statement of change in equity and the statement of profit and loss are presented in the format prescribed under Division III of Schedule III of the Companies Act for NBFC that are required to comply with Ind AS. The statement of cash flow has been presented as per the requirement of Ind AS 7 -Statement of Cash Flow.

The financial statements for the year ended March 31, 2019 are first financial statements prepared by company in accordance with Ind AS. Prior to this the company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the company has prepared restated Ind AS compliant financial statements for year ending on March 31, 2019, 2018 and 2017. However the basic approach adopted is summarized hereunder:-

- All assets and liabilities have been classified into financial assets/liabilities and non-financial assets/liabilities.
- In accordance with Ind AS 101, the resulting adjustments are considered as arising from events and transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to Ind AS.
- The estimates as at March 31, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with IGAAP (after adjustments to reflect any differences in accounting policies).
- Ind AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. Accordingly, the company has availed the following exemptions/mandatory exceptions as per Ind AS 101:

A) Exceptions

i) Derecognition of financial assets and liabilities

The Company has applied Para B2 of Appendix B of Ind AS 101, which permit first-time adopter to apply de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

ii) Classification & measurement of financial assets:

The Company has followed classification and measurement of financial assets in accordance with Ind AS 109- financial instruments on the basis of facts and circumstances that existed at the date of transition to Ind AS.

iii) Hedge Accounting

As required by Ind AS 109, at the date of transition to Ind AS an entity shall: (a) measure all derivatives at fair value; and (b) eliminate all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities. Hedging relationships that satisfied the hedging criteria as on the entering into derivative transaction and transition date are reflected as hedge under Ind AS. On date of transition to Ind AS the Company has assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109.

iv) Estimates

The Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at March 31, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

v) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk as at the date that financial instruments were initially recognised in order to compare it with the credit risk as at the transition date.

However, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

B) Exemptions

i) Deemed Cost for Property, Plant & Equipment (PPE) and Intangible Assets:

The company has availed exemption under para D7AA of appendix D to Ind AS 101 which permits a first time adopter to continue with the carrying values for its PPE as at date of transition to Ind ASs measured as per previous GAAP.

ii) Fair value measurement of financial assets or financial liabilities at initial recognition:

Para D20 of Ind AS 101, the financial assets and financial liabilities have been classified on the basis of facts existing as at the date of transition to Ind AS. In addition, the exemption permits prospective application of requirements of Ind AS 109 to transactions entered into on or after date of transition.

iii) Investments in subsidiaries, associates and joint ventures

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either:

- at cost; or
- in accordance with Ind AS 109.

Company has followed cost model.

iv) Long Term Foreign Currency Monetary Items

A first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

v) Joint ventures - transition from proportionate consolidation to the equity method of accounting

When changing from proportionate consolidation to the equity method, an entity should recognise its investment in the joint venture at transition date to Ind AS. That initial investment should be measured as

the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition.

3. Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"

The Company, at each balance sheet date, assesses whether there is any indication of impairment of any asset and/or cash generating unit. If such indication exists, assets are impaired by comparing carrying amount of each asset and/or cash generating unit to the recoverable amount being higher of the net selling price or value in use. Value in use is determined from the present value of the estimated future cash flows from the continuing use of the assets.

The Company's solar project at Kasargod, Kerala is in the process of handing over and achieving its full generation during the year 31.03.2019. Further, the fixed tariff is also likely to be finalized during the year. Accordingly, in the opinion of the Management, no impairment is required to be provided for during the year.

4. Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"

a) Contingent Liabilities

(Rs in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Income Tax cases ¹	1,319.60	1,043.48	744.45
Bank Guarantee issued in favour of BSE Ltd. as a security for receiving subscription of Public issue of Tax Free Bonds by Indusind Bank and secured by way of Lien on Fixed Deposit Receipts (FDR).	-	-	141.60
Guarantee issued under IREDA's Guarantee Assistance to RE Suppliers / Manufacturers / EPC Contractors "Scheme for Bid Security.	667.60	100.00	-
Guarantee- Unconditional and recoverable partial credit guarantee under IREDA's Credit Enhancement Scheme.	900.00	900.00	-
Guarantee issued towards creation of Payment Security Fund.	1,440.00	-	-
Letter of comfort issued and outstanding	7,851.38	5,809.99	6,796.92
Total	12,178.58	7,853.47	7,682.97

¹For FY 2016-17

The contingent liability is in respect of cases for the Assessment Years 2010-11, 2011-12, 2012-13 and 2013-14 which are pending with CIT(A). The cases from AY 1998-99 to 2009-10 have been referred back by ITAT vide order dated 21.11.14 for fresh assessments and are in progress with the Assessing Officer.

¹For FY 2017-18

The contingent liability is in respect of cases for the Assessment Years 2010-11, 2011-12, 2012-13 2013-14, 2014-15 and 2015-16) which are pending with CIT(A). The cases from AY 1998-99 to 2009-10 have been referred back by ITAT vide order dated 21.11.14 for fresh assessments and are in progress with the Assessing Officer.

¹For FY 2018-19

Refer Back Cases - AY 1998-99 – AY 2009-10:

The Income Tax cases for AY 1998-99 – AY 2009-10 were referred back on the direction of Hon'ble High Court to Hon'ble ITAT and Hon'ble ITAT to the Assessing Officer (AO). The AO had not passed the order on these cases within the statutory time limit prescribed under the Act and the company had deposited the taxes on the basis of demand raised for the aforementioned Assessment Years.

In view of the foregoing, the demands paid over and above the tax payable as per returns filed became refundable. Accordingly, during the year, a Writ petition has been filed with Hon'ble High Court to issue the necessary directions to the department to grant the refund for the aforementioned years. The Hon'ble High Court at Delhi had passed an interim order as under –

“In the meanwhile, the respondents are permitted to proceed and complete the assessment orders and not give effect to it or take any coercive action.”

Final decision in the matter is still pending.

b) Contingent Assets: Nil

5. Commitments

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Capital Commitments:			
Estimated value of contract to be executed on Capital Account for 50MW Solar Project	-	-	150.00
Estimated value of capital contract in reference to the acquisition of new office space at NBCC Plaza (inclusive of residential , commercial and parking space) *.	9.29	349.62	614.25
Total	9.29	349.62	764.25

*The matter relating to Service Tax / GST / VAT on the value for the NBCC property is sub-judice and NBCC has not raised any demand for the same. Hence, the amount of the Taxes involved is not quantifiable at present.

Further, the handing over of the possession of the aforesaid NBCC premises is delayed due to Public Interest Litigation (PIL) filed in the National Green Tribunal.

6. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days in the last 3 years. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
7. **Disclosure in respect of Indian Accounting Standard (Ind AS)-21 "The Effects of changes in Foreign Exchange Rates"**
(Rs in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)
The amount of exchange differences net debited/(credited) to the Statement of Profit & Loss	515.52	632.16	(237.79)
The amount of exchange differences net debited/(credited) to the Other Comprehensive Income	619.74	2,589.04	(3,100.55)
Total	1,135.26	3,221.20	(3,340.34)

The amount of exchange differences recognised in Foreign currency monetary item translation reserve and a reconciliation of such exchange differences at the beginning and end of the period is as follows:-

(Rs. in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)
Opening balance	918.43	(1,315.80)	352.48
Add: Additions during the year	10.61	2,393.34	(1,723.52)
Less: Amortisation during the year	203.70	159.11	(55.24)
Closing balance	725.34	918.43	(1,315.80)

8. **Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Borrowing Costs	-	-	-
Capitalisation Rate	-	-	-

9. **Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"**

General description of various defined employee's benefits schemes are as under:

- a) **Provident Fund:**

The company has recognized provident fund expense in respect of contribution to Provident Fund at predetermined fixed percentage of eligible employees' salary and charged to statement of profit and loss as under. Further, the obligation of the Company is to make good shortfall, if any, in the fund assets based on the statutory rate of interest in the future period. The PF Trust do not have any deficit as on 31st March 2019, 31st March 2018 and 31st March 2017.

(Rs. in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Provident Fund	19.99	16.85	13.19

b) Superannuation Benefit Fund (Defined Contribution Fund)

The company has recognized expense in respect of contribution to Superannuation Fund at predetermined fixed percentage of eligible employees' salary and charged to statement of profit and loss as under.

(Rs. in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Superannuation Benefit Fund	14.12	12.60	9.71

Other Benefits

c) Earned Leave benefit (EL)

Accrual 30 days per year. Encashment 2 times in a calendar year while in service. Encashment on retirement or superannuation maximum 300 days inclusive of HPL.

d) Half Pay Leave benefit (HPL)

Accrual 10 full days per year No encashment while in service. Encashment on retirement or superannuation maximum 300 days inclusive of EL.

As per Actuarial Valuation company's best estimates for the last three financial years is as follows:

(Rs. in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Earned leave contribution	10.01	15.89	10.64

e) Gratuity:

Accrual of 15 days salary for every completed year of service. Vesting period is 5 years and payment is limited to Rs. 2 Million subsequent to the pay revision applicable from 01.01.2017. Before 01.01.2017 – Rs. 1 Million.

As per Actuarial Valuation company's best estimates towards the gratuity contribution for on roll employees for the last three financial years is tabulated as follows:

(Rs. in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Gratuity contribution	3.94	18.55	5.44

f) Post-Retirement Medical Benefit (PRMB)

The Company contributes to the defined benefit plans for Post-Retirement Medical Scheme using projected unit credit method of actuarial valuation. Under the scheme eligible ex-employees and eligible dependent family members are provided medical facilities.

As per Actuarial Valuation company's best estimates towards the Post-Retirement Medical Scheme for the last three financial years is tabulated as follows:

(Rs. in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Post-Retirement Medical Scheme	11.20	13.25	4.63

g) Baggage Allowance

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Baggage Allowance. As per Actuarial Valuation company's best estimates for the last three financial years is tabulated as follows:

(Rs. in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Baggage Allowance	0.19	0.14	0.13

The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income (OCI) and Balance Sheet & other disclosures are as under:

❖ Change in the Present value of the obligation

(Rs in Millions)

Particulars		Gratuity (Funded)	Sick Leave (Funded)	Earned Leave (Funded)	Baggage (Funded)	PRMB (Funded)
Present Value of Obligation as at the beginning	FY 2018-19	80.24	28.24	20.57	1.08	51.73
	FY 2017-18	61.57	23.01	40.15	0.94	40.41
	FY 2016-17	56.05	21.23	31.81	0.78	35.51
Interest Cost	FY 2018-19	6.10	2.15	1.56	0.08	3.93
	FY 2017-18	4.62	1.73	3.01	0.21	3.03
	FY 2016-17	4.48	1.70	2.54	0.06	2.84
Current service cost	FY 2018-19	4.99	1.94	4.00	0.09	3.09
	FY 2017-18	4.60	1.90	3.10	0.22	2.69
	FY 2016-17	3.99	1.57	4.86	0.06	1.79
Past Service cost	FY 2018-19	-	-	-	-	-
	FY 2017-18	11.42	-	-	-	-
	FY 2016-17	-	-	-	-	-
Benefits Paid	FY 2018-19	(2.12)	-	(2.01)	-	(1.69)
	FY 2017-18	(3.47)	(0.51)	(35.60)	-	(1.92)
	FY 2016-17	(3.65)	(1.53)	(2.29)	-	(0.27)

Acquisition Adjustment IN	FY 2018-19	-	-	0.36	-	-
	FY 2017-18	-	-	0.12	-	-
	FY 2016-17	-	-	-	-	-
Actuarial Loss/(gain) on obligations	FY 2018-19	(1.92)	(1.35)	4.44	0.02	4.18
	FY 2017-18	1.51	2.09	9.79	(0.29)	7.53
	FY 2016-17	0.70	0.04	3.24	0.03	0.53
Present Value of obligation at End	FY 2018-19	87.28	30.97	28.92	1.26	61.25
	FY 2017-18	80.24	28.24	20.57	1.08	51.73
	FY 2016-17	61.57	23.01	40.15	0.94	40.41

❖ **Change in Fair Value of Planned assets**

(Rs in Millions)

Particulars		Gratuity	Sick Leave	Earned Leave	Baggage	PRMB
		(Funded)	(Funded)	(Funded)	(Funded)	(Funded)
Fair value of plan assets at beginning of year	FY 2018-19	46.34	-	-	-	-
	FY 2017-18	45.00	-	-	-	-
	FY 2016-17	43.74	-	-	-	-
Actual Return on Plan assets	FY 2018-19	5.43	-	-	-	-
	FY 2017-18	3.43	-	-	-	-
	FY 2016-17	3.52	-	-	-	-
Employer contributions	FY 2018-19	41.67	-	-	-	-
	FY 2017-18	1.38	-	-	-	-
	FY 2016-17	1.40	-	-	-	-
Benefits paid	FY 2018-19	(2.12)	-	-	-	-
	FY 2017-18	(3.47)	-	-	-	-
	FY 2016-17	(3.65)	-	-	-	-
Fair value of plan assets at end of year	FY 2018-19	91.32	-	-	-	-
	FY 2017-18	46.34	-	-	-	-
	FY 2016-17	45.00	-	-	-	-

❖ **Amount recognized in balance sheet**

(Rs in Millions)

Particulars		Gratuity	Sick Leave	Earned Leave	Baggage	PRMB
		(Funded)	(Funded)	(Funded)	(Funded)	(Funded)
Estimated present value of obligations as at the end of the year	FY 2018-19	87.28	30.97	28.92	1.26	61.25
	FY 2017-18	80.24	28.24	20.57	1.08	51.73
	FY 2016-17	61.57	23.01	40.15	0.94	40.41
Fair value of plan assets as at the end of the year	FY 2018-19	91.32	-	-	-	-
	FY 2017-18	46.34	-	-	-	-
	FY 2016-17	45.00	-	-	-	-
Net Liability recognized in balance sheet	FY 2018-19	4.03	(30.97)	(28.92)	(1.26)	(61.25)
	FY 2017-18	(33.90)	(28.24)	(20.57)	(1.08)	(51.73)
	FY 2016-17	(16.57)	(23.01)	(40.15)	(0.94)	(40.41)

❖ **Amount Recognized in Statement of Profit and Loss**

(Rs in Millions)

Particulars		Gratuity	Sick Leave	Earned Leave	Baggage	PRMB
		(Funded)	(Funded)	(Funded)	(Funded)	(Funded)
Current service cost	FY 2018-19	4.99	1.94	4.00	0.09	3.09
	FY 2017-18	4.60	1.90	3.10	0.22	2.69
	FY 2016-17	3.99	1.57	4.86	0.06	1.79
	FY 2018-19	209 -	-	-	-	-

Past Service Cost including curtailment Gain/Losses	FY 2017-18	11.42	-	-	-	-
	FY 2016-17	-	-	-	-	-
Interest cost	FY 2018-19	6.10	2.15	1.56	0.08	3.93
	FY 2017-18	4.62	1.73	3.01	0.21	3.03
	FY 2016-17	4.48	1.70	2.54	0.06	2.84
Expected return on plan asset	FY 2018-19	3.52	-	-	-	-
	FY 2017-18	3.38	-	-	-	-
	FY 2016-17	3.50	-	-	-	-
Net Actuarial(Gain)/loss recognized in the year	FY 2018-19	(3.83)	(1.35)	4.44	0.02	4.18
	FY 2017-18	1.45	2.09	9.79	(0.29)	7.53
	FY 2016-17	0.68	0.04	3.24	0.03	0.53

❖ Actuarial Assumption

Particulars		Gratuity	Sick Leave	Earned Leave	Baggage	PRMB
		(Funded)	(Funded)	(Funded)	(Funded)	(Funded)
Discount rate	FY 2018-19	7.61%	7.61%	7.61%	7.61%	7.61%
	FY 2017-18	7.60%	7.60%	7.60%	7.60%	7.60%
	FY 2016-17	7.50%	7.50%	7.50%	7.50%	7.50%
Rate of salary increase	FY 2018-19	6.50%	6.50%	6.50%	6.50%	6.50%
	FY 2017-18	6.50%	6.50%	6.50%	6.50%	6.50%
	FY 2016-17	6.50%	6.50%	6.50%	6.50%	6.50%
Method used	FY 2018-19	Projected Unit Credit(PUC)	Projected Unit Credit(PUC)	Projected Unit Credit(PUC)	Projected Unit Credit(PUC)	Projected Unit Credit(PUC)
	FY 2017-18					
	FY 2016-17					

The estimates of future salary increase, considered in the actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employee market.

For FY 2018-19

Sensitivity Analysis of the defined benefit obligation

(Rs. in Millions)

A) Impact of the change in discount rate	Gratuity	Sick Leave	Earned Leave	Baggage	PRMB
Present value of obligation at the end of the period	87.28	30.97	28.92	1.26	61.25
Impact due to increase of 0.50%	(3.30)	(1.06)	(1.15)	(0.05)	(2.44)
Impact due to Decrease of 0.50%	3.53	1.13	1.25	0.05	2.64

B) Impact of the change in Salary increase	Gratuity	Sick Leave	Earned Leave	Baggage	PRMB
Present value of obligation at the end of the period	87.28	30.97	28.92	1.26	61.25
Impact due to increase of 0.50%	1.73	(1.06)	1.25	0.05	2.66
Impact due to Decrease of 0.50%	(1.79)	1.13	(1.17)	(0.05)	(2.48)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

10. Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"

(i) Operating segments

Based on the "management approach" as defined in Ind AS 108, the CMD, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segment, and are as set out in the significant accounting policies.

The Company operates in 2 segments - Financing activities in the Renewable Energy (RE) & Energy Efficiency (EE) sector and Generation of power through Solar Plant operations at Kasargod , Kerala. Major revenue for the company comes from the segment of financing activities in the RE & EE sector. The other operating segment -Generation of power through Solar Plant is not a reportable segment .The company operates in India, hence it is considered to operate only in domestic segment. As such considered as a single business/geographical segment for the purpose of Segment Reporting.

(ii) Information about major customers

There is no single external customer contributing 10 percent or more of our revenue in the FY 2018-19 , 2017-18 and 2016-17.

(iii) Geographical Information

Revenue from external customers by location of operations and information about its non- current assets* by location of assets are as follow:

(Rs. in Millions)

Particulars	Revenue from external customers			Non-current Assets*		
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
India	20,240.15	18,099.91	13,310.65	19,417.71	19,558.51	16,984.77
Outside India	-	-	-	-	-	-
Total	20,240.15	18,099.91	13,310.65	19,417.71	19,558.51	16,984.77

*This amount includes property, plant and equipment, capital work-in-progress, investment property, intangible assets under development, intangible assets, advance for capital expenditure and GOI fully Service Bonds money receivable.

(iv) Revenue from major products

Revenue from external customers for each product and service are as follow:-

(Rs. in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Interest Income	19,253.03	16,867.99	14,071.13
Rental Income	0.66	0.62	0.60
Fees and Commission Income	354.07	520.72	454.13
Net gain on fair value change of Derivatives*	343.48	510.24	(1,238.11)
Revenue from Solar Plant Operations	288.91	200.34	22.90
Total	20,240.15	18,099.91	13,310.65

*They are not considered as a part of revenue from external customers

11. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

A. Disclosures for Other than Govt. and Govt. Related Entities

Related Parties	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Associate Company			
Joint venture	M.P. Windfarms Limited (A company in collaboration with M.P. Urja Vikas Nigam Limited (25%), Consolidated Energy Consultants Limited (49.5%), IREDA (24%) and Others (1.5%).)	M.P. Windfarms Limited (A company in collaboration with M.P. Urja Vikas Nigam Limited (25%), Consolidated Energy Consultants Limited (49.5%), IREDA (24%) and Others (1.5%).)	M.P. Windfarms Limited (A company in collaboration with M.P. Urja Vikas Nigam Limited (25%), Consolidated Energy Consultants Limited (49.5%), IREDA (24%) and Others (1.5%).)
Dividend	No Dividend received	No Dividend received	No Dividend received
Key Management Personnel			
Chairman & Managing Director	Shri Praveen Kumar (01.03.19 to 31.03.19) Shri. K. S. Popli (01.04.18 to 28.02.19)	Sri. K. S. Popli	Sri. K. S. Popli
Director- Technical	Shri Chintan Navinbhai Shah	Shri Chintan Navinbhai Shah (05.03.18 to 31.03.18)	Shri B.V Rao (01.04.16 to 28.02.17)
Director- Finance	Shri S. K. Bhargava	Shri S. K. Bhargava	Shri S. K. Bhargava
Company Secretary	Shri Surender Suyal	Shri Surender Suyal	Shri Surender Suyal
Director – Government Nominee	Shri Arun Kumar 28.01.19 to 31.03.19	Dr. A. K. Tripathi 01.04.17 to 23.05.17	Dr. A. K. Tripathi
	Ms. Gargi Kaul 01.04.18 to 21.12.18	Ms. Gargi Kaul 27.12.17 to 31.03.18	
	Shri B.P.Yadav 01.04.18 to 31.03.19	Shri B.P.Yadav 29.05.17 to 31.03.18	
		Shri J.B.Mahapatra 21.11.17 to 30.11.17	
		Shri C.M.Bhatla 01.04.17 to 29.09.17	Shri C.M.Bhatla
Director – Independent Director	Shri Abhishek Mahawar 01.04.18 to 31.03.19	Shri Abhishek Mahawar 14.09.17 to 31.03.18	
	Ms. Indu Bala 01.04.18 to 31.03.19	Ms. Indu Bala 04.10.17 to 31.03.18	
	Ms. Madhusri M. Swamy 01.04.18 to 31.03.19	Ms. Madhusri M. Swamy 19.03.18 to 31.03.18	
	Dr. Gangidi M. Reddy 01.04.18 to 31.03.19	Dr. Gangidi M. Reddy 19.03.18 to 31.03.18	
	Shri Sanjay Jain 12.04.18 to 31.03.19		

B. Compensation of Related Parties

- a) Remuneration paid to the Chairman and Managing Director, Director (Finance), Director (Technical) and Company Secretary are as under: -

(Rs. in Millions)

Particulars	Chairman and Managing Director _ Shri Praveen Kumar#		
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Salary & allowances	-	-	-
Value of perquisites	-	-	-
Provident Fund	-	-	-
Superannuation Contribution	-	-	-

Medical	-	-	-
Total	-	-	-

Shri Praveen Kumar, Additional Secretary, MNRE is having additional charge of CMD IREDA. Hence, no remuneration is paid to him.

(Rs. in Millions)

Particulars	Chairman and Managing Director _ Sh. K S Popli		
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Salary & allowances	8.40	4.54	4.02
Value of perquisites	0.56	0.95	0.90
Provident Fund	0.30	0.27	0.27
Superannuation Contribution	0.22	0.20	0.19
Medical	0.30	0.13	0.09
Total	9.78	6.09	5.47

(Rs. in Millions)

Particulars	Director (Finance)_ Shri. S K Bhargava,(DF)		
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Salary & allowances	6.34	4.67	3.37
Value of perquisites	0.54	0.65	0.76
Provident Fund	0.30	0.24	0.24
Superannuation Contribution	0.22	0.18	0.17
Medical	0.30	0.11	0.08
Total	7.70	5.85	4.63

(Rs. in Millions)

Particulars	Director (Technical)_ Chintan Navinbhai Shah		
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Salary & allowances	2.76	0.20	-
Value of perquisites	0.05	0.02	-
Provident Fund	0.24	0.02	-
Superannuation Contribution	0.18	0.01	-
Medical	0.17	0.00	-
Total	3.4	0.25	-

(Rs. in Millions)

Particulars	Director (Technical)_ B.V.Rao		
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Salary & allowances	-	-	2.43
Value of perquisites	-	-	0.53
Provident Fund	-	-	0.21
Superannuation Contribution	-	-	0.16
Medical	213	-	0.07

Total	-	-	3.40
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(Rs. in Millions)

Particulars	Company Secretary _ Sh. Surender Suyal		
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Salary & allowances	3.36	3.00	2.10
Value of perquisites	0.6	0.23	0.38
Provident Fund	0.24	0.20	0.20
Superannuation Contribution	0.18	0.15	0.13
Medical	0.16	0.16	0.07
Total	4.54	3.74	2.87

b) The details of sitting fees paid for the last three years is as under :

(Rs. in Millions)

Name of the Director	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Shri Abhishek Mahawar	0.58	0.38	-
Ms. Indu Bala	0.26	0.22	-
Dr. Gangidi Manohar Reddy	0.52	-	-
Ms. Madhusri M. Swamy	0.44	-	-
Shri Sanjay Jain	0.04	-	-
Total	1.84	0.60	-

Note:

- The Chairman and Managing Director, Director (Finance) and Director (Technical) have also been allowed staff car including private journey upto a ceiling of 1000 Kms. per month on payment of monthly charges as per Department of Public Enterprises guidelines.
- Contribution towards Gratuity Fund, for Functional Directors is not ascertainable separately as the contribution to LIC is not made employee wise.
- Provision for leave encashment, post-retirement medical benefit etc. to functional director have been made on the basis of actuarial valuation.

C. Loans to and from KMP

(Rs. in Millions)

Particulars	Shri Praveen Kumar(CMD)			Sh. K S Popli, (CMD)		
	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
Loans to KMP						
Loans at beginning of the year	-	-	-	-	0.12	0.27
Loan advanced	-	-	-	-	-	-
Repayment received	-	-	-	-	0.10	0.16
Interest charged	-	-	-	-	-	0.01
Interest received	-	-	-	-	0.02	-
Balance at end of the year including interest	-	-	-	-	-	0.12
Loans from KMP	-					

(Rs. in Millions)

Particulars	Chintan Navinbhai Shah, (DT)			B.V.Rao, (DT)		
	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
Loans to KMP						
Loans at beginning of the year	-	-	-	-	-	0.20
Loan advanced	-	-	-	-	-	-
Repayment received	-	-	-	-	-	0.14
Interest charged	-	-	-	-	-	-
Interest received	-	-	-	-	-	0.06
Balance at end of the year including interest	-	-	-	-	-	-
Loans from KMP	-					

(Rs. in Millions)

Particulars	Sh. S K Bhargava,(DF)			Sh. Surender Suyal,(CS)		
	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
Loans to KMP						
Loans at beginning of the year	0.07	0.14	1.20	1.18	1.34	1.50
Loan advanced	-	-	-	0.60	0.15	0.11
Repayment received	0.07	0.02	0.47	0.42	0.36	0.34
Interest charged	-	-	0.02	0.06	0.05	0.07
Interest received	-	0.05	0.61	-	-	-
Balance at end of the year including interest	-	0.07	0.14	1.42	1.18	1.34
Loans from KMP	-					

The various loans are extended in terms of the employee loan policies approved by the Board. Loans to the KMPs are extended on the same terms and conditions as are extended to the other employees of the Company. There are no pending commitments to the Related Parties.

D. Disclosure for transactions entered with Govt. and Govt. Entities
(Rs. in Millions)

Name of Government/ Government entities	Nature of Relationship with the Company	Nature of Transaction	Transaction during 2019	Transaction during 2018	Transaction during 2017	Balance as on March 31, 2019	Balance as on March 31, 2018	Balance as on March 31, 2017 (Proforma)
Ministry of New & Renewable Energy (MNRE)	Administrative Ministry	Loan Repayment- IDA through MNRE	87.20	80.96	83.11	2,723.62	2,642.25	2,715.12
		Interest Payment	21.08	20.24	20.85		-	-
		Guarantee Fee Payment	847.27	799.15	600.65		-	-
		Raising of taxable bonds on behalf of MNRE	-	-	16,400.00 Series -I 6,100 Series IA 2,200 Series IB 8,100	16,387.92	16,387.92	13,807.59

E. Disclosures related to M.P.WINDFARM LIMITED – Associates- Related Party
RELATED PARTY TRANSACTION
(Rs. in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
I. Related Parties			
i. Holding Company	Consolidated Energy Consultants Limited	Consolidated Energy Consultants Limited	Consolidated Energy Consultants Limited
ii. Key Management Personnel			
Managing Director:	D P S Dhaked	D P S Dhaked	D P S Dhaked
Director:	Rajan Deb	Rajan Deb	Rajan Deb
II. Related party transactions			
i. Sale of Services	-	-	0.60
Consolidated Energy Consultants Ltd.			
ii. Services Availed			
Rent Paid (Including applicable taxes)	0.53	0.51	0.47
Consolidated Energy Consultants Ltd.			
iii. Services Availed - Consultancy (Tax Exclusive)			
Consolidated Energy Consultants Ltd.	1.00	-	0.73
iv. Managing Director's Remuneration			
D P S Dhaked (Fix Remuneration)	0.60	0.60	0.63

		(Rs. in Millions)					
Associates		Year ending March 31, 2019		Year ending March 31, 2018		Year ending March 31, 2017	
		Amount as on March 31, 2019	Maximum amount outstanding during the year ended March 31, 2019	Amount as on March 31, 2018	Maximum amount outstanding during the year ended March 31, 2018	Amount as on March 31, 2017	Maximum amount outstanding during the year ended March 31, 2017 (Proforma)
1	Loans and advances in the nature of loans	-		-		-	
a)	To Associates						
b)	To Companies in which Directors are interested						

13. Disclosure in respect of Indian Accounting standard (Ind AS) 17 (Currently IndAS-116) "Leases" for the FY 2018-19, 2017-18 and 2016-17 :

A. Operating lease

- i) As lessee - Future minimum lease payments under non-cancellable operating leases: Nil
- ii) As lessor-Future minimum lease payments under non-cancellable operating leases: Nil

B. Finance lease - NIL

- i) As lessee - Future minimum lease payments under non-cancellable finance leases : Nil
- ii) As lessor - Future minimum lease payments under non-cancellable finance leases : Nil

14. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"

A. Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows:-

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Profit (loss) for the year, attributable to the owners of the company (Rs. in Millions)	2,310.95	4,053.60	2,100.74
Earnings used in calculation of Basic earnings per share(A) (Rs. in Millions)	2,310.95	4,053.60	2,100.74
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	78,46,00,000	78,46,00,000	78,46,00,000*
Basic EPS (A/B) (in Rs.)	2.95	5.17	2.68

* The face value of equity shares of the Company was changed from Rs. 1000 per equity share to Rs. 10 per equity shares and hence the number of ordinary shares outstanding were accordingly adjusted from 7846,000 to 784,600,000 w.e.f. 28.11.2017. The EPS figures captured in the table for FY17 are based on post face value adjustments.

B. Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Profit (loss) for the year, attributable to the owners of the company (Rs. in Millions)	2,310.95	4,053.60	2,100.74
Earnings used in calculation of Diluted earnings per share(A) (Rs. in Millions)	2,310.95	4,053.60	2,100.74
Weighted average number of ordinary shares for the purpose of diluted earnings per share(B)	78,46,00,000	78,46,00,000	78,46,00,000*
Diluted EPS (A/B) (in Rs.)	2.95	5.17	2.68

*The face value of equity shares of the Company was changed from Rs. 1000 per equity share to Rs. 10 per equity shares and hence the number of ordinary shares outstanding were accordingly adjusted from 7846,000 to 784,600,000 w.e.f. 28.11.2017. The EPS figures captured in the table for FY17 are based on post face value adjustments.

15 Dividends

As per the Department of Investment and Public Asset Management (DIPAM) O.M. dated 27.05.17 on Capital Restructuring, containing the guidelines for payment of Dividend, the Company is required to pay a minimum annual dividend of 30% of Profit After Tax (PAT) or 5% of Net worth, whichever is higher.

For FY 2018-19

The Board has recommended a final dividend of Rs.1,281.90 million for the year 2018-19.

For FY 2017-18

For the FY 2017-18, out of the total dividend of Rs. 1,268.35 million, an interim dividend of Rs. 1,050.00 million was paid in the FY 2017-18 and the balance dividend of Rs. 218.35 million was paid in the FY 2018-19.

The Company has paid an Interim Dividend of Rs. 1,050.00 million on 19.02.18 as approved in the 302nd meeting of the Board of Directors held on 07.02.18.

For FY 2016-17

The company paid a dividend of Rs 1,255.01 million for the year 2016 -17, out of which the Company has paid an interim dividend of Rs. 1,000 million (Previous year Rs. 1,500 million, which was also taken as the Final Dividend for FY 2015-16) and Rs. 203.58 million (Previous year Rs. 305.37 million) as Corporate Dividend Tax on the Interim dividend. The balance of Rs. 255.01 (Previous year Nil) has been proposed as the Final dividend for the year 2016-17. Accordingly, provision for Corporate Dividend Tax on the Final Dividend of Rs. 51.91 million (Previous Year Nil) has been made.

16 Assets Hypothecated as Security

(Rs. in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
First Charge on Pari passu basis on our loans & advances (Book Debts of company)			
Financial Assets			
Tax free bonds	2,757.65	2,757.65	2,757.65
Bank borrowing	954.23	51.14	107.71
Foreign currency loan	2,220.73	141.35	156.56
Non-Financial Assets	-	-	-
Floating Charge			
Financial Assets	-	-	-
Non-Financial Assets	-	-	-
Total	5,932.61	2,950.14	3,021.92

In addition:

(Rs. in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Taxable bonds secured by negative lien	2,914.51	2,150.00	2,150.00
Total bank borrowings for which assets have been hypothecated	1,548.00	348.00	348.00

- 17 The company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged

item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the company uses the hypothetical derivative method to assess effectiveness.

- 18 In addition to the security held by way of assets etc., of the borrowing entities, the Company held FDRs & Guarantees issued by Banks amounting to Rs. 574.01 million and Rs. 2,452.73 million as on 31st March, 2019 (Rs. 259.93 million & Rs. 1667.87 million as on 31st March, 2018 and Rs. 179.30 million & Rs. 1,511.03 million as on 31st March, 2017) respectively as additional securities for loans granted.
- 19 As per the Board approved Foreign Exchange and Derivative Risk Management Policy of IREDA, an open exposure on foreign currency loans (40% of outstanding forex borrowing) is permissible. The open exposure as at 31.03.19 is Rs. 24,545.97 million (Previous year ending 31.03.18: Rs. 27,084.23 million and as on 31.03.17: Rs. 20,048.46 million respectively) which is 24.77% as on 31.03.19 (as on 31.03.2018 and 31.03.2017 it was 34.04% and 26.35% respectively) of the outstanding forex borrowing and is within the permissible limits.

Out of the said open exposure part hedging has been done for Rs. 4252.30 million equivalent to USD 61.47 million by taking principal only swap (USD/INR) for EURO currency loan (as on 31.03.18 it was: Rs. 3998.33 million equivalent to USD 61.47 million of EURO Loan and as on 31.03.17 it was: Rs. 10,915.66 million which include USD/INR hedging against EURO loan exposure of USD 61.47 million and JPY/USD hedging against JPY loan of JPY 11,956.03 million).

20 Disclosure as per Indian Accounting Standard (Ind AS) 40 - "Investment Property"

(i) Residential flat at Jangpura, Delhi

(Rs. in Millions)			
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Rental Income	0.66	0.62	0.60

(ii) Fair value of Investment Property

The market value of the property has been assessed (as per the valuation done by the Certified Valuer) at Rs. 24.80 million as at 31.03.19 (As at 31.03.18 : Rs.22.30 million and as at 31.03.17 : Rs. 20 million).

21 Indian Accounting Standard (Ind AS) 27 – "Separate Financial Statements"

The following information is in respect of Company's joint venture

Name of entity	Place of business/ country of incorporation	Ownership interest held by the ownership interest held by group non-controlling interests	Principal activities	Relationship	Accounting method	Carrying amount* (Rs. million)
Investment in Associate						
Investment in MP Wind Farms Limited	Madhya Pradesh- India	24%	Generation of Energy	Associate	Equity Method	1.20

* Excluding Rs.0.48 million in respect of bonus shares issued by the said Company.

22 Disclosure as per Indian Accounting Standard (Ind AS) 8 - "Accounting Policies, Changes in Accounting Estimates and Errors"

As per Ind AS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors", material prior period error shall be corrected by retrospective restatement. Company have identified the major prior period relates to the items as tabulated below. The effect of restatement is explained below:-

Particulars	Identified year	Pertaining to FY 2017-18 Dr/(Cr)	Pertaining to FY 2016-17 Dr/(Cr)	Pertaining to FY 2015-16 Dr/(Cr)	Pertaining prior to FY 2015-16 Dr/(Cr)
Interest on Loans from lending operations	2016-17	-		(20.16)	-
Other Expenses	2016-17	-			1.98
Other Expenses	2017-18	-	0.78	0.15	-
Rent from let out property	2017-18	-	-0.2	0.34	-
Interest on Loans from lending operations	2017-18	-	(1.38)	0.98	-
Employee Benefits Expenses- Salaries and wages	2018-19	2.19	-	-	-
Total		2.19	(0.80)	(18.69)	1.98

(Rs. in Millions)

Particulars	March 31, 2017 (After Errors Adjustment)	March 31, 2017 (Before Errors Adjustment) (Proforma)
Other Financial assets		
- Interest Accrued and due on Loans	1,529.64	1,529.24
- Others		
Other Financial liabilities		
- Others	12,167.01	12,165.75
Other Expenses		
- Others	269.61	250.65
Interest Income		
-Interest on Loans from lending operations	13,422.18	13,420.80
Rental Income		
-Rent from let out property	0.60	0.40

Particulars	March 31, 2017 (After Errors Adjustment)	March 31, 2017 (Before Errors Adjustment) (Proforma)
Profit (loss) for the year, attributable to the owners of the company	2,105.60	2122.97
Earnings used in calculation of basic earnings per share(A)	2,105.60	2122.97
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	78,46,00,000	78,46,00,000
Basic EPS(A/B)	2.68	2.71

(Rs. in Millions)

Particulars	March 31, 2018 (After Errors Adjustment)	March 31, 2018 (Before Errors Adjustment)
Other Financial liabilities		
- Others	8,233.71	8,235.90
Employee Benefit Expenses		
- Salaries and Wages	372.14	369.95
Other expenses		
-Other expenditure	90.93	91.59

Particulars	March 31, 2018 (After Errors Adjustment)	March 31, 2018 (Before Errors Adjustment)
Profit (loss) for the year, attributable to the owners of the company	4053.26	4054.78
Earnings used in calculation of basic earnings per share(A)	4053.26	4054.78
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	78,46,00,000	78,46,00,000
Basic EPS(A/B)	220	5.17

23 "Decommissioning liabilities included in the cost of property, plant and equipment

Appendix 'A' to Ind AS 16 Changes in Existing Decommissioning, Restoration and Similar Liabilities requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The handing over the solar plant by the EPC contractor is still pending. The amount of decommissioning liabilities if any, related to solar plant is not ascertainable as of now. Hence, decommissioning liability related to solar plant has not been recognized during the year.

24 Approval of financial statements

The restated financial statements were approved by the board of directors and authorized for issue on July 12, 2019.

25 Disclosure as per Indian Accounting Standard (Ind AS) 115 - "Revenue from Contracts with Customers"

Ind AS 115 has become effective from 1st April 2018 and accordingly the Company has adopted this Ind AS for the first time. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. The Company elected to apply the standard to all contracts as at 1 April 2018. The cumulative effect of initially applying Ind AS 115 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

The impact of applying Ind AS 115 on the Company's retained earnings as at 1 April 2018 and during the FY 2018-19 is Nil. The adoption of Ind AS 115 did not have a material impact on OCI or the Company's operating, investing and financing cash flows.

The Company has applied Ind AS 109 on interest and fees / commission.

26 Revenue from Contracts with Customers

Company has the solar power plant. The PPA has been signed between IREDA and Kerala State Electricity Board Limited (KSEBL) on 31.03.2017 @ Rs. 4.95 which was subject to approval of Kerala State Electricity Regulatory Commission (KSERC). Accordingly IREDA, filed a petition for approval of the Power Purchase Agreement with KSERC, which in its interim order dated 14.02.18 has approved an interim tariff of Rs. 3.90 per unit till March, 2018. During the year FY 2018-19, KSERC has passed a tariff order and determined tariff of Rs.3.83 per unit. Accordingly, Company has recognized the revenue on the delivery of power to KSERC.

For the year ended March 31 , 2019				
Sr. No.	Particulars	Unit Sold (mil.)	Rate per Unit (Rs.)	Total (Rs. in Millions)
i)	Generation of power	75.43	3.83	288.91*

For the year ended March 31 , 2018				
Sr. No.	Particulars	Unit Sold (mil.)	Rate per Unit (Rs.)	Total (Rs. in Millions)
i)	Generation of power	52.31	3.83	200.34*
For the year ended March 31 , 2017 (Proforma)				
Sr. No.	Particulars	Unit Sold (mil.)	Rate per Unit (Rs.)	Total (Rs. in Millions)
i)	Generation of power	5.98	3.83	22.90*

*Net after adjustment of the difference in the tariff

A) Disaggregation of revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Revenue from Solar Power Plant

(Rs. in Millions)

Sr. No.	Particulars	For the year ended March 31 , 2019	For the year ended March 31 , 2018	For the year ended March 31 , 2017 (Proforma)
		221		

1	Revenue			
	Revenue from Operations	288.91	200.34	22.90
2	Primary geographical markets			
	Domestic Revenue	288.91	200.34	22.90
Add	International Revenue	-	-	-
	Total Revenue	288.91	200.34	22.90
3	Timing of revenue recognition			
Add	At the Point	-	-	-
	Over the time	288.91	200.34	22.90
	Total Revenue	288.91	200.34	22.90

Note: KSEB is the single customer for sale of power during the year ended 31st March 2019, 31st March 2018 and 31st March 2017.

B) Trade Receivables and Contract Balances

The following table provides the information about receivables and contract liabilities from contracts with customers :-

(Rs. in Millions)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Trade Receivable (Net) (Solar Plant)	21.74	218.77	22.90

27 Recent accounting pronouncements

Accounting Standards and other amendments and interpretations have been issued but are not yet effective.

A. Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

The Company will implement Ind AS 116 from 1 April 2019 by applying the modified retrospective approach, meaning that the comparative figures in the financial statements for the year ending 31st March 2019 will not be restated to show the impact of Ind AS 116.

The anticipated impact of the standard on the company is not yet known though is not expected to be material on the income statement or net assets though assets and liabilities will be grossed up for the net present value of the outstanding operating lease liabilities as at 1 April 2019.

B. Amendments to Ind AS 19 : Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to re-measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event

Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to re-measure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

C. Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

❖ Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

28 Additional Disclosures Required under Schedule III regarding Consolidation of Accounts

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
March 31, 2019	Amount	% of consolidated	Amount	% of consolidated	Amount	% of consolidated	Amount	% of consolidated
IREDA	25,759.03	99.98	2,311.33	100	(932.35)	100	1,378.98	100
M. P. WINDFARMS LIMITED	4.96	0.02	(0.37)	-0.00	-	0	(0.37)	0.00
Total	25,763.99	100	2,310.95	100	(932.35)	100	1,378.60	100%
Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
March 31, 2018	Amount	% of consolidated	Amount	% of consolidated	Amount	% of consolidated	Amount	% of consolidated
IREDA	24,449.77	99.98	4,053.26	99.98	(70.90)	100	3,982.36	99.98
M. P. WINDFARMS LIMITED	5.33	0.02	0.34	0.02	-	-	0.34	0.02
Total	24,455.10	100	4,053.60	100	(70.90)	100	3,982.70	100

Name of the entity in the Group March 31, 2017	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
IREDA	24,272.82	99.98	2,100.97	99.98	(875.50)	100	1,225.47	99.98
M. P. WINDFARMS LIMITED	4.99	0.02	(0.23)	0.02	-	-	(0.23)	0.02
Total	24,277.81	100	2,100.74	100	(875.50)	100	1,225.24	100

29 SOLAR POWER PROJECT

The company entered into an MOU with Solar Energy Corporation of India (SECI) in the year 2014-15 for implementation of 50 MW Solar Project of IREDA situated at Kasargod, in the state of Kerala. has been capitalized in the books in the FY 2016-17 at Rs. 2939.85 million. In turn, a tripartite agreement has been entered along with SECI with Jakson Engineer Limited (Jakson) for designing, engineering, supply, construction, erection, testing, commissioning of Solar PV Power Plant at a fixed price of Rs. 2692.93 million plus 8% management charges (including Taxes) of Rs 245.63 million payable to SECI and Rs. 1.29 million being interest capitalized during the FY 2016-17. An amount of Rs. 150.00 million (excluding taxes) which was paid as advance towards evacuation charges to Solar Park Developer was capitalized during FY 2017-18. During the year, an amount of Rs. 81.27 million was further paid and capitalized. The Solar Project has been set up on Leasehold land, for which no lease rentals are payable as of date. The execution of lease agreement with respect to the land is still pending as at the year end.

The PPA was signed between IREDA and Kerala State Electricity Board Limited (KSEBL) on 31.03.2017 @ Rs. 4.95 which was subject to approval of Kerala State Electricity Regulatory Commission (KSERC). Accordingly IREDA, filed a petition for approval of the Power Purchase Agreement with KSERC, which in its interim order dated 14.02.18 had approved an interim tariff of Rs. 3.90 per unit. Further to the same, KSERC, in its order dated 06.02.2019 has approved of the levelised tariff for the electricity generated from the 50 MW Solar PV project at Kasargode @ Rs 3.83 per unit. Accordingly, the generation income has been accounted for @ Rs. 3.83 per unit.

Kerala State Electricity Regulatory Commission Thiruvananthapuram, in the petition filed by IREDA for the approval of Power Sale Agreement for 50 MW Solar PV project at Kasargod Solar Park, Kerala, vide its order dated 06.02.19 has also further ordered as under :

- KSEB Ltd shall reimburse, any tax paid on the RoE, limited to the amount of equity specified in this Order. For claiming the tax, developer shall furnish the proof of payment of such tax to KSEB Ltd.
- KSEB Ltd shall reimburse, the land lease paid by IREDA /RPCKL, less amount received as subsidy, if any, in addition to the above.

The Plant is yet to be handed over by the EPC Contractor. The Operation and Maintenance of the plant shall accrue from the handing over of the project. Thus no operation expenses have been provided for in the current year with respect to the Solar Plant.

The revenue from the project generation though has been accounted for at the said rate but the company has decided to again approach KSERC with a review petition for review of the tariff fixed. Further, the handover of the project site by EPC Contractor M/s Jakson is yet to take place for want of completion of certain punch points. In view of the above, till the time the handing over of the project and determination of tariff, no impairment of assets has been assessed.

30 Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs 4.14 million (carrying cost as at 31.03.2017 – Rs. 0.88 million, as at 31.03.2018 : Rs. 0.73 million, and as at 31.03.2019 – Rs. 0.61 million), office premises-IHC costing Rs. 43.96 million (carrying cost as at 31.03.2017 – Rs.17.23 million, as at 31.03.2018 : Rs. 15.16 million, and as at 31.03.2019 – Rs. 13.36 million), and office premises-AKB costing Rs 422.76 million (carrying cost as at 31.03.2017 – Rs. 211.01 million, as at 31.03.2018 : Rs. 188.22 million, and as at 31.03.2019 – Rs. 167.90 million), are yet to be executed in favor of the Company. The cost includes proportionate value of land which has not been separately determined and accounted for. As such, depreciation has been charged on composite cost at the rates prescribed in Schedule II to The Companies Act, 2013.

31 The property tax demand raised upto 31 March 2019 in respect of all the residential and office premises have been paid. The property tax in respect of office building at India Habitat Centre has been paid as per the demand of India Habitat Centre upto 31st March, 2019, which was based on unit area method. South Delhi Municipal Corporation has raised an issue with India Habitat Centre to include license fee received for the facilities area for the purpose of calculating ratable value for the period 1994-2004. This matter is now pending with the Hon'ble Delhi High Court. In case the Hon'ble Delhi

High Court decides against the company, the liability on account of municipal tax will have to be reworked which is not ascertainable at this stage.

32 (A) Corporate Social Responsibility (CSR) –FY 2018-19

In terms of Section 135 of The Companies Act, 2013, IREDA is required to constitute a corporate social responsibility (CSR) Committee of the Board of Directors and the Company has to spend 2% of the average net profits of the Company's three immediately preceding financial year calculated as per section 198 of The Companies Act 2013. Accordingly, CSR Committee of the Board of Directors consisting of 6 Directors, out of which two are Independent Directors with another being a Government Nominee Director, has been re-constituted by the Board in its 314th Meeting held on 27th March, 2019.

During the year FY 2018-19, the following new projects, with a total outlay of Rs.148.57 million were approved to be financed by IREDA under CSR :

Sl	CSR Project or activity identified	Outlay (Rs. Million)	Implementing Agency	Status – March 31, 2019
1	Contribution to Swachh Bharat Kosh	10.00	Directly by IREDA	Completed
2	Contribution to Clean Ganga Fund	2.00	Directly by IREDA	Completed
3	Aspirational District Development Program in Balrampur & Chandauli in Uttar Pradesh	66.20	Lights /Water ATM - Uttar Pradesh Small Industries Corporation Limited Remaining items - To be decided	In Progress
<u>Promoting Healthcare, Sanitation , Drinking Water , Environment Sustainability, Ecological Balance and Conservation of Natural Resources</u>				
1	Provision of medical equipment and furniture item at Integrated Muscular Dystrophy Rehabilitation Centre “Manav Mandir” at Solan, Himachal Pradesh.	3.50	Indian Association of Muscular Dystrophy	Completed
2	50 Tricycles in Karakat, Bihar	1.95	BDB Ventures Pvt. Ltd.	In Progress
<u>Environment Sustainability, Ecological Balance and Conservation of Natural Resources</u>				
1	Provision of Computer Lab related facilities to Girls Sr. Secondary Residential School and RPS Secondary School run by RBKS, Rajasthan at Jhadol Block, Udaipur District, Rajasthan.	1.44	Rajasthan Bal Kalyan Samiti	In Progress
2	Financial support towards Remuneration of salary of Yoga Instructor for conducting Yoga Courses at Delhi Pharmaceutical Sciences and Research University (DPSRU).	0.36	Delhi Pharmaceutical Sciences and Research University	In Progress
3	Contribution to Barefoot College International for training of 60 ‘Solar Mamas’ in Tilonia, Ajmer, Rajasthan.	6.67	Barefoot College International	In Progress
4	Financial Support for running Skill Development Centre by providing Computer Lab related facilities & Sewing Machines to Srishti – Social & Educational Welfare society in Sangam Vihar, New Delhi	1.24	Srishti – Social & Educational Welfare society	In Progress
5	Up-gradation of Infrastructure for Improving the Standard of Education of the Students residing in Dhaulakuan, District Himachal Pradesh	0.75	To be decided	In Progress
<u>Renewable Energy</u>				
1	Installation of 49 kWp Roof-Top Grid Connected Solar PV System at Samarthanam Trust for the Disabled in Bengaluru, Karnataka.	2.69	Gensol Engineering Pvt. Ltd.	In Progress
2	200 Solar PV Street Lighting Systems in Sidharthnagar Parliamentary Constituency, U.P.	4.45	Uttar Pradesh Small Industries Corporation (UPSIC)	90% payment has been released
3	500 Solar PV Street Lighting Systems in Fatehpur Parliamentary Constituency, U.P.	11.13 225	Uttar Pradesh Small Industries Corporation (UPSIC)	90% payment has been released

4	75 Solar PV Street Lighting Systems in College of Agriculture, Kaul, Kaithal, Haryana	1.67	Rajasthan Electronics & Instruments Limited	100% payment has been released
5	10 Solar Water Pumping Systems in Shahjahanpur, Uttar Pradesh	3.58	Uttar Pradesh Small Industries Corporation (UPSIC)	In Progress
6	5000 Solar Lanterns and 50 Shelter Kits for Flood Affected People in Kerala	4.00	To be decided	In Progress
7	8000 LPD Solar Water Heating System at Jawahar Navodaya Vidyalaya, Sindhudurg, Maharashtra	1.70	Darshan Solar Energy	In Progress
8	30 Solar PV Street Lighting Systems in Khurrampur Village, Gurugram, Haryana	0.67	REIL	In Progress
9	50 Solar PV High Mast Lighting Systems in Raibareli, Uttar Pradesh	4.78	Uttar Pradesh Small Industries Corporation (UPSIC)	In Progress
10	50 Solar PV High Mast Lighting Systems in Raibareli, Uttar Pradesh	4.78	Uttar Pradesh Small Industries Corporation (UPSIC)	In Progress
11	100 Solar PV based Induction Cook Stoves in Andaman & Nicobar	7.50	To be decided	In Progress
12	Installation of 4000 Litre Solar Water Heater, 13 Solar Street Lights, and 70 kWp Grid Interactive Roof Top Solar PV System at Ajeya Trust located at Maitreyee Gurukulam in Bantwal, D.K Dist., Karnataka.	4.99	To be decided	In Progress
<u>Rural Infrastructure Development</u>				
1	Integrated Development of Village through Construction of Check Dam & Flouride Plant in Sikar, Rajasthan	2.53	PHD House Rotary Club of India IREDA	In Progress
2	Integrated Development of Village through Construction of Check Dam in Gumla, Jharkhand	2.00	Path Welfare Society (NGO)	In Progress
3	Providing 100 Hand Pumps in Macchlishehar Parliamentary Constituency, Uttar Pradesh	5.45	Uttar Pradesh Small Industries Corporation (UPSIC)	In Progress
Total Outlay :		148.57		

(B) Corporate Social Responsibility (CSR) –FY 2017-18

In terms of Section 135 of The Companies Act, 2013, IREDA is required to constitute a corporate social responsibility (CSR) Committee of the Board of Directors and the Company has to spend 2% of the average net profits of the Company's three immediately preceding financial year calculated as per section 198 of The Companies Act 2013. Accordingly, CSR Committee of the Board of Directors consisting of 5 Directors, out of which one is an Independent Director with another being a Government Nominee Director, has been re-constituted by the Board through circular resolution dated 1st November 2017 and notified by the Board in its 297th meeting held on 11th November 2017.

During the year, the following new projects, with a total outlay of Rs. 113.46 million were approved to be financed by IREDA under CSR :

Sl	CSR Project or activity identified	Outlay (Rs. million)	Implementing Agency	Status – March 31, 2018
	226			

Promoting Healthcare, Sanitation and Drinking Water				
1	Providing Dialysis unit with 2 Dialysis Machines and rest of the systems supporting the Dialysis unit at Nilanchal Education Trust in Sai Saburi Hospital, Bhubaneswar, Odisha	2.33	Directly by IREDA	Completed
2	250 LPH Water RO Vending Machine with Chiller at Baghmara, Jharkhand.	0.79	Directly by IREDA	Completed
3	Donation to Health Minister's Cancer Patient Fund	1.00	Directly by IREDA	Completed
4	250 LPH Water Vending Machine with chiller and 400 Blankets to The Earth Saviours Foundation, NGO, Gurugram, Haryana.	1.01	Directly by IREDA	In Progress
5	Financial Support for knee surgery of 1 Child	0.30	Directly by IREDA	Sanction Letter Issued
6	Donation: Contribution to Swachh Bharat Kosh	20.00	Directly by IREDA	In Progress
Promoting Healthcare, Sanitation, Drinking Water, Environment Sustainability, Ecological Balance and Conservation of Natural Resources				
1	CSR Flagship Program IREDA-CARES (Clean Amenities with Renewable Energy Systems) Model for providing Basic Amenities in Rural Areas	60.00	Directly by IREDA	In Progress
Environment Sustainability, Ecological Balance and Conservation of Natural Resources				
1	200 Solar PV Street Lighting Systems in Rural areas of Pali Constituency, Rajasthan.	4.46	Rajasthan Electronics and Instruments Limited	Completed
2	45 Solar PV Street Lighting Systems in Sainik School Chittorgarh, Rajasthan.	1.00	Rajasthan Electronics and Instruments Limited	Completed
3	75 kWp Grid Connected Rooftop Solar PV System at Ramakrishna Mission Ashrama, Asansol.	2.34	Bluearth Solar Pvt. Ltd.	In Progress
4	75 kWp Grid Connected Rooftop Solar PV System at Garhwal Rifles War Memorial Boys and Girls Hostel, Dehradun	1.51	Directly by IREDA	In Progress
5	Implementing Rooftop Solar PV System at SAATHI Vridhashram (Old Age Home), New Delhi.	0.42	Directly by IREDA	In Progress
6	100 Solar PV Street Lighting Systems in Rural areas of Sitamarhi Parliamentary Constituency, Bihar.	1.67	Uttar Pradesh Small Industries Corporation	In Progress
7	100 Solar PV Street Lighting Systems in Rural areas of Koderma Parliamentary Constituency, Jharkhand.	1.67	Uttar Pradesh Small Industries Corporation	In Progress
8	200 Solar PV Street Lighting Systems in Rural areas of Sirsa Parliamentary Constituency, Haryana.	3.34	Uttar Pradesh Small Industries Corporation	In Progress
9	100 Solar PV Street Lighting Systems in Rural areas of Bijnor Parliamentary Constituency, U.P.	1.67	Uttar Pradesh Small Industries Corporation	In Progress
10	45 Solar PV Street Lighting Systems in 2 non grid connected villages in Almora, U.P.	1.00	Central Electronics Limited	In Progress
11	150 Solar Street Lights in 5 identified villages of SoS Children's Villages of India.	3.34	Rajasthan Electronics and Instruments Limited	In Progress
12	Roof Top Solar PV System at Girls Sr. Sec. School cum Hostel, Jhadol Block, Udaipur District, Rajasthan.	0.42	Directly By IREDA	In Progress
Promoting Education				
1	Providing 150 Bench Desk, Sports & Musical Items at 5 Schools & Colleges in Giridih Parliamentary Constituency, Jharkhand.	1.31	KM Foundation	In Progress
2	Providing Financial Support to Community Education Development Foundation, Ekta Vihar, New Delhi.	1.02	Directly by IREDA	In Progress
3	Providing 50 Yoga Mats, 1 LED TV 50", 1 AC for setting up Yoga Room at Indraprastha Girls Sr. Sec. School, New Delhi.	0.21	Directly by IREDA	Completed

Rural Development				
1	2 High Mast Lights in Giridih Parliamentary Constituency, Jharkhand .	0.79	KM Foundation	In Progress
2	Construction of 2 football grounds in Madikkai Grama Panchayatha, Kasargod, Kerala.	2.02	Renewable Power Corporation Kerala Ltd	Sanction Letter Issued
Total Outlay :		113.46		

(C) Corporate Social Responsibility (CSR) –FY 2016-17

In terms of Section 135 of The Companies Act, 2013, IREDA is required to constitute a corporate social responsibility (CSR) Committee of the Board of Directors and the Company has to spend 2% of the average net profits of the Company's three immediately preceding financial year calculated as per section 198 of The Companies Act 2013. Accordingly, CSR Committee of the Board of Directors consisting of 4 Directors, one of whom is Government Director, has been constituted.

During the current year, following new projects, with a total outlay of Rs. 70.50 million were agreed to be financed by IREDA under CSR :

Sl.	CSR Project or activity identified	Outlay (Rs. million)	Implementing Agency	Status –March 31, 2017 (Proforma)
1	Donation to Swachh Bharat Kosh	10	IREDA	Completed
Promoting Healthcare				
2	Promoting Education & Yoga: Setting up 5 Yoga Kendras / Vyayamshala on occasssion of Yoga Day Celebrations	0.43	IREDA	Completed.
Environment Sustainability, Ecological Balance and Conservation of Natural Resources				
3	Solar PV Street Lighting Systems in Rural areas of Pali Constituency	4.97	Rajasthan Electronics and Instruments Limited	Completed.
4	120 High Mast and 300 Solar PV Street Lighting Systems in Rural areas of Varanasi (North), Varanasi (South) and Varanasi (Cantt.) Legislative Assembly Constituency	21.02	Energy Efficiency Services Limited)	MoA Signed. In Progress.
5	200 Solar PV Street Lighting Systems in Rural areas of Gautambudh Nagar Constituency. U.P.	4.30	Central Electronics Limited	MoA Signed. In Progress.
6	200 Solar PV Street Lighting Systems in Rural areas of Pilibhit Constituency. U.P.	4.30	Central Electronics Limited	MoA Signed. In Progress.
7	150 Solar PV Street Lighting Systems in Rural areas of Bhadohi Constituency. U.P.	3.27	Rajasthan Electronics and Instruments Limited	MoA Signed. In Progress.
8	50 Solar PV Street Lighting Systems in Rural areas of Shravasti Constituency. U.P.	1.09	Rajasthan Electronics and Instruments Limited	MoA Signed. In Progress.
9	200 Solar PV Street Lighting Systems in Rural areas of Barabanki Constituency. U.P.	3.23	Central Electronics Limited	MoA signing in progress
10	60 Solar PV Street Lighting Systems and 60 India Marka Hand Pumps in Rural areas of Akbarpur Constituency. U.P.	3.66	Central Electronics Limited	MoA signing in progress

11	10 KWP Solar PV Plant with Battery Backup in “The Earth Saviours Foundation” (NGO), Gurugram, Haryana	1.51	Central Electronics Limited	In progress
Promoting Education				
12	Promoting Education - Skill Development: Training and Skill Development of War Widows, their dependents and jawans	3.15	Command - CSR Cell - Indian Army	MoA signing in progress
13	Promoting Education & Livelihood Generation - Intervention of RE & Skilling for Smart Model Villages	4.47	Skill Council for Green Jobs	MoA signing in progress
14	Promoting Education - Setting up 14 Smart Classes in Kaushambi Public School, Kaushambi, U.P.	4.06	Kamdhenu Charitable Trust - NGO	MoA signing in progress
15	Promoting Education & Yoga - Signing of MoU with DPSRU and Collaboration for conducting Certificate Courses in Yoga Therapy	0.77	Delhi Pharmaceutical Science and Research University	MoA Signed. In Progress.
Monitoring & Evaluation				
16	Impact Assessment of 3 CSR projects in Uttar Pradesh	0.28	Ircon ISL	In Progress

The details of provision and amount spend under CSR in the last three years is as follows :

(Rs in Million)

Particulars	For the year ended March 31,2019	For the year ended March 31,2018	For the year ended March 31,2017 (Proforma)
Provision for CSR	122.10	103.30	75.07
Amount spent for CSR	125.55	36.06	46.08

33 Remuneration to Auditor

(Rs in Million)

Particulars	FY 2018-19	FY 2017-18	FY 2016-17
Auditor			
• Limited Review	0.15	0.44 ¹	0.10
• Statutory Audit	0.60	0.47	0.50 ⁵
• Tax Audit	0.20	0.19	0.20 ⁶
• Audit Fees For Interim Accounts	Nil	0.93	0.53
Other Services			
• Certification Fees	0.17	0.19 ²	0.15
• Masala Bond/IFCS Audit	Nil	2.40 ³	1.65
• RBI Annual Return	0.02	Nil	Nil
• DRHP IPO related	1.50 ⁴	Nil	Nil
Total	2.64	4.62	3.13

Notes:

- 1 Rs 0.04 million related to FY 2016-17
- 2 Rs 0.07 million related to FY 2016-17
- 3 Rs. 0.20 million related to FY 2016-17
- 4 Pertains to FY 2017-18
- 5 Rs. 0.10 million related to FY 2015-16
- 6 Rs. 0.04 million related to FY 2015-16

34 Deferred Taxes - Disclosure as per Ind AS 12 ‘Income taxes’

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017 (Proforma)
Profit or Loss section			
Deferred Tax Asset			
Provision for Leave Encashment	8.50	5.97	11.65
Provision for Gratuity	(0.06)	9.41	4.61
Provision for Post medical retirement	16.77	12.81	11.57

Provision for Sick Leave	9.10	8.19	6.68
Provision for Baggage Allowance	0.37	0.40	0.26
Withholding Tax	-	10.06	-
Provision for pay revision	-	3.04	-
Provision for Performance Incentive	34.24	27.33	12.67
Impairment of assets	1,693.43	1,133.77	1,764.54
Grant received	3.85	-	-
Front End Fee - Deferred in Books	271.16	197.62	(142.25)
Sub total	2,037.36	1,408.60	1,669.74
Deferred Tax Liabilities			
Depreciation	644.06	513.06	236.05
Forex loss translation difference	213.20	266.54	381.86
Bonds Cost	30.88	23.31	57.03
Sub total	888.14	802.91	674.94
Total (A)	1,149.22	605.69	994.80
OCI Section			
Deferred Tax Assets			
Actuarial Loss on Gratuity	-	0.42	0.20
Actuarial Loss on post medical retirement	1.23	2.20	0.15
Actuarial gain on Baggage allowance	0.01	-	0.01
Sub total	1.23	2.62	0.36
Deferred tax liability			
Actuarial gain on Baggage allowance	-	0.09	-
Actuarial gain on Gratuity	1.13	-	-
Actuarial gain post retirement medical benefit	-	-	-
Sub total	1.13	0.09	-
Total (B)	0.11	2.54	0.36
Net deferred tax asset/(liability) (A+B)	1,149.33	608.22	995.16

A. Tax recognised in Statement of profit and loss

(Rs. in Millions)

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018	For the year Ended March 31, 2017 (Proforma)
Current income tax			
Current year	1,450.00	1,051.90	1,555.81
Sub Total (A)	1,450.00	1,051.90	1,555.81
Deferred tax expense	(543.30)	389.48	(528.85)

Sub Total (B)	(543.54)	389.48	(528.85)
Total	906.46	1,441.38	1,026.96

35 Additional Information

For FY 2018-19

- a) Expenditure in Foreign Currency:
- On Travelling Rs. 1.48 million (Previous year: Rs. 1.41 million)
 - Bond issue expenses Rs. 0.01 million (Previous year: 35.10 million)
 - Interest & Commitment expenses: Rs. 1552.21 million (Previous year ended 31.03.18: Rs.1198.56 million). In addition, hedging cost of Rs. 3678.18 million (Previous year ended 31.03.18: Rs. 3227.14 million) has been paid in Indian Currency.
- b) Earnings in Foreign Exchange:
- Interest in Rs. 22.80 million (Previous year ended 31.03.18 : Rs. 16.10 million)
- c) M/s KfW paid Rs. Nil Millions (previous year: Rs. 5.44 Millions) directly to consultants (abroad) hired under TA programme under Direct Disbursement Procedures against Technical Assistance Programme (TAP) of EURO 1.5 Million sanctioned to IREDA in respect of KfW II & KfW IV lines of credit for expert services /assignments, capacity building and training programme etc. Further travel expense of Rs. Nil (previous year: Rs. Nil) was reimbursed to IREDA by KfW under the TA programme.
- d) M/s KfW paid Rs. 5.35 Millions (previous year: Rs. 5.19 Millions) directly to consultant hired under TA programme under Direct Disbursement Procedures against TAP of EURO 1 Million sanctioned to IREDA in respect of KfW VI line of credit for expert services for capacity building measures and costs for related goods and services for IREDA .

For FY 2017-18

- a) Expenditure in Foreign Currency:
- On Travelling Rs. 1.41 Millions (Previous year: Rs. 1.48 Millions)
 - Bond issue expenses Rs. 35.10 Millions (Previous year: Nil)
 - Interest & Commitment expenses: Rs. 1198.56 Millions (Previous year: Rs. 800.19 Millions). In addition, hedging cost of Rs. 3227.14 Millions (Previous year: Rs. 3109.97 Millions) has been paid in Indian Currency.
- b) Earnings in Foreign Exchange:
- Interest in Rs. 16.10 Millions (Previous year: Rs. 13.73 Millions)
- c) M/s KfW paid Rs.5.44 Million (Previous year: Rs. 20.77 Millions) directly to consultants (abroad) hired under TA programme under Direct Disbursement Procedures against Technical Assistance Programme (TAP) of EURO 1.5 Million sanctioned to IREDA in respect of KfW II & KfW IV lines of credit for expert services /assignments, capacity building and training programme etc. Further travel expense of Nil (Previous year: Rs 8.14 Millions) was reimbursed to IREDA by KfW under the TA programme.
- d) M/s KfW paid Rs. 5.19 Millions (Previous year: Rs. NIL) directly to consultant hired under TA programme under Direct Disbursement Procedures against TAP of EURO 1 Million sanctioned to IREDA in respect of KfW VI line of credit for expert services for capacity building measures and costs for related goods and services for IREDA.

For FY 2016-17

- a) Expenditure in Foreign Currency:
- On Travelling Rs. 1.48 million (Previous year : Rs. 3.66 million)
 - Interest & Commitment expenses : Rs. 800.18 million (Previous year Rs. 644.70 million). In addition , hedging cost of Rs. 3109.97 million (Previous year Rs. 2681.62 million) has been paid in Indian Currency .

- b) Earnings in Foreign Exchange:
- Interest in Rs. 13.73 million (Previous year : Rs. 12.29 million)
- c) M/s KfW paid Rs. 20.77 million (Previous year: Rs 30.06 million) directly to consultants (Abroad) hired under TA programme under Direct Disbursement Procedures against Technical Assistance Programme (TAP) of EURO 1.5 Million sanctioned to IREDA in respect of KfW II & KfW IV lines of credit for expert services /assignments, capacity building and training programme etc. Further travel expense of Rs. 0.81 million (Previous year: NIL) was reimbursed to IREDA by KfW under the TAP programme.

36 MNRE PROGRAMME FUNDS

The Company besides its own activities implements Programmes on behalf of Ministry for New and Renewable Energy on the basis of Memorandum of Understanding entered into with the said Ministry. In terms of stipulations of each of the MoUs, MNRE has placed an agreed sum in respect of each Programme with the company for programme implementation. Interest on MNRE loans are accounted on due basis. As the income generated by the MNRE programme loans is not the income of the company and also the loan assets belong to MNRE, the same is not considered for asset classification and provisioning purposes. On closure of the respective Programmes, the company is required to transfer the amount standing to the credit of MNRE (inclusive of interest accrued thereon) to MNRE after deducting the service charges, irrecoverable defaults and other dues as stipulated in the MoU. The amount due to MNRE on account of the above at the close of the period, along with interest on unutilized funds kept in separate bank account with Nationalized Banks as short-term deposits, is shown under the head Financial Liabilities in the Balance Sheet.

37 Generation Based Incentives (GBI) and Capital Subsidy Scheme, MNRE

IREDA is a Fund Administrator on behalf of MNRE for distribution of Generation Based Incentive and Capital Subsidy for Wind and Solar Sectors. Under these schemes, specific fund amount is provided by MNRE to IREDA for the purpose of disbursement of the same to the GBI claimants as per the scheme of MNRE. Therefore, essentially, the activity is receipt and utilization of funds. For any further release of GBI funds, IREDA is required to submit the Utilization Certificate along with audited statement of expenditure duly certified by a Chartered Accountants. The said requirement is fully complied with by IREDA and nothing further has been required by MNRE so far. The statutory auditors have not audited the accounts of Scheme.

38 MNRE GOI FULLY SERVICE BONDS

In terms of O.M. No. F.15(4)-B(CDN)/2015 dated 03.10.16 issued by Department of Economic Affairs, Ministry of Finance, Government of India, IREDA had been asked to raise an amount of Rs. 40,000.00 Millions through GOI fully serviced bonds for utilization of the proceeds by them for MNRE Schemes / Programs relating to Grid Interactive Renewable Power, off-Grid/Distributed & Decentralized Renewable Power and Investment in Corporations & Autonomous Bodies. An MoU between MNRE and IREDA has also been signed on 25.01.17 defining the role and responsibilities of both. Para No (c) of General Clauses at page 5 of the MoU specifically defines that the borrowings of MNRE bonds shall not be considered as assets/liability for any financial calculation by the Company. This implies that the amount raised by way of MNRE bonds while shall be reflected in the borrowing as well as assets however, there will be no impact of the same on IREDA's borrowings/ Assets or Income / Expenses.

IREDA had raised Rs. 16,400.00 Millions GOI Fully Service Bonds on behalf of MNRE during the year 2016-17 and the same has been shown under Note No. 23 - Other Non-Financial liabilities. Against this an amount of Rs. 16,387.92 Millions has been disbursed up to 31st March, 2019 (Rs. 16,387.92 Millions upto 31st March, 2018 and Rs. 13,807.59 Millions as on 31st March, 2017) as per the instructions of the MNRE for various plans/schemes. The said amount has been shown under Note No. 16 – Other Non-Financial Assets - as amount recoverable from MNRE. The amount was kept in MIBOR Linked deposit on which the accrued interest of Rs. 109.06 Millions as on 31st March, 2019 (Rs. 120.70 Millions upto 31st March, 2018 and Rs. 86.50 Millions as on 31st March, 2017) has been shown under Note No. 23 - Other Non-Financial liabilities. The balance cumulative amount (inclusive of interest accrued / earned) as on 31st March, 2019 is Rs. 84.01 Millions (Rs. 97.78 Millions as on 31st March, 2018 and Rs. 2643.91 Millions as on 31st March, 2017) which is kept in

MIBOR Linked Term Deposit and remaining in Current Account with Indusind Bank ,amounting to Rs. 37.12 Millions as on 31st March, 2019 (Rs. 35.00 Millions upto 31st March, 2018 and Rs. 35.00 Millions as on 31st March , 2017) which are shown under Note No. 3 - Other Bank Balances in respective sub heads .

During the year, the interest on GOI fully Service Bond amounting to Rs. 1243.47 Millions became due for payment and the same has been received from GOI and paid to the investor.

All other MNRE funds, except the above, have been shown under Financial Assets- Other Bank Balance, under Current / Saving Bank / Deposit account and corresponding liability shown under Other Financial liabilities.

39 SUBSIDY / INCENTIVE RECEIVED FROM MNRE AND HANDLED ON THEIR BEHALF

A. Interest Subsidy

As per the Government policy, MNRE is providing interest subsidy. The interest subsidy is released to borrowers implementing MNRE programmes of Co-generation, Small Hydro, Briquetting, Biomass, Solar Thermal and Waste to Energy on NPV basis and for Solar and SPV programmes on actual basis. The interest subsidy is passed on to the borrowers on quarterly basis subject to complying with the terms and conditions of the sanction by these borrowers.

The programme-wise details of interest subsidy are as under:-

(i) Interest subsidy on NPV basis:-

(Rs. in Millions)

Name of the sector	Bio-mass Co-generation	Small Hydro	Sub Total (A)
As at March 31, 2019	21.50	0.18	21.68
As at March 31, 2019	21.50	0.18	21.68
As at March 31, 2019	21.50	0.18	21.68

(ii) Interest subsidy on actual basis:-

(Rs. in Millions)

Name of the sector	Solar Thermal	SPV WP 2000-01	SPV WP 2001-02	SPV WP 1999-00	SPV WP Manufacturing	SPV WP 2002-03	Accelerated SWH System	Sub Total (B)	Grand Total (A+B)
As at 31.03.2019	Nil	(5.14)	(13.60)	(0.69)	(0.30)	(4.14)	0.01	(23.85)	(2.16)
As at 31.03.2018	Nil	(5.14)	(13.60)	(0.69)	(0.30)	(4.14)	0.01	(23.85)	(2.16)
As at 31.03.2017	Nil	(5.14)	(13.60)	(0.69)	(0.30)	(4.14)	0.01	(23.85)	(2.16)

B. Capital subsidy

Capital Subsidy received from MNRE for previous 3 years are as per table below :

(Rs. in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Capital Subsidy received	-	4.55	106.71
Passed on to the borrower	-	4.55	106.71

40 Debenture Redemption Reserve

In terms of Rule 18 (7) (b) (ii) of The Companies Act 2013, the company is required to create a Debenture Redemption Reserve (DRR) upto 25% of the bonds issued through public issue. The Company has made a provision for DRR, so as to achieve the required amount over the respective tenure of the Tax Free Bonds. Accordingly, year wise detail of transfer to Debenture Redemption reserve is as per table below:

(In Rs. Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
Debenture Redemption Reserve	462.91	462.91	462.91

41 NBFC Reserve

In terms of RBI circular no. DNBR(PD)CC.No.092/03.10.001/2017-18 dated 31st May, 2018 IREDA, w.e.f. FY 2018-19 is required to create NBFC reserve under Section 45-IC of RBI Act, 1934 @ 20% of post-tax profit. Accordingly the amount transferred to NBFC Reserves is as per table below:

(In Rs. Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
NBFC Reserve	488.27	-	-

42 Exceptional Item

For FY 2018-19

Consequent upon withdrawal of exemption of prudential norms by RBI, vide circular no. DNBR(PD)CC.No.092/03.10.001/2017-18 dt. 31.05.2018, the funded interest term loan created in respect of rescheduled accounts amounting to Rs.743.29 Millions has been technically written off and depicted under the head 'Exceptional Item' in the statement of Profit & Loss.

For FY 2016-17

During the financial year 2016-17, exceptional item of Rs. 96.94 Millions represents IREDA's contribution of Rs. 66.94 Millions towards the corpus of International Solar Alliance (ISA) and one time contribution of Rs. 10.00 Millions each to three institutions of MNRE viz. National Institute of Solar Energy (NISE), National Institute of Wind Energy (NIWE) and Sardar Swarn Singh National Institute Of Bio Energy (SSSNIBG) for IREDA awards in these institutions

43 Disclosure related to financial instruments

I. Fair value measurement

Financial instrument by category

(Rs. in Millions)

FY 2018-19

Particulars	Amortized Cost	At Cost	At Fair Value	At Fair Value	Total
	March 31, 2019		Through OCI	Through P&L	
Financial assets					
Cash and cash equivalents	5,563.75	-	-	-	5,563.75
Bank Balance other than above	4,955.78	-	-	-	4,955.78
Derivative financial instruments	-	-	1,485.83	57.43	1,543.26
Trade receivables	23.96	234	-	-	23.96

Loans	2,08,337.85	-	-	-	2,08,337.85
Other financial assets	1,521.75	-	-	-	1,521.75
Total financial assets	220,403.09	-	1,485.83	57.43	2,21,946.35
Financial liabilities					
Derivative financial instruments	-	-	2,504.58	154.65	2,659.24
Trade Payables	1,261.66	-	-	-	1,255.61
Debt Securities	76,050.85	-	-	-	76,050.85
Borrowings (Other than Debt Securities)	1,09,907.69	-	-	-	1,09,907.69
Subordinated Liabilities	1,496.79	-	-	-	1,496.79
Other financial liabilities	8,963.94	-	-	-	8,963.94
Total financial liabilities	197,680.94	-	2,504.58	154.65	200,340.17

FY 2017-18

(Rs. in Millions)

Particulars	Amortized Cost	At Cost	At Fair Value	At Fair Value	Total
	March 31, 2018		Through OCI	Through P&L	
Financial assets					
Cash and cash equivalents	18,631.95	-	-	-	18,631.95
Bank Balance other than above	5,338.81	-	-	-	5,338.81
Derivative financial instruments	-	-	887.90	-	887.90
Trade receivables	219.16	-	-	-	219.16
Loans	154,290.33	-	-	-	154,290.33
Other financial assets	1,578.57	-	-	-	1,578.57
Total financial assets	180,058.82	-	887.90	-	180,946.72
Financial liabilities					
Derivative financial instruments	-	-	1,596.84	440.70	2,037.54
Trade Payables	1,389.04	-	-	-	1,389.04
Debt Securities	68,380.05	-	-	-	68,380.05
Borrowings (Other than Debt Securities)	81,472.03	-	-	-	81,472.03
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	8,235.90	-	-	-	8,235.90
Total financial liabilities	159,477.02	-	1,596.84	440.70	161,514.56

FY 2016-17

(Rs. in Millions)

Particulars	Amortized Cost	At Cost	At Fair Value	At Fair Value	Total
	March 31, 2017 (Proforma)		Through OCI	Through P&L	
Financial assets					
Cash and cash equivalents	20,613.89	-	-	-	20,613.89
Bank Balance other than above	11,796.30	-	-	-	11,796.30
Derivative financial instruments	-		503.87	0.24	504.10
Trade receivables	23.96	-	-	-	23.96
Loans	133,099.71	-	-	-	133,099.71
Other financial assets	1,804.57	-	-	-	1,804.57
Total financial assets	167,338.43	-	503.87	0.24	167,842.53
		235			

Financial liabilities					
Derivative financial instruments	-	-	3,737.10	951.18	4,688.28
Trade Payables	1,377.68	-	-	-	1,377.68
Debt Securities	48,996.22	-	-	-	48,996.22
Borrowings (Other than Debt Securities)	78,774.87	-	-	-	78,774.87
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	12,167.01	-	-	-	12,167.02
Total financial liabilities	141,315.79	-	3,737.10	951.18	146,004.07

II. Fair value hierarchy

This section explains the judgement and estimates made in determining the fair values of financial instruments that are :

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about reliability of the inputs used in determining fair value the company has classified its financial instruments into three levels prescribed under accounting standard. An explanation on each level follows underneath the table.
- considering the materiality, we have ignored discounting of employee loan and security deposits.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: Financial instruments that are not traded in active market (for example, traded bonds,) is determined using other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Technique which use inputs that have a significant effect on the recorded fair value that are not based on observable market data like unlisted equity securities.

A. Financial assets and liabilities measured at fair value - recurring fair value measurements- As at March 31, 2019 *

(Rs. in Millions)

Particulars	Level 1	Level 2	Level 3
Financial assets :-			
<i>Derivatives designated as hedges</i>			
Principal only swap	-	-	1,367.55
Cross currency interest rate swap	-	-	118.27
<i>Derivatives not designated as hedges</i>			
Principal only swap	-	-	57.43
Cross currency interest rate swap	-	-	-
Total financial assets	-	-	1,543.26
Financial liabilities	236		

Derivatives designated as hedges			
Principal only swap	-	-	2,484.91
Cross currency interest rate swap	-	-	19.68
Derivatives not designated as hedges			
Principal only swap	-	-	154.65
Cross currency interest rate swap	-	-	-
Total financial liabilities	-	-	2,659.24
<i>* Amounts are shown at their Fair value</i>			

Assets and liabilities which are measured at amortised cost for which fair values are disclosed - As at March 31, 2019 *

(Rs. in Millions)

Particulars	Level 1	Level 2	Level 3
Financial assets			
Financial assets at amortisation:			
Loan to companies	-	-	208,304.86
Total financial assets	-	-	208,304.86
Financial Liabilities			
Financial liabilities at amortisation:			
Debt securities	-	-	76,050.85
Borrowings(other than debt securities)	-	-	109,907.69
Subordinated liabilities	-	-	1,496.79
Total financial liabilities	-	-	187,455.34
<i>* Amounts are shown at their Fair value</i>			

B. Financial assets and liabilities measured at fair value - recurring fair value measurements- As at March 31, 2018 *

(Rs. in Millions)

Particulars	Level 1	Level 2	Level 3
Financial assets :-			
Derivatives designated as hedges			
Principal only swap	-	-	660.98
Cross currency interest rate swap	-	-	226.92
Derivatives not designated as hedges			
Principal swap	-	-	-
Cross currency interest rate swap	-	-	-
Total financial assets	-	-	887.90
237			

Financial liabilities			
<i>Derivatives designated as hedges</i>			
Principal only swap	-	-	1,246.80
Cross currency interest rate swap	-	-	350.04
Interest rate swaps	-	-	-
Foreign exchange forward contracts	-	-	-
Derivatives not designated as hedges			
Principal only swap	-	-	440.71
Cross currency interest rate swap	-	-	-
Total financial liabilities	-	-	2,037.54
* Amounts are shown at their Fair value			

Assets and liabilities which are measured at amortised cost for which fair values are disclosed _As at March 31, 2018 *

(Rs. in Millions)

Particulars	Level 1	Level 2	Level 3
Financial assets			
Financial assets at amortisation:			
Loan to companies	-	-	154,256.90
Total financial assets	-	-	154,256.90
Financial Liabilities			
Financial liabilities at amortisation:			
Debt securities	-	-	68,380.05
Borrowings(other than debt securities)	-	-	81,472.03
Subordinated liabilities	-	-	-
Total financial liabilities	-	-	149,852.08
* Amounts are shown at their Fair value			

C. Financial assets and liabilities measured at fair value - recurring fair value measurements- As at March 31, 2017* (Proforma)

(Rs. in Millions)

Particulars	Level 1	Level 2	Level 3
Financial assets :-			
<i>Derivatives designated as hedges</i>			
Principal only swap	-	-	274.71
Cross currency interest rate swap	-	-	229.15
Foreign exchange forward contracts	-	-	-
Derivatives not designated as hedges			
Principal only swap	-	-	-
Cross currency interest rate swap	-	-	0.24
	238		

Total financial assets	-	-	504.10
Financial liabilities			
Derivatives designated as hedges			
Principal only swap	-	-	3,031.90
Cross currency interest rate swap	-	-	645.22
Foreign exchange forward contracts	-	-	59.98
Derivatives not designated as hedges			
Principal only swap	-	-	951.19
Cross currency interest rate swap	-	-	-
Total financial liabilities	-	-	4,688.28
* Amounts are shown at their Fair value			

Assets and liabilities which are measured at amortised cost for which fair values are disclosed :As at March 31, 2017 * (Proforma)

(Rs. in Millions)			
Particulars	Level 1	Level 2	Level 3
Financial assets			
Financial assets at amortisation:			
Loan to companies	-	-	133,062.79
Total financial assets	-	-	133,062.79
Financial Liabilities			
Financial liabilities at amortisation:			
Debt securities	-	-	48,996.22
Borrowings(other than debt securities)	-	-	78,774.87
Subordinated liabilities	-	-	-
Total financial liabilities	-	-	127,771.10
* Amounts are shown at their Fair value			

III. Valuation technique used to determine fair value

MTM calculation is based upon the closing Forex conversion and swap rate as at reporting date.
Discounted cash flow analysis.

Fair value measurements using significant unobservable inputs (level 3)

Pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

The following table presents changes in level 3 items for the year ending March 31, 2019 , March 31, 2018 and March 31, 2017 (Proforma):-

(Rs. in Millions)	
Particulars	Hedging derivative
Gains/(losses) recognised in retained earning	(1,238.11)
Gains/(losses) recognised in other comprehensive income	(3,979.79)
As at 31 March 2017 (Proforma)	(5,127.90)
Gains/(losses) recognised in profit or loss	510.24
Gains/(losses) recognised in other comprehensive income	2,524.29
As at 31 March 2018	3,034.54
Gains/(losses) recognised in profit or loss	343.48
Gains/(losses) recognised in other comprehensive income	(309.82)
As at 31 March 2019	33.66

IV. Valuation Processes

For valuation of MTM value of hedge deal, IREDA has obtained independent expert valuation for the last 3 financial years, who has provided such valuation after considering movement in market position, movement in exchange rate etc.

V. Fair value of financial assets and liabilities measured at amortised cost

(Rs. in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017 (Proforma)	
Financial Assets	Carrying amount	Transaction value	Carrying amount	Transaction value	Carrying amount	Transaction value
Financial assets at amortised cost:						
Loan to companies	208,304.86	208,969.76	154,256.90	154,807.94	133,062.79	133,459.46
Total financial assets	208,304.86	208,969.76	154,256.90	154,807.94	133,062.79	133,459.46

(Rs. in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017 (Proforma)	
Financial liabilities	Carrying amount	Transaction value	Carrying amount	Transaction value	Carrying amount	Transaction value
Financial liabilities at amortised cost:						
Debt securities	76,050.85	76,226.55	68,380.05	68,576.55	48,996.22	49,076.55
Borrowings(other than debt securities)	109,907.69	109,908.70	81,472.03	81,472.03	78,774.87	78,774.87
Subordinated liabilities	1,496.79	1,500.00	-	-	-	-
Total financial liabilities	187,455.34	187,635.25	149,852.08	150,048.57	127,771.10	127,851.42

The carrying amount of the trade receivables, trade payables, cash and cash equivalents, other bank balance, other financial assets and liabilities are considered to be same as their fair values, due to their short term nature.

The fair values for borrowings, loans to companies, debt securities are calculated based on cash flows discounted using current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

44 Financial risk management

Risk is managed through a risk management frame work, identification measurement and monitoring subject to risk limits and other controls. The Board of Directors is responsible for overall risk management approach and for approving the risk management strategies and principles.

The risk committee has the responsibility for the development of risk strategy and implementing principles, framework, policies and limits. The risk committee is responsible for managing risk decisions and monitoring risk level and report to the Board. The company's finance & treasury is responsible for managing its assets and liability and overall financial structure. The finance & treasury is also responsible for the funding and liquidity of the company.

Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered into to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments. A Foreign Exchange and Derivatives Risk Management Policy, a Forex Management Committee is in place in the Company and hedging instruments are used to lower/mitigate the currency and interest rate risks.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, financial asset measured at amortised cost. (Loan & Advances), trade receivables, derivative financial instruments,	Ageing analysis Credit ratings	Diversification of bank deposits, Credit Exposure limits, letter of credit, Hedging transaction Monitoring
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

Market risk- foreign exchange	Fair value or future cash flow of financial instrument will fluctuate due to foreign exchange rate	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk- interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk- security prices	Investment in commercial paper	Sensitivity analysis	Portfolio diversification

(A) Credit risk

Credit risk is the inherent risk in the lending operation and arises from lowering of the credit quality of the borrowers and the risk of default in repayments by the borrowers. A robust credit appraisal system is in place for the appraisal of the projects in order to assess the credit risk. The process involves appraisal of the projects, rating by external agencies and assessment of credit risk, appropriate structuring to mitigate the risk along with other credit risk mitigation measures.

The company splits its exposures into smaller homogenous portfolio based on shared credit risk characteristic, as described below in the following order:-

- Secured/ unsecured i.e. based on whether the loans are secured.
- Nature of security i.e. nature of security if the loans are determined to be secured.
- Nature of loan i.e. RE Sector to which the loan has been extended .

The company considers an exposure to have significantly increased in credit risk when the borrower fails to pay the dues on time.

The company considers a financial instrument defaulted and therefore stage III (Credit impaired) for ECL calculation when the borrower fails to pay the past dues in a stipulated time. Company has evaluated these cases under stage III on case to case basis based on the defaulted time, performance/operation of the project.

Company has recognized provision on loans and advances on the basis of RBI provisions or ECL, whichever is higher.

Collateral and other credit enhancement

The amount and type of collateral required depends on an assessment of the credit risk. The main type of collaterals are FDR/BGs, Charge on immovable property belonging to the promoter and corporate guarantees on case to case basis.

- (a) The company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for industry concentrations, and by monitoring exposures in relation to such limits.

(i) Provision for expected credit losses

Stage	Category	Description of category	Basis for recognition of expected credit loss provision on Loans
Stage 1	Standard Assets	Assets where counter party has strong capacity to meet the obligations and where risk of default is negligible or nil / regularly paying assets	12 month ECL
Stage 2	Loans with increased credit risk	Assets where there has been a significant increase in credit risk since initial recognition.	Life time expected credit losses
Stage 3	Loans- Impaired	Assets where there is high probability of default and written off assets where there is low expectation of recovery	Credit loss impaired

(ii) Significant estimates and judgements

Impairment of financial assets

(a) Expected credit loss for loans

(Rs. in Millions)

Stage	Asset Group	Loan Portfolio as on March 31, 2017	Expected Credit Loss as on March 31, 2017 (Proforma)
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Stage I	Loan	94,849.12	12.87
Stage II	Loan	40,469.35	2,356.55
Stage III	Loan	728.15	728.16
	Total	136,046.62	3,097.58

(Rs. in Millions)

Stage	Asset Group	Loan Portfolio as on March 31, 2018	Expected Credit Loss as on March 31, 2018
Stage I	Loan	114,345.10	13.74
Stage II	Loan	43,020.37	3,201.71
Stage III	Loan	838.43	838.43
	Total	158,203.90	4,053.88

(Rs. in Millions)

Stage	Asset Group	Loan Portfolio as on March 31, 2019	Expected Credit Loss as on March 31, 2019
Stage I	Loan	1,345,55.06	1.21
Stage II	Loan	78,315.82	4,609.15
Stage III	Loan	1,015.81	1,015.82
	Total	213,886.69	5,626.18

(b) Expected credit loss for trade receivables under simplified approach for the last 3 years :

(i) As at March 31, 2017 (Proforma)

(Rs. in Millions)

Ageing	Not due	0-30 days past due	31-60 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount*	-	22.90	-	-	-	22.90
Expected loss rate	-	-	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	-	22.90	-	-	-	22.90
Balance as at March 31, 2017	-	22.90	-	-	-	22.90

*Represents trade receivable for Solar plant assets.

(ii) As at March 31, 2018

(Rs. in Millions)

Ageing	Not due	0-30 days past due	31-60 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount*	-	218.77	-	-	-	218.77
Expected loss rate	-	-	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	-	218.77	-	-	-	218.77
Balance as at March 31, 2018	-	218.77	-	-	-	218.77

*Represents trade receivable for Solar plant assets.

(iii) As at March 31, 2019

(Rs. in Millions)

Ageing	Not due	0-30 days past due	31-60 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount*	-	21.74	-	-	-	21.74
Expected loss rate	-	242	-	-	-	-

Expected credit losses (Loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	-	21.74	-	-	-	21.74
Balance as at March 31, 2018	-	21.74	-	-	-	21.74

*Represents trade receivable for Solar plant assets.

(B) Liquidity Risk

Liquidity Risk is the inability to meet short term and long term liabilities as and when they become due.

Liquidity is monitored by Liquidity gap analysis. The Liquidity risk is managed by a number of strategies such as long term resource raising, resource raising based on projected disbursement and maturity profile.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

(Rs. in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Floating rate			
- Expiring within one year (bank overdraft and other facilities)	Nil	Nil	Nil
- Expiring beyond one year (bank loans)	2,450.00	Nil	Nil
- Expiring beyond one year (Financial institutions)	5,165.71	19,320.46	14,940.84

Company has taken the overdraft facilities from banks aggregating to Rs.3,480.00 Millions at respective banks Marginal Cost of funds based Lending Rate (MCLR). Overdraft is renewed after the expiry of fixed term.

(ii) Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for: all non-derivative financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows:-

The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2019

(Rs.in Millions)

	Up to 30/31 Days	Over 1 months -2 months	Over 2 months -3 months	Over 3 months - upto 6 months	Over 6 months -upto 1 year	Over 1 year & up to 3 years	Over 3 & up to 5 years	Over 5 years	Total
Borrowings	117.61	-	236.67	866.89	2,998.78	6,951.64	29,570.55	47,788.16	88,530.30
Foreign Currency liabilities	2,723.62	-	2,097.17	5,383.87	9,050.25	34,069.26	6,393.73	39,387.05	99,104.94

As at March 31, 2018

(Rs.in Millions)

	Up to 30/31 Days	Over 1 months -2 months	Over 2 months -3 months	Over 3 months - upto 6 months	Over 6 months -upto 1 year	Over 1 year & up to 3 years	Over 3 & up to 5 years	Over 5 year s	Total
Borrowings	-	-	141.41	189.42	1,268.08	3,628.52	22,697.71	42,553.13	70,478.26

Foreign Currency liabilities	40.65	-	432.06	536.55	1,043.63	10,827.57	10,962.53	55,727.32	79,570.31
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As at March 31, 2017 (Proforma)

(Rs.in Millions)

	Up to 30/31 Days	Over 1 months -2 months	Over 2 months -3 months	Over 3 months - upto 6 months	Over 6 months -upto 1 year	Over 1 year & up to 3 years	Over 3 & up to 5 years	Over 5 year s	Total
Borrowings	-	-	141.43	215.83	436.66	3,534.57	1,784.98	45,658.71	51,772.18
Foreign Currency liabilities	40.52	-	1,184.95	268.44	1,503.35	7,438.44	9,401.89	56,241.64	76,079.24

(C) Market Risk

Market risk is the possibility of loss mainly due to fluctuation in the interest rate and foreign currency exchange rates. In order to mitigate the interest rate risk, the company periodically reviews its lending rates based on market conditions and incremental cost of borrowing.

I. Foreign currency risk:-

The company has foreign exchange exposure in the form of borrowings from overseas lending agencies as part of its resources basket, large cross border flows together with the volatility may render IREDA's balance sheet vulnerable to exchange rate movements. As per its Board approved policy, company mitigates the foreign exchange risk through Interest Rate and Currency Swaps (derivatives transactions). These foreign exchange contracts, carried at fair value, have varying maturities depending upon the underlying contract requirement and risk management strategy of the Company.

(a) Foreign currency risk exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:-

(Rs. in Millions)

Particulars	As at March 31, 2019			As at March 31, 2018		
	USD	Euro	JPY	USD	Euro	JPY
Financial assets						
Bank balance in Foreign countries	764.14	-	-	2,973.29	-	-
Derivative assets						
Foreign exchange swap contracts	1,032.60	74.90	435.76	170.68	333.73	383.50
Financial liabilities						
Foreign currency loan	33,429.70	30,327.19	35,348.05	28,300.92	24,327.60	26,941.79
Derivative liabilities						
Foreign exchange swap contracts	398.11	1,596.87	664.26	1,275.18	178.90	583.47
Net exposure to foreign currency risk (liabilities)	32,031.08	31,849.17	35,576.54	26,432.14	24,172.78	27,141.76

(Rs. in Millions)

Particulars	As at March 31, 2017 (Proforma)		
	USD	Euro	JPY
Financial assets			
Bank balance in Foreign countries	5,063.37	1,463.01	1,746.19
Derivative assets			
Foreign exchange swap contracts	236.47	61.02	206.62
Financial liabilities			
Foreign currency loan	27,245.20	23,234.92	25,599.12
Derivative liabilities			
Foreign exchange swap contracts	1,266.56	1,737.04	1,684.68
Net exposure to foreign currency risk (liabilities)	23,211.92	23,447.94	25,330.99

(b) Sensitivity

Sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and impact on other components of equity arises from forward exchange contracts designated as cash flow hedges.

(Rs. in Millions)

Particulars	Impact on profit after tax (Loss/(Gain))			Impact on other components of equity		
	31-Mar-19	31-Mar-18	31-Mar-17 (Proforma)	31-Mar-19	31-Mar-18	31-Mar-17 (Proforma)
USD sensitivity						
INR/USD -Increase by 8% (31 March 2016-9%)*	(229.95)	(174.56)	246.18	-	-	-
INR/USD -Decrease by 8% (31 March 2016-9%)*	229.95	174.56	(246.18)	-	-	-
EUR sensitivity						
INR/EUR-Increase by 9% (31 March 2016-10%)*	664.73	741.91	550.20	-	-	-
INR/EUR-Decrease by 9% (31 March 2016-10%)*	(664.73)	(741.91)	(550.20)	-	-	-
JPY sensitivity						
INR/JPY-Increase by 6% (31 March 2016-7%)*	581.65	605.92	144.40	-	-	-
INR/JPY-Increase by 6% (31 March 2016-7%)*	(581.65)	(605.92)	(144.40)	-	-	-

*Holding all other variables constant

II. Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the long-term foreign currency loans with floating interest rates. The Company manages its interest rate risk according to its Board approved Foreign Currency and Interest Rate Risk Management policy.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

(Rs. in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Variable rate borrowings			
Domestic	9,823.66	960.72	1,678.79
International	36,600.91	29,333.13	27,510.09
Total borrowings	46,424.57	30,293.85	29,188.88

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(Rs. in Millions)

Sensitivity	Impact on profit after tax		
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Interest rates – increase by 50 basis points*	(162.49)	(106.03)	(102.16)
Interest rates – decrease by 50 basis points	162.49	106.03	102.16

* Holding all other variables constant

(c) Impact of hedging activities

Movement in cash flow hedge reserve due to derivatives designated as hedges

(Rs. in Millions)

Risk category	Foreign currency risk			Total
Derivative instruments	Cross currency interest rate swap	Foreign exchange forward contracts	Principal only swap	
(i) Cash flow hedging reserve				
01-April-16	392.62	-	353.93	746.56
Add During the Year	(333.51)	(59.98)	(2,089.15)	(2,482.63)
Deal Close During the Year	20.71	-	-	20.71
MTM Change during the year	(454.47)	-	(1,021.97)	(1,476.45)
31-Mar-17	(416.07)	(59.98)	(2,757.19)	(3,233.23)
Add During the Year	-	-	44.89	44.89
Deal Close During the Year	-	(59.98)	(47.37)	(107.35)
MTM Change during the year	292.95	-	2,079.11	2,372.05
31-Mar-18	(123.13)	-	(585.81)	(708.94)
Add During the Year	-	-	(1,937.19)	(1,937.19)
Deal Close During the Year	35.64	-	(308.59)	(272.95)
MTM Change during the year	174.69	-	1,179.73	1,354.42
31-Mar-19	15.93	-	(1,034.68)	(1,018.76)

The effect that hedge accounting has had on the entity's balance sheet, statement of profit and loss and statement of changes in equity.

(Rs. in Millions)

Particulars	Derivative Assets	Derivative Liability	Total increase /(decrease) in hedge borrowing	OCI
As at 31.03.2016	2,617.61	1,871.05	818.92	1,565.47
As at 31.03.2017 (Proforma)	503.87	3,737.10	2,281.63	(951.60)
Change during the Year 2016-17	(2,113.74)	1,866.05	1,462.71	(2,517.08)

(Rs. in Millions)

Particulars	Derivative Assets	Derivative Liability	Total increase /(decrease) in hedge borrowing	OCI
As at 31.03.2017 (Proforma)	503.87	3,737.10	2,281.63	(951.60)
As at 31.03.2018	887.90	1,596.84	(307.41)	(1,016.35)
Change during the Year 2017-18	384.03	(2,140.26)	(2,589.04)	(64.75)

(Rs. in Millions)

Particulars	Derivative Assets	Derivative Liability	Total increase /(decrease) in hedge borrowing	OCI
As on 31.03.2018	887.90	1,596.84	(307.41)	(1,016.35)
As on 31.03.2019	1,485.83	2,504.58	(927.15)	(1,945.91)
Change During the Year 2018-19	597.93	907.74	(619.74)	(929.55)

45 Capital Management

Risk Management:

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured, cash flows are monitored and rating are maintained

Consistent with others in the industry, the company monitors capital on the basis of the following ratio: Net debt (total borrowings) divided by Total 'Equity' as shown in the balance sheet.

The debt –equity ratio of the Company is as follows :		(Rs. in Millions)	
Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Long term debt	187,455.34	149,852.08	127,771.10
Equity & Other Equity	25,763.99	24,455.10	24,277.81
Debt-Equity Ratio	7.28 : 1	6.13 : 1	5.26 : 1

46 In the opinion of the Management, the Other Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and necessary provision has been made in the cases wherever it is considered as doubtful.

47 In the year 2018-19, IREDA is in receipt of letter no. F.No.INV/DGGI/WRU/ST/06/2018-19/7336 dt. 24.12.2018 from Senior Intelligence Officer (SIO), Directorate General of GST Intelligence, Warangal, Regional Unit seeking information regarding payment of guarantee fee / commission paid to the Government (year wise) during the period from 01.04.2016 to 31.10.2018 and the payment of Service Tax / GST, if paid on RCM basis on the said guarantee fee or commission paid to Government along with documentary evidence and if not paid the reasons for not paying the same.

Reply was submitted to the Director General of GST Intelligence in consultation with the GST Consultant. Further, written statement of our Company has been recorded by GST Authority, Hyderabad. The Company has neither received any further communication from the Department nor paid any tax.

48 For FY 2017-18

Wind World India Ltd. has been referred to National Company Law Tribunal (NCLT) and Insolvency Resolution Professional has been appointed by NCLT. The said company stands as Corporate Guarantor to the loan amounting to Rs.1,500.52 Millions given by IREDA to entities which are its subsidiaries/associates. Two of the accounts of one of the subsidiary - M/s. Wind World India Infrastructure Ltd. (WWIL) having an outstanding of Rs. 1,163.02 Millions had turned to a Non Performing Asset in the Financial Year 2017-18.

49 RBI DISCLOSURES

A. Disclosure of Restructured Accounts

As at March 31, 2019

Type of Restructuring			Under CDR Mechanism	Under SME Debt Restructuring Mechanism	Others					Total				
Asset Classification		Standard			Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
Details														
1	Restructured Accounts as on April 1, 2018 of the FY (opening figures)*	No. of borrowers (Number in absolute)	-	-	31	-	-	-	31	31	-	-	-	31
		Amount outstanding (Rs. Millions)			10,058.88	-	-	-	10,058.88	10,058.88	-	-	-	10,058.88
		Provision thereon (Rs. Millions)			573.34	-	-	-	573.34	573.34	-	-	-	573.34
2	Fresh restructuring during the year	No. of borrowers (Number in absolute)	-	-	2	-	-	-	2	2	-	-	-	2
		Amount outstanding (Rs. Millions)			1,235.33	-	-	-	1,235.33	1,235.33	-	-	-	1,235.33
		Provision thereon (Rs. Millions)			61.27	-	-	-	61.27	61.27	-	-	-	61.27
3	Upgradations to restructured standard category during the FY	No. of borrowers (Number in absolute)	-	-	1	-	-	-	1	1	-	-	-	1
		Amount outstanding (Rs. Millions)			72.55	-	-	-	72.55	72.55	-	-	-	72.55
		Provision thereon (Rs. Millions)			72.55	-	-	-	72.55	72.55	-	-	-	72.55
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers (Number in absolute)	-	-	0	-	-	-	0	0	-	-	-	0
		Amount outstanding (Rs. Millions)			0	-	-	-	0	0	-	-	-	0
		Provision thereon (Rs. Millions)			0	-	-	-	0	0	-	-	-	0
5		No. of borrowers	-	-	4	-	-	-	4	4	-	-	-	4

	Down gradations of restructured accounts during the FY	(Number in absolute)												
		Amount outstanding (Rs. Millions)			2,675.49	-	-	-	2,675.49	2,675.49	-	-	-	2,675.49
		Provision thereon (Rs. Millions)			141.34	-	-	-	141.34	141.34	-	-	-	141.34
6	Write-offs of restructured accounts during the FY	No. of borrowers (Number in absolute)			0	-	-	-	0	0	-	-	-	0
		Amount outstanding (Rs. Millions)	-	-	0	-	-	-	0	0	-	-	-	0
		Provision thereon (Rs. Millions)			0	-	-	-	0	0	-	-	-	0
7	Accounts closed during the year	No. of borrowers (Number in absolute)			6	-	-	-	6	6	-	-	-	6
		Amount outstanding (Rs. Millions)	-	-	35.46	-	-	-	35.46	35.46	-	-	-	35.46
		Provision thereon (Rs. Millions)			35.46	-	-	-	35.46	35.46	-	-	-	35.46
8	Restructured Accounts as on March 31, 2019	No. of borrowers (Number in absolute)			24	-	-	-	24	24	-	-	-	24
		Amount outstanding (Rs. Millions)	-	-	8,655.81	-	-	-	8,655.81	8,655.81	-	-	-	8,655.81
		Provision thereon (Rs. Millions)			530.36	-	-	-	530.36	530.36	-	-	-	530.36

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

As at March 31, 2018

Type of Restructuring			Under CDR Mechanism	Under SME Debt Restructuring Mechanism	Others					Total				
Asset Classification					Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Details														
1	Restructured Accounts as on April 1, 2017 of the FY (opening figures)*	No. of borrowers in absolute	-	-	28	-	-	-	28	28	-	-	-	28
		Amount outstanding (Rs. Millions)			8,175.09	-	-	-	8,175.09	8,175.09	-	-	-	8,175.09
		Provision thereon (Rs. Millions)			501.42	-	-	-	501.42	501.42	-	-	-	501.42
2	Fresh restructuring during the year	No. of borrowers in absolute	-	-	10	-	-	-	10	10	-	-	-	10

		Amount outstanding (Rs. Millions)			3,905.24	-	-	-	3,905.24	3,905.24	-	-	-	3,905.24
		Provision thereon (Rs. Millions)			173.86	-	-	-	173.86	173.86	-	-	-	173.86
3	Upgradations to restructured standard category during the FY	No. of borrowers (Number in absolute)			-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Rs. Millions)	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon (Rs. Millions)			-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers (Number in absolute)			-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Rs. Millions)			-	-	-	-	-	-	-	-	-	-
		Provision thereon (Rs. Millions)	-	-	-	-	-	-	-	-	-	-	-	-
5	Down gradations of restructured accounts during the FY	No. of borrowers (Number in absolute)			7	-	-	-	7	7	-	-	-	7
		Amount outstanding (Rs. Millions)	-	-	2,021.45	-	-	-	2,021.45	2,021.45	-	-	-	2,021.45
		Provision thereon (Rs. Millions)			101.94	-	-	-	101.94	101.94	-	-	-	101.94
6	Write-offs of restructured accounts during the FY	No. of borrowers (Number in absolute)			-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Rs. Millions)	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon (Rs. Millions)			-	-	-	-	-	-	-	-	-	-
7	Accounts closed during the year	No. of borrowers (Number in absolute)			-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Rs. Millions)	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon (Rs. Millions)			-	-	-	-	-	-	-	-	-	-

8	Restructured Accounts as on March 31, 2018	No. of borrowers (Number in absolute)			31	-	-	-	31	31	-	-	-	31
		Amount outstanding (Rs. Millions)	-	-	10,058.88	-	-	-	10,058.88	10,058.88	-	-	-	10,058.88
		Provision thereon (Rs. Millions)			573.34	-	-	-	573.34	573.34	-	-	-	573.34

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

As at March 31, 2017 (Proforma)

Type of Restructuring			Under CDR Mechanism	Under SME Debt Restructuring Mechanism	Others					Total					
Asset Classification					Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
Details															
1	Restructured Accounts as on April 1, 2016 of the FY (opening figures)*	No. of borrowers (Number in absolute)	-	-	17	-	-	-	17	17	-	-	-	17	
		Amount outstanding (Rs. Millions)			3,290.19	-	-	-	3,290.19	3,290.19	-	-	-	3,290.19	
		Provision thereon (Rs. Millions)			316.82	-	-	-	316.82	316.82	-	-	-	316.82	
2	Fresh restructuring during the year	No. of borrowers (Number in absolute)	-	-	15	-	-	-	15	15	-	-	-	15	
		Amount outstanding (Rs. Millions)			5,968.69	-	-	-	5,968.69	5,968.69	-	-	-	5,968.69	
		Provision thereon (Rs. Millions)			267.30	-	-	-	267.30	267.30	-	-	-	267.30	
3	Upgradations to restructured standard category during the FY	No. of borrowers (Number in absolute)	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Rs. Millions)			-	-	-	-	-	-	-	-	-	-	-
		Provision thereon (Rs. Millions)			-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured	No. of borrowers (Number in absolute)	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Rs. Millions)			-	-	-	-	-	-	-	-	-	-	-
		Provision thereon (Rs. Millions)			-	-	-	-	-	-	-	-	-	-	-

	standard advances at the beginning of the next FY													
5	Down gradations of restructured accounts during the FY	No. of borrowers (Number in absolute)			4	-	-	-	4	4	-	-	-	4
		Amount outstanding (Rs. Millions)	-	-	1,083.79	-	-	-	1,083.79	1,083.79	-	-	-	1,083.79
		Provision thereon (Rs. Millions)			82.70	-	-	-	82.70	82.70	-	-	-	82.70
6	Write-offs of restructured accounts during the FY	No. of borrowers (Number in absolute)			-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Rs. Millions)	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon (Rs. Millions)			-	-	-	-	-	-	-	-	-	-
7	Accounts closed during the year	No. of borrowers (Number in absolute)			-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Rs. Millions)	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon (Rs. Millions)			-	-	-	-	-	-	-	-	-	-
8	Restructured Accounts as on March 31, 2017	No. of borrowers (Number in absolute)			28	-	-	-	28	28	-	-	-	28
		Amount outstanding (Rs. Millions)	-	-	8175.09	-	-	-	8175.09	8175.09	-	-	-	8175.09
		Provision thereon (Rs. Millions)			501.42	-	-	-	501.42	501.42	-	-	-	501.42

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

B. Capital

	Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
1	CRAR (%)	16.32	18.05	19.17
2	CRAR - Tier I Capital (%)	14.65	18.05	19.17
3	CRAR - Tier II Capital (%)	1.67	-	-
4	Amount of subordinated debt raised as Tier-II capital (Rs. Millions)	1,496.79	-	-
5	Amount raised by issue of Perpetual Debt Instruments	-	-	-

C. Investments

(Rs. in Millions)

	Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
(1)	Value of Investments			
	(i) Gross Value of Investments			
	(a) In India			
	-Short Term Deposits with Banks	851.06	10,550.00	150.00
	-Flexi Deposit Linked with MIBOR	798.43	9.10	8,747.31
	-Commercial Papers (fully impaired)	689.91	-	-
	(b) Outside India,	-	-	-
	(ii) Provisions for Depreciation			
	(a) In India	689.91	-	-
	(b) Outside India,	-	-	-
	(iii) Net Value of Investments			
	(a) In India	1,649.49	10,559.10	8,897.31
	(b) Outside India.	-	-	-
(2)	Movement of provisions held towards depreciation			
	(i) Opening balance	-	-	-
	(ii) Add: Provisions made during the year	689.91	-	-
	(iii) Less: Write-off /write-back of excess provisions	-	-	-
	(iv) Closing balance	689.91	-	-

D. Derivatives

❖ Forward Rate Agreement /Interest Rate Swap

(Rs. in Millions)

	Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(i)	The notional principal of swap agreements	78,050.85	53,511.12	59,470.06
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1,543.26	887.90	504.10
(iii)	Collateral required by the applicable NBFC upon entering into	N.A.	N.A.	N.A.
(iv)	Concentration of credit risk arising from the swaps	N.A.	N.A.	N.A.
(v)	The fair value of the swap book	(1,115.98)	(1,149.64)	(4,184.18)

❖ Exchange Traded Interest Rate (IR) Derivatives - NIL

❖ Disclosures on Risk Exposure in Derivatives

a) Qualitative Disclosure

- (i) The company recognized various market risks including interest rate, foreign exchange fluctuation and other assets liability mismatches;
- (ii) All derivative deals are undertaken under the supervision of Forex Management Committee (FMC). In order to protect the company from foreign exchange fluctuation and interest rate risk, the company has entered into long term agreements with ISDA Banks to hedge such risk through derivative instrument.
- (iii) The company is taking active action for protection against exchange fluctuation risk by adopting hedging instrument on case to case basis. In this regard, IREDA enters in various swap deals with the ISDA bankers, the summary of which is as under :

Financial Year	Number of Deals	Number of ISDA Banks
2018-19	35	6
2017-18	4	4
2016-17	39	9

- (iv) IREDA has board approved Foreign Exchange and Derivatives Risk Management Policy, such policy define the maximum permissible limit of open exposure which can not be more than 40% of the foreign currency outstanding. IREDA 's foreign currency exposure in the last three financial years is as under :

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
Foreign currency exposure as a %age of foreign currency outstanding	24.77%	34.04%	26.35%

b) Quantitative Disclosures

As at March 31, 2019

Sl.	Particular	Currency (POS+CCIRS) Derivatives	Interest Rate (CCIRS) Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging	€ 254,509,570.12 \$ 531,658,362.75 ¥ 34,387,945,185	€ 11,114,906.03 \$ 67,079,424.14 ¥ 3,516,445,185
	Value (Rs. in Millions)	78,050.85	7,702.11
(ii)	Mark to Market Positions		
	a) Asset (+) (Rs.In Millions)	1,543.26	118.27
	b) Liability(-) (Rs.In Millions)	2,659.24	(102.35)
(iii)	Credit Exposure	N.A.	N.A.
(iv)	Unhedged Exposures (For Principal and part hedge is not considered as hedge) (Rs.In Millions)	24,545.97	

As at March 31, 2018

Sl.	Particular	Currency (POS+CCIRS) Derivatives	Interest Rate (CCIRS) Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging	€ 155,685,075.75 \$ 437,342,541.01 ¥ 20,516,445,185	€ 12,985,215.03 \$ 78,981,683.00 ¥ 3,516,445,185
	Value (Rs. in Millions)	53,511.12	8,328.87
(ii)	Mark to Market Positions		
	a) Asset (+) (Rs.In Millions)	887.90	226.92
	b) Liability(-) (Rs.In Millions)	2037.54	350.04
(iii)	Credit Exposure	N.A.	N.A.
(iv)	Unhedged Exposures (For Principal and part hedge is not considered as hedge) (Rs.In Millions)	27,084.23	

As at March 31, 2017 (Proforma)

Sl.	Particular	Currency (POS + CCIRS + Forward) Derivatives	Interest Rate (CCIRS) Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging	€ 188,289,742.37 \$ 401,251,851.43 ¥ 35,222,293,339	€ 18,701,215.03 \$ 90,613,338.42 ¥ 4,766,261,855
	Value (Rs. in Millions)	59,470.06	9,932.78
(ii)	Mark to Market Positions[1]		
	a) Asset (+) (Rs.In Millions)	504.10	229.39
	b) Liability(-) (Rs.In Millions)	4,688.28	645.22
(iii)	Credit Exposure[2]	N.A.	N.A.
(iv)	Unhedged Exposures (For Principal and part hedge is not considered as hedge) (Rs.In Millions)	20,048.46	

E. Disclosures relating to Securitization

These disclosures relating to securitization for the last 3 years is made in the format given below :

(Rs.In Millions)

Sl.	Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
		No./Amount		
1.	No of SPVs sponsored by the applicable NBFC for securitization transactions*	-	-	-
2.	Total amount of securitised assets as per books of the SPVs sponsored	-	-	-
3.	Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of Balance Sheet			
	a) Off-balance sheet exposures	-	-	-
	First loss	-	-	-
	Others			
	b) On-balance sheet exposures			
	First loss	-	-	-

		Others	-	-	-
4.	Amount of exposures to securitization transactions other than MRR				
	a)	Off-balance sheet exposures			
		i) Exposure to own securitizations			
		First loss	-	-	-
		Loss	-	-	-
		ii) Exposure to third party securitisations			
		First loss	-	-	-
		Others	-	-	-
	b)	On-balance sheet exposures			
		i) Exposure to own securitisations			
		First loss			
		Others	-	-	-
		ii) Exposure to third party securitisations			
		First loss	-	-	-
		Others	-	-	-
*Only the SPVs relating to outstanding securitization transactions may be reported here					

Details of Financial Assets sold to Securitization/ Reconstruction Company for Asset Reconstruction

(Rs.In Millions)

Particulars		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
(i)	No. of accounts	-	-	-
(ii)	Aggregate value (net of provisions)of accounts sold to SC/ RC	-	-	-
(iii)	Aggregate consideration	-	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
(v)	Aggregate gain/loss over net book value	-	-	-

F. Details of Assignment transactions undertaken by applicable NBFCs

(Rs.In Millions)

Particulars		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
(i)	No. of accounts	-	-	-
(ii)	Aggregate value(net of provisions) of accounts sold	-	-	-
(iii)	Aggregate consideration	-	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
(v)	Aggregate gain/ loss over net book value	-	-	-

G. Details of non-performing financial assets purchased / sold

❖ Details of non-performing financial assets purchased* :

(Rs.In Millions)

Particulars			As at March 31, 2019	As at March 31, 2018	As at March 31, 2018 (Proforma)
1.	(a)	No. of accounts purchased during the year	-*	-	-
	(b)	Aggregate outstanding	-*	-	-
2.	(a)	Of these, number of accounts restructured during the year	-	-	-
	(b)	Aggregate outstanding	-	-	-

*A loan of Rs.74.79 Millions was taken over from other bank which was classified as NPA in their books.

❖ Details of Non-performing Financial Assets sold:

(Rs.In Millions)

Particulars		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017(Proforma)
1.	No. of accounts sold	-	-	-*
2.	Aggregate outstanding	-	-	-
3.	Aggregate consideration received	-	-	-

*A NPA asset is sold for a consideration of 51.50 million (Ramsarup industries – 1726) having OS balance in the books of 10,000 rupees but the borrower filed case in NCLT hence Sale confirmation is not made.

H. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31, 2019

(Rs.in Millions)

	Up to 30/31 Days	Over 1 months -2 months	Over 2 months - 3 months	Over 3 months - upto 6 months	Over 6 months - upto 1 year	Over 1 year & up to 3 years	Over 3 & up to 5 years	Over 5 years	Total
Deposits	1,603.32	46.18	-	-	-	-	-	-	1,649.50
Advances including interest	3,522.42	229.25	4,528.89	15,052.38	26,466.66	27,906.49	25,651.38	1,06,724.96	2,10,082.42
Investments	-	-	-	-	-	-	-	1.20	1.20
Borrowings	117.61	-	236.67	866.89	2,998.78	6,951.64	29,570.55	47,788.16	88,530.30
Foreign Currency assets	-	-	-	138.56	145.23	476.63	-	-	760.42
Foreign Currency liabilities	2,723.62	-	2,097.17	5,383.87	9,050.25	34,069.26	6,393.73	39,387.05	99,104.94

As at March 31, 2018

(Rs.in Millions)

	Up to 30/31 Days	Over 1 months -2 months	Over 2 months -3 months	Over 3 months - upto 6 months	Over 6 months - upto 1 year	Over 1 year & up to 3 years	Over 3 & up to 5 years	Over 5 year s	Total
Deposits	4,300.00	3,009.10	1,000.00	2,250.00	-	-	-	-	10,559.10
Advances including interest	1,058.08	604.70	1,314.70	12,369.18	16,301.74	22,376.13	21,515.28	80,353.57	1,55,893.37
Investments	-	-	-	-	-	-	-	1.20	1.20
Borrowings	-	-	141.41	189.42	1,268.08	3,628.52	22,697.71	42,553.13	70,478.26
Foreign Currency assets	-	-	-	118.03	124.01	561.06	153.95	-	957.05
Foreign Currency liabilities	40.65	-	432.06	536.55	1,043.63	10,827.57	10,962.53	55,727.32	79,570.31

As at March 31, 2017 (Proforma)

(Rs.in Millions)

	Up to 30/31 Days	Over 1 months -2 months	Over 2 months -3 months	Over 3 months - upto 6 months	Over 6 months - upto 1 year	Over 1 year & up to 3 years	Over 3 & up to 5 years	Over 5 year s	Total
Deposits	8,747.31	-	-	150.00	-	-	-	-	8,897.31
Advances including interest	2,575.15	4,607.00	3,006.07	7,763.61	13,469.40	22,374.05	25,242.58	55,986.70	1,35,024.54
Investments	-	-	-	-	-	-	-	1.20	1.20
Borrowings	-	-	141.43	215.83	436.66	3,534.57	1,784.98	45,658.71	51,772.18
Foreign Currency assets	-	-	-	106.86	111.98	507.31	446.77	-	1,172.92
Foreign Currency liabilities	40.52	-	1,184.95	268.44	1,503.35	7,438.44	9,401.89	56,241.64	76,079.24

I. Exposures

❖ Exposure to Real Estate Sector

(Rs.in Millions)

Category		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
a)	Direct Exposure			
	(i) Residential Mortgages -			
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-	-
	(ii) Commercial Real Estate -			
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouses pace, hotels, 1 and acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	-	-	-
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitized			
	Re Residential	-	-	-
	Co Commercial Real Estate	-	-	-
Total Exposure to Real Estate Sector		-	-	-

❖ **Exposure to Capital Market**

(Rs.in Millions)

Particulars		As at 31.03.19	As at 31.03.18	As at 31.03.17 (Proforma)
(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 incorporate 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;	-	-	-
(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		-	-	-

J. Details of financing of parent company products,

❖ **Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the applicable NBFC**

List of Single Exposures exceeding Limits as on March 31, 2019					
Sl	Name	Sector	Principal OS (Rs.in Millions)	Net worth * - %	
1	SUZLON ENERGY LIMITED	SHORTTERM	6,109.15	23.99%	
2	AZURE POWER INDIA PRIVATE LIMITED	SPV	5,523.72	21.69%	

* Net worth taken as on 31.03.2018 - Rs. 25,467.32 Millions

**The company is in the process of down selling the exposure to other institution

List of Group Exposures exceeding Limits as on March 31, 2019			
Sl.	Group Name	Exposure (Rs.in Millions)	Net worth * - %
1	SUZLON	10,105.16	39.68%
2	AZURE	9,503.90	37.32%
3	MYTRAH	8,924.30	35.04%

* Net worth taken as on 31.03.2018 - Rs. 25,467.32 Millions

List of Single Exposures exceeding Limits as on March 31, 2018				
Sl	Name	Sector	Principal OS (Rs.in Millions)	Net worth * - %
1	PTC INDIA FINANCIAL SERVICE LIMITED	SHORTTERM	9,000.00	35.68%

2	AZURE POWER INDIA PRIVATE LIMITED	SPV	5,730.00	22.72%
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* Net worth taken as on 31.03.2017 - Rs. 25,225.62 Millions

List of Group Exposures exceeding Limits as on March 31, 2018			
SI	Group Name	Exposure (Rs.in Millions)	Net worth * - %
1	SUZLON	10,004.96	39.66%
2	AZURE	9,844.10	39.02%

* Net worth taken as on 31.03.2017 - Rs. 25,225.62 Millions

List of Single Exposures exceeding Limits as on March 31, 2017 (Proforma)				
SI	Name	Sector	Exposure (Rs.in Millions)	Net worth * - %
1	MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED	SHORTTERM	11,500.00	50.75%
2	PTC INDIA FINANCIAL SERVICE LIMITED	SHORTTERM	6,000.00	26.48%

* Net worth taken as on 31.03.2016 - Rs. 22,658.39 Millions

List of Group Exposures exceeding Limits as on March 31, 2017 (Proforma)			
SI	Group Name	Exposure (Rs.in Millions)	Net worth * - %
1	RENEW	11,947.14	52.73%
2	MAHAGENCO	11,500.00	50.75%
3	ORANGE	7,993.70	35.28%

* Net worth taken as on 31.03.2016 - Rs. 22,658.39 Millions

K. Miscellaneous

Certain miscellaneous details for the last 3 years are as under :

❖ **Registration obtained from other financial sector regulators** :
NIL

❖ **Disclosure of Penalties imposed by RBI and other regulators** :
NIL

IREDA, being a government company, was exempted from the various RBI guidelines. RBI , vide notification no DNBR (PD) CC.No.092/03.10.001/2017-18 dated 31.05.18 has withdrawn those exemptions .Thus IREDA witnessed first time RBI inspection for the status as on 31.03.18 .The observations and compliances of the same are under progress due to which there are no directions received so as to be put in the public domain. IREDA has not been subjected to any penalty from RBI for any non-compliance .

❖ Disclosure of Complaints

Customer Complaints

	Particulars	FY 2018-19	FY 2017-18	FY 2016-17 (Proforma)
a)	No. of complaints pending at the beginning of the year	-	-	-
b)	No. of complaints received during the year	-	2	1
c)	No. of complaints redressed during the year	-	2	1
d)	No. of complaints pending at the end of the year	-	-	-

L. Ratings assigned by credit rating agencies and migration of ratings during the last 3 years :

IREDA has raised resources by issue of taxable/tax-free/masala bond/ bank loans for which it has obtained ratings for these issuances from Domestic and international rating agencies. The details are as under:-

❖ **Tax-free Bonds / Taxable Bond**

Rating Agency	Instrument/Purpose/Issue	FY 2018-19	FY 2017-18	FY 2016-17 (Proforma)
ICRA Limited	Tax-free bonds (20000 million) Fiscal 2016	ICRA AA+ (Stable) Reaffirmed	ICRA AA+ (Stable) Reaffirmed	ICRA AA+ (Stable) Reaffirmed
	Taxable Green bonds (20000 million - raised 700 million) Fiscal 2017	ICRA AA+ (Stable) Reaffirmed	ICRA AA+ (Stable) Reaffirmed	ICRA AA+ (Stable) - Assigned
India Ratings & Research Private Limited	Tax-free bonds (20000 million) Fiscal 2016	IND AAA (Stable) Reaffirmed	IND AAA (Stable) Upgraded	Affirmed at 'IND AA+' and revised the Outlook to Positive from Stable
	Taxable Green bonds (7000 million) Fiscal 2017	IND AAA (Stable) Reaffirmed	IND AAA (Stable) Upgraded	Assigned 'IND AA+' and Outlook Positive
	Taxable Green Bonds (29,500 million - Actual issue 8650 million) Fiscal 2019	IND AAA (Stable) Assigned	-	-
	Taxable Tier-II Sub Debt (75000 million- Actual issue 1500 million) Fiscal 2019	IND AAA (Stable) Assigned	-	-
CARE Ratings Limited	Taxable Bonds Series I, II, III & IV & V (14500 million)	CARE AAA (SO) Reaffirmed	CARE AAA (SO) Reaffirmed	CARE AAA (SO), Stable
	Tax Free Bonds Series- XIII (7576.50 million)	CARE AAA (SO) Reaffirmed	CARE AAA (SO) Reaffirmed	CARE AAA (SO), Stable
	Taxable Green bonds Sr. VIA & VIB (7000 million) Fiscal 2017	CARE AA+, Positive Reaffirmed	CARE AA+, Positive Reaffirmed	CARE AA+, Positive
Brickwork Ratings	Long Term Taxable Bonds Series II, III, IV & V	BWR AAA (SO), Stable Reaffirmed	BWR AAA (SO), Stable Reaffirmed	BWR AAA (SO), Stable Reaffirmed
	Tax Free Bonds Series- XIII	BWR AAA (SO), Stable Reaffirmed	BWR AAA (SO), Stable Reaffirmed	BWR AAA (SO), Stable Reaffirmed
	Taxable Green Bonds Fiscal 2019 (8650 million)	BWR AAA, Stable Assigned	-	-
	Taxable Tier-II Sub Debt (1500 million) Fiscal 2019	BWR AAA, Stable Assigned	-	-

❖ Bank loans

Rating Agency	Issue	FY 2018-19	FY 2017-18	FY 2016-17 (Proforma)
Brickworks Rating	Rating assigned to 22,000 million term loan programme. Loans availed include: HDFC Term loan - 2000.00 million SBI Term Loan – 10000.00 million	Assigned - BWR AAA Outlook Stable	-	-

❖ Masala Bonds

Rating Agency	Instrument/Purpose/Issue	FY 2018-19	FY 2017-18	FY 2016-17 (Proforma)
Moody's Rating	Masala Bonds of USD 300 Million	Baa3 local and foreign currency issuer rating, changed the rating	Baa3 local and foreign currency issuer rating, stable outlook	issuer rating of Baa3 with a stable rating outlook

		outlook to negative from stable		
Fitch Rating		Affirmed the (P)Baa3/(P)P-3 senior unsecured rating of IREDA's medium-term note program and Baa3 rating assigned to the senior unsecured debt issued from the program	(P)Baa3/(P)P-3 senior unsecured rating of IREDA's medium-term note program	

❖ GOI Fully Service Bonds

Rating Agency	Instrument/Purpose/Issue	FY 2018-19	FY 2017-18	FY 2016-17 (Proforma)
CARE Ratings Limited	GOI Fully Service Bonds (16400 million) Fiscal 2016-17	AAA, stable, Reaffirmed	AAA, stable, Reaffirmed	AAA, stable, Assigned
India Ratings & Research Private Limited	GOI Fully Service Bonds (16400 million) Fiscal 2016-17	AAA, stable, Reaffirmed	AAA, stable, Reaffirmed	AAA, stable, Assigned
ICRA Limited	GOI Fully Service Bonds (16400 million) Fiscal 2016-17	AAA, stable, Reaffirmed	AAA, stable, Reaffirmed	AAA, stable, Assigned

M. Concentration of Deposits, Advances, Exposures and NPAs

❖ Concentration of Advances

(Rs. in Millions)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019 (Proforma)
Total Advances to twenty largest borrowers	69,836.45	58,794.10	53,408.66
Percentage of Advances to twenty largest borrowers to Total Advances	32.65%	37.16%	39.26%

❖ Concentration of Exposures

(Rs. in Millions)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019 (Proforma)
Total Exposure to twenty largest borrowers/customers	71,662.02	59,573.56	60,044.87
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers/customers	33.50%	37.66%	44.14%

❖ **Concentration of NPAs**

(Rs. in Millions)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019 (Proforma)
Total Exposure to top four NPA accounts	5,959.59	4,569.53	4,142.51

❖ **Sector-wise NPAs**

S. No.	Sector	%age of NPAs to Total Advances in that sector		
		2018-19	2017-18	2016-17 (Proforma)
1.	Agriculture & allied activities	-	-	-
2.	MSME	-	-	-
3.	Corporate borrowers	6.12%	6.30%	6.01%
4.	Services	-	-	-
2.	Unsecured personal loans	-	-	-
3.	Auto loans	-	-	-
4.	Other personal loans	-	-	-

Note – IREDA is in the business of financing RE projects to corporate borrower, hence Total of Gross NPA % is shown in corporate borrower.

❖ **Movement of NPAs**

(Rs. in Millions)

Particulars		As at 31.03.19	As at 31.03.18	As at 31.03.17 (Proforma)
(i)	Net NPAs to Net Advances(%)	3.74%	3.84%	3.76%
(ii)	Movement of NPAs (Gross)			
	(a) Opening balance	9,973.70	8,175.70	5,910.36
	(b) Additions during the year	4,036.49	2,051.12	2,343.73
	(c) Reductions during the year	925.50	253.12	78.39
	(d) Closing balance	13,084.68	9,973.70	8,175.70
(iii)	Movement of Net NPAs			
	(a) Opening balance	5,912.44	4995.16	4,153.38
	(b) Additions during the year	3,440.76	1,687.00	1,805.23
	(c) Reductions during the year (b/f)	1,555.04	769.72	963.45
	(d) Closing balance	7,798.17	5,912.44	4995.16
(iv)	Movement of provisions for NPAs(excluding provisions on standard assets, including floating provision)			
	(a) Opening balance	4,061.25	3,180.55	1,756.98
	(b) Provisions made during the year	2,404.14	1,107.03	1,547.53
	(c) Write-off / write-back of excess provisions	1,178.87	226.32	123.97
	(d) Closing balance*	5,286.52	4,061.25	3,180.55

*Includes floating provision of Rs.277.64 Millions as on 31.03.19 , Rs.573.34 Millions as on 31.03.18 and Rs.501.42 Millions as on 31.03.17 .

The Balance Sheet Extract as per RBI Act, 1943 is given below.

Schedule to the Balance Sheet of IREDA

(As at 31.03.2019)

			(Rs.in Millions)	
Particular				
Liabilities side			Amount outstanding	Amount overdue
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :			
	(a)	Debentures: Secured	58,021.68	-
		: Unsecured	21,572.79	-
		(other than falling within the meaning of public deposits)		
	(b)	Deferred Credits	-	-
	(c)	Term loans	111,358.24	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial paper	-	-
	(f)	Public Deposits	-	-
	(g)	Other Loans _ Overdrafts	117.61	-
2	Break-up of (1)(f) above (Outstanding public deposits 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	-	-
Assets Side			Amount outstanding	
3	Break up of Loans and Advances including bills receivables [other than those included in (4) below]:			
	(a)	Secured	1,97,857.43	
	(b)	Unsecured	15,489.30	
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		
		(c) Equity	-	
		(d) Preference	-	
	(ii)	Debentures and Bonds	-	
	(iii)	Units of mutual funds	-	
	(iv)	Government Securities	-	
	(v)	Others (please specify)		
		Short Term Deposits	1,649.50	
		Commercial Papers (Impairment fully provided)	689.91	
	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	1.20
		(b) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-

Borrower group-wise classification of assets financed as in (3) and (4) above

6	Category			Amount (Net of Provisions) (Rs.in Millions)		
				Secured	Unsecured	Total
	1	Related Parties				
		(a)	Subsidiaries	-	-	-
		(b)	Companies in the same group	-	-	-
		(c)	Other related parties	0.82	-	0.82
	2	Other than related parties		1,92,847.73	15,489.30	2,08,337.03
	Total			1,92,848.56	15,489.30	2,08,337.85
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	N.A.	1.20	1.20
	2	Other than related parties		1649.50	1649.50	1649.50
	Total			1649.50	1650.70	
8	Other Information					
	Particulars					Amount (Rs.in Millions)
	(i)	Gross Non-Performing Assets				
		(a)	Related Parties		-	-
		(b)	Other than related parties		13,084.68	13,084.68
	(ii)	Net Non-Performing Assets				
		(a)	Related Parties		-	-
		(b)	Other than related parties		7,798.17	7,798.17
	(iii)	Assets acquired in satisfaction of debt				

Schedule to the Balance Sheet of IREDA

(As at 31.03.2018)

				(Rs.in Millions)	
Particular					
Liabilities side				Amount outstanding	Amount overdue
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :				
	(a)	Debentures: Secured		50,224.49	-
		: Unsecured		20,039.22	-
		(other than falling within the meaning of public deposits)			
	(b)	Deferred Credits		-	-
	(c)	Term loans		82,346.74	-

	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial paper	-	-
	(f)	Public Deposits	-	-
	(g)	Other Loans Overdrafts	-	-
2	Break-up of (1)(f) above (Outstanding public deposits 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	-	-
Assets Side			Amount outstanding	
3	Break up of Loans and Advances including bills receivables other than those included in (4) below :			
	(a)	Secured		1,53,487.24
	(b)	Unsecured		4,291.00
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		
		(e) Equity	-	
		(f) Preference	-	
	(ii)	Debentures and Bonds	-	
	(iii)	Units of mutual funds	-	
	(iv)	Government Securities	-	
	(v)	Others (please specify)	-	
	2.	Unquoted		
	(i)	Shares		
		(g) Equity	-	
		(h) Preference	-	
	(ii)	Debentures and Bonds	-	
	(iii)	Units of mutual funds	-	
	(iv)	Government Securities	-	
	(v)	Others (please specify)	-	
		Short Term Deposits		10,559.10
	Long Term investments			
	3.	Quoted		
	(i)	Shares		
		(c) Equity	-	
		(d) Preference	-	
	(ii)	Debentures and Bonds	-	
	(iii)	Units of mutual funds	-	
	(iv)	Government Securities	-	
	(v)	Others (please specify)	-	
	4.	Unquoted		
	(i)	Shares		
		(c) Equity		1.20
		(d) Preference	-	
	(ii)	Debentures and Bonds	-	
	(iii)	Units of mutual funds	-	
	(iv)	Government Securities	-	
	(v)	Others (please specify)	-	

Borrower group-wise classification of assets financed as in (3) and (4) above

6	Category			Amount (Net of Provisions) (Rs.in Millions)		
				Secured	Unsecured	Total
	1	Related Parties				
		(a)	Subsidiaries	-	-	-
		(b)	Companies in the same group	-	-	-
		(c)	Other related parties	0.55	-	0.55
	2	Other than related parties		149,955.41	4,291.00	154,246.41
	Total			149,955.96	4,291.00	154,246.96
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	N.A.		1.20
	2	Other than related parties		10,559.10		10,559.10
	Total			10,559.10		10,560.30
8	Other Information					
	Particulars					Amount (Rs.in Millions)
	(i)	Gross Non-Performing Assets				
		(a)	Related Parties			-
		(b)	Other than related parties			9,973.70
	(ii)	Net Non-Performing Assets				
		(a)	Related Parties			-
		(b)	Other than related parties			5,912.44
	(iii)	Assets acquired in satisfaction of debt				

Schedule to the Balance Sheet of IREDA

(As at 31.03.2017 (Proforma))

			(Rs.in Millions)	
Particular				
Liabilities side			Amount outstanding	Amount overdue
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :			
	(a)	Debentures: Secured	50,224.99	-
		: Unsecured	-	-
		(other than falling within the meaning of public deposits)		
	(b)	Deferred Credits	-	-
	(c)	Term loans	79,567.87	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial paper	-	-
	(f)	Public Deposits	-	-
	(g)	Other Loans Overdrafts	-	-
2	Break-up of (1)(f) above (Outstanding public deposits 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	-	-
Assets Side			Amount outstanding	
3	Break up of Loans and Advances including bills receivables other than those included in (4) below]:			
	(a)	Secured	116,486.76	
	(b)	Unsecured	19,292.07	
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	
		(i) Equity	-
		(j) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-
2.	Unquoted		
	(i)	Shares	
		(k) Equity	-
		(l) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-
	Short Term Deposits		8,897.31
	Long Term investments		
5.	Quoted		
(i)	Shares		
		(e) Equity	-
		(f) Preference	-
(ii)	Debentures and Bonds		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		-
(v)	Others (please specify)		-
6.	Unquoted		
(i)	Shares		
		(e) Equity	1.20
		(f) Preference	-
(ii)	Debentures and Bonds		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		-
(v)	Others (please specify)		-

Borrower group-wise classification of assets financed as in (3) and (4) above

6	Category		Amount (Net of Provisions) (Rs.in Millions)		
			Secured	Unsecured	Total
1	Related Parties				
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	-	-	-
	(c)	Other related parties	0.92	-	0.92
2	Other than related parties		113,749.90	19,292.07	133,041.97
	Total		113,750.82	19,292.07	133,042.89
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	N.A.	1.20
2		Other than related parties	8,897.31	8,897.31
	Total		8,897.31	8,898.51
8	Other Information			
	Particulars			Amount (Rs.in Millions)
	(i)	Gross Non-Performing Assets		
	(a)	Related Parties		-
	(b)	Other than related parties		8,175.70
	(ii)	Net Non-Performing Assets		
	(a)	Related Parties		-
	(b)	Other than related parties		5,002.28
	(iii)	Assets acquired in satisfaction of debt		-

50 The figures are rounded off to the nearest Rupees in Millions (except number of shares). Previous two year's figures have been re-arranged/re-grouped wherever considered necessary to make them comparable with the current year's figures.

As per our report of even date
For Jain Chopra & Company

For and on Behalf of the Board of Directors

Chartered Accountants

ICAI Regn. No. 002198N

Place: New Delhi
Date : July 29,

Rajesh Kumar
Partner
Membership
No.501860

S. K. Bhargava
Director (Finance)
DIN No. 01430006

Praveen Kumar
Chairman & Managing
Director
DIN No. 01523131

2019

Surender Suyal
Company Secretary
M. No. A11900

Indian Renewable Energy Development Agency Limited

Annexure 1 - Statement of Dividend declared by the Company

Rs. in Million

Particular	For the period ended March 31, 2019	For the period ended March 31, 2018	For the period ended March 31, 2017 (Proforma)
Equity share Face value per equity share (in Rs.)*	10.00	10.00	10.00
Interim Dividend (₹ Million)	-	1,050.00	1,000.00
Dividend Distribution Tax on Interim dividend (₹ Million)	-	213.76	203.58
Final Dividend (in million)**	1,281.90	218.35	255.01
Dividend Distribution Tax on Final dividend (₹ Million)***	-	44.45	51.91
Total Dividend paid for the period (A) (₹ Million)	1,281.90	1,268.35	1,255.01
Total Dividend Distribution Tax Paid (B) (₹ Million)	-	258.21	255.49
Total (A+B) (₹ Million)	1,281.90	1,526.56	1,510.50
Net Profit After Tax (PAT) and before OCI Item (₹ Million)	2,310.95	4,053.60	2,100.74
Dividend Payout Ratio (A/PAT)	55.47%	31.29%	59.74%
Number of Shares	784,600,000	784,600,000	784,600,000
Dividend per Share (₹)	1.63	1.62	1.60

* The face value of equity shares of the Company was changed from Rs. 1000 per equity share to Rs. 10 per equity share in the meeting of shareholders held on 28 Nov 2017. For the purpose of comparison the number of shares on 31 Mar 2017 have been taken if Rs 10/- per share to determine the dividend per share.

** Final Dividend for FY 2018-19 is considered as per recommendation of Board of the company.

*** Dividend Distribution Tax will be considered on the basis of payment.

Indian Renewable Energy Development Agency Limited

Annexure 2: Restated Capitalisation Statement of the Company

Rs in Million

Particular	Pre Issue For the period ended March 31, 2019	Post Issue
Long term debt (Net)	187,455.34	[•]
Shareholders' funds		
- Share capital	7,846.00	[•]
		[•]
- Reserves (excluding revaluation reserve)	19,866.69	
Total shareholders' funds	27,712.69	[•]
Long term debt/equity	6.76	[•]

Indian Renewable Energy Development Agency Limited

Annexure 3: Restated Statement of Accounting Ratios

Rs in Million

Particular	For the period ended March 31, 2019	For the period ended March 31, 2018	For the period ended March 31, 2017 (Proforma)
Earning Per Share			
-Basic (a/c)	2.95	5.17	2.68
-Diluted (b/d)	2.95	5.17	2.68
Net Worth	27,712.69	25,477.60	25,225.67
Profit After Tax but before OCI	2,310.95	4,053.60	2,100.74
Return on Net Worth%	8.34%	15.91%	8.33%
Net asset value per equity share (Rs.)	35.32	32.47	32.15
Weighted average number of equity shares*	784,600,000	784,600,000	784,600,000
Total number of shares outstanding at the end of the year*	784,600,000	784,600,000	784,600,000

* The face value of equity shares of the Company was changed from Rs. 1000 per equity share to Rs. 10 per equity shares and hence the number of ordinary shares outstanding were accordingly adjusted from 7846,000 to 784,600,000 w.e.f. 28 Nov 2017. The EPS/[NAV/DPS] figures captured in the table for FY17 are based on post face value adjustments.

Notes:

a) Net Worth (Rs.) = Share Capital + Reserve & Surplus - Other Comprehensive Income

b) Return on Net Worth (%) = Profit after Tax / Net Worth X100

c) Net Value per Share (Rs.) = Net Worth / Number of Shares.

d) Basic earnings per share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the year/ period

e) Diluted earnings per share = Net profit attributable to equity shareholders / weighted average number of diluted shares outstanding during the year/ period

Indian Renewable Energy Development Agency Limited
Annexure-4: Statement of Tax Shelter
(Rs. in Millions)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Net profit before tax but after OCI Items	2,183.06	5,607.49	5,281.79
Tax Rate on Income (C)	34.94%	34.61%	34.61%
Tax at Normal Rate (D)	762.85	1,940.64	1,827.92
Adjustment			
Permanent Difference			
Provision for CSR	122.10	103.30	75.07
Unallowable Expenses	0.01	46.65	19.19
Business Promotion exp including Donation	-	-	96.94
Deduction U/Section 32AC & 35 of IT Act	-	-	(427.03)
Deduction U/s 24	(0.20)	-	-
Deduction U/Section 36(1)(viii)	(862.55)	(781.91)	(1,169.59)
Sub Total (A)	(740.65)	(631.96)	(1,405.42)
Timing Difference			
Depreciation(including Profit & Loss on sale of assets)	(359.54)	(675.36)	(752.43)
Deferred Incomes	292.75	-	-
Cost of Bonds	(2.46)	-	-
FCTMR	263.28	(2,139.20)	-
Impact U/s 43B and others	4.92	91.84	42.22
Rental Income	-	0.62	(0.40)
OCI	0.37	-	-
Impairment of Assets Net	2,443.63	785.93	1,329.76
Sub Total (B)	2,642.94	(1,936.18)	619.15
Net Adjustment (A+B)	1,902.30	(2,568.14)	(786.27)
Tax Additional/(Saving) (A+B)*C = E	664.74	(888.78)	(272.11)
Additional Tax Provision (F)	22.41	0.04	(0.00)
Actual Tax Paid/provision as per restated financial - (D+E+F)	1,450.00	1,051.90	1,555.81

Note :

- The above tax shelter is prepared on the basis of original Financial Accounts.
- Additional Tax Provision is the amount of tax provided to meet exigencies/rounding off.

Annexure 5: Statement of reconciliation of Audited Financial Statements to Restated Financial Statements

Balance Sheet

Rs. in Million

S.No	Particulars	Audited BS March 2019	Adjustments	Restated BS March 2019	Audited BS March 2018	Adjustments	Restated BS March 2018	Audited BS March 2017	Adjustments	Restated BS March 2017 (Proforma)
I	ASSETS									
A	Financial Assets									
	(a) Cash and cash equivalents	5,563.75	-	5,563.75	18,631.95	-	18,631.95	20,613.89	-	20,613.89
	(b) Bank Balance other than (a) above	4,955.78	-	4,955.78	5,338.81	-	5,338.81	11,796.30	-	11,796.30
	(c) Derivative financial instruments	1,543.26	-	1,543.26	887.90	-	887.90	504.10	-	504.10
	(d) Receivables			-	-		-	-		-
	(I) Trade Receivables	23.96	-	23.96	219.16	-	219.16	23.96	-	23.96
	(II) Other Receivables	-	-	-	-	-	-	-	-	-
	(e) Loans	208,755.06	(417.21)	208,337.85	154,737.35	(447.02)	154,290.33	133,496.37	(396.66)	133,099.71
	(g) Other financial assets	1,521.75	-	1,521.75	1,578.57	-	1,578.57	1,803.97	0.60	1,804.57
	Total (A)	222,363.56	(417.21)	221,946.35	181,393.74	(447.02)	180,946.72	168,238.60	(396.07)	167,842.54
B	Non-financial Assets									
	(a) Current tax Assets (Net)	1,384.28	-	1,384.28	1,643.30	-	1,643.30	1,381.48	-	1,381.48
	(b) Deferred Tax Assets (Net)	685.64	463.69	1,149.33	-	608.22	608.22	540.56	454.60	995.16
	(c) Investment in Associate using Equity accounting	4.96	-	4.96	5.33		5.33	4.99		4.99
	(d) Investment Property	0.61	(0.00)	0.61	0.73	(0.00)	0.73	0.87	(0.00)	0.87
	(e) Property, Plant and Equipment	3,026.95	0.00	3,026.95	3,136.46	0.00	3,136.46	3,172.00	0.00	3,172.00

	(f) Capital Work-in-progress	0.09	-	0.09	30.32	-	30.32	-	-	-
	(g) Intangible assets under development	-	-	-	0.56	-	0.56	2.14	-	2.14
	(h) Intangible assets	2.15	-	2.15	2.52	-	2.52	2.17	-	2.17
	(i) Other non-financial assets	17,833.53	(0.29)	17,833.25	17,565.76	(0.23)	17,565.54	14,568.01	(0.09)	14,567.92
	Total (B)	22,938.20	463.40	23,401.61	22,384.99	608.00	22,992.98	19,672.22	454.51	20,126.73
	Total Assets (A+B)	245,301.76	46.19	245,347.95	203,778.72	160.98	203,939.70	187,910.82	58.44	187,969.26
II.	LIABILITIES AND EQUITY									
	LIABILITIES									
A	Financial Liabilities									
	(a) Derivative financial instruments	2,659.24	-	2,659.24	2,037.54	-	2,037.54	4,688.28	-	4,688.28
	(b) Payables									
	(I) Trade Payables									
	(i) total outstanding dues of micro enterprises and small enterprises	6.05	-	6.05	-	-	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,255.61	-	1,255.61	1,389.04	-	1,389.04	1,377.68	-	1,377.68
	(c) Debt Securities	76,124.68	(73.83)	76,050.85	68,457.25	(77.20)	68,380.05	49,076.55	(80.32)	48,996.22
	(d) Borrowings (Other than Debt Securities)	109,907.69	-	109,907.69	81,472.03	-	81,472.03	78,774.87	-	78,774.87
	(e) Subordinated Liabilities	1,496.79	-	1,496.79	-	-	-	-	-	-
	(f) Other financial liabilities	8,963.94	-	8,963.94	8,235.90	-	8,235.90	12,165.75	1.26	12,167.01

	Total(A)	200,414.00	(73.83)	200,340.17	161,591.77	(77.20)	161,514.56	146,083.14	(79.06)	146,004.08
B	Non-Financial Liabilities									
	(a) Provisions	1,692.17	-	1,692.17	1,261.54	-	1,261.54	1,071.15	0.00	1,071.15
	(b) Deferred Tax Liability(Net)	-	-	-	90.29	(90.29)	-		-	-
	(c) Other non-financial liabilities	17,554.10	(2.48)	17,551.62	16,702.73	5.76	16,708.50	16,522.75	93.48	16,616.23
	Total(B)	19,246.27	(2.48)	19,243.79	18,054.57	(84.53)	17,970.04	17,593.90	93.48	17,687.38
C	EQUITY									
	(a) Equity Share Capital	7,846.00	-	7,846.00	7,846.00	-	7,846.00	7,846.00	-	7,846.00
	(b) Other Equity	17,795.49	122.50	17,917.99	16,286.39	322.71	16,609.10	16,387.79	44.02	16,431.81
	Total(C)	25,641.49	122.50	25,763.99	24,132.39	322.71	24,455.10	24,233.79	44.02	24,277.81
	Total Liabilities and Equity(A+B+C)	245,301.76	46.19	245,347.95	203,778.72	160.98	203,939.70	187,910.82	58.44	187,969.26

Statement of Profit and Loss
Rs. in Million

Particulars		Audited P&L March 2019	Adjustments	Restated P&L March 2019	Audited P&L March 2018	Adjustments	Restated P&L March 2018
I	Revenue from Operations						
i)	Interest Income	19,253.03	-	19,253.03	16,867.99	-	16,867.99
ii)	Rental Income	0.66	-	0.66	0.62	-	0.62
iii)	Fees and Commission Income	316.02	38.05	354.07	483.36	37.36	520.72
iv)	Net gain on fair value changes on derivatives	343.48	-	343.48	510.24	-	510.24
v)	Revenue from Solar Plant Operations	288.91	-	288.91	200.34	-	200.34
	Total Revenue from operations (I)	20,202.10	38.05	20,240.15	18,062.55	37.36	18,099.91
II	Other Income	25.76	-	25.76	69.30	-	69.30
III	Total Income (I+II)	20,227.86	38.05	20,265.91	18,131.85	37.36	18,169.21
IV	Expenses						
i)	Finance Cost	11,829.02	3.37	11,832.40	10,056.32	3.12	10,059.44
ii)	Net translation/ transaction exchange loss	585.71	(70.19)	515.52	702.35	(70.19)	632.16
iii)	Impairment on financial instruments	2,658.65	-	2,658.65	984.75	-	984.75
iv)	Employee Benefits Expenses	443.32	-	443.32	437.98	-	437.98
v)	Depreciation, amortization and impairment	233.56	-	233.56	213.28	-	213.28
vi)	Others expenses	621.32	0.06	621.38	347.49	(0.53)	346.96

	Total Expenses (IV)	16,371.59	(66.76)	16,304.84	12,742.18	(67.60)	12,674.57
V	Profit/(loss) before exceptional items and tax (III-IV)	3,856.27	104.81	3,961.08	5,389.67	104.97	5,494.64
VI	Exceptional Items	743.29	-	743.29	-	-	-
VII	Profit/(loss) before tax (V-VI)	3,112.98	104.81	3,217.79	5,389.67	104.97	5,494.64
VIII	Tax expense						
	(i) Current tax	1,450.00	-	1,450.00	1,051.90	-	1,051.90
	(ii) Deferred tax	(778.36)	234.83	(543.54)	633.39	(243.91)	389.48
IX	Profit/(loss) for the period from continuing operations (VII-VIII)	2,441.35	(130.02)	2,311.33	3,704.38	348.88	4,053.26
X	Share in profit of Associate	(0.37)		(0.37)	0.34		0.34
XI	Profit/(loss) for the period	2,440.97	(130.02)	2,310.95	3,704.72	348.88	4,053.60
XII	Other Comprehensive Income						
(A)	(i) Items that will not be reclassified to profit or loss						
	- Remeasurements of the defined benefit plans:-						
	Gratuity	3.83	-	3.83	(1.45)	-	(1.45)
	Post retirement medical benefit	(4.18)	-	(4.18)	(7.53)	-	(7.53)
	Baggage allowance	(0.02)	-	(0.02)	0.29	-	0.29
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.43)	-	(2.43)	2.54	0.00	2.54
	Subtotal (A)	(2.80)	-	(2.80)	(6.15)	0.00	(6.15)
(B)	(i) Items that will be classified to profit or loss :-						

	Effective portion of gain /(loss) on hedging instrument in cash flow hedge reserve	(929.55)	-	(929.55)	(64.75)	-	(64.75)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Subtotal (B)	(929.55)	-	(929.55)	(64.75)	-	(64.75)
	Other Comprehensive Income (A+B)	(932.35)	-	(932.35)	(70.90)	0.00	(70.90)
XIII	Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and other Comprehensive Income for the period)	1,508.62	(130.02)	1,378.60	3,633.82	348.88	3,982.70
XIV	Earning per equity share (for continuing operations)(Annualised)						
	Basic (Rs.)	0.31	2.63	2.95	0.47	4.69	5.17
	Diluted (Rs.)	0.31	2.63	2.95	0.47	4.69	5.17

Note: the reconciliation in respect of statement of profit and loss account for the year March 2017 could not be provided as the accounts of March, 2017 were audited on the basis of I-GAAP.

SELECTED STATISTICAL INFORMATION

The following information should be read together “Our Business”, “Financial Information - Restated Financial Statements, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 92, 144 and 295, respectively. The financial information presented in this section has been derived from the Restated Financial Statements.

The yields, costs, spreads, net interest margin and net interest income and averages shown in this section are non-Ind AS financial measures. These non-Ind AS financial measures may not be computed on the basis of any standard methodology that is applicable across the financial services industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies.

In this section, references to “we”, “our” and “us” are to our Company on a consolidated basis unless the context requires otherwise.

Average Balance Sheet

The tables below present the average balances for interest-earning assets and interest-bearing liabilities together with the related interest revenue and expense amounts, resulting in the presentation of the average yields and cost for each period. The average balance is the average of balance at the beginning and at the end of stated period outstanding. The average yield on average interest-earning assets is the ratio of interest revenue to average interest-earning assets. The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities. The average balances of loans include NPAs and are net of allowances for credit losses. We have not recalculated tax-exempt income on a tax equivalent basis.

(in ₹ millions, except percentages)

	Fiscal 2019			Fiscal 2018			Fiscal 2017		
	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)
Financial assets:									
Advances	187,180.18	18,740.58	10.01%	148,484.71	16,367.70	11.02%	121,164.81	13,936.79	11.50%
Investments	5.82	0.28	4.81%	5.96	0.96	16.11%	6.06	0.37	6.11%
Fixed deposits	6,966.34	755.55	10.85%	10,796.28	997.00	9.23%	14,427.62	519.97	3.60%
Solar project (1)	2,851.15	288.91	10.13%	2,907.11	200.34	6.89%	1,524.82	22.90	1.50%
Total interest-earning assets	197,003.49	19,785.32	10.04%	162,194.06	17,566.00	10.83%	137,123.31	14,480.03	10.56%
Non-financial assets (2)	32,248.36	480.19		37,051.82	603.55		26,453.58	(1,138.47)	
Fixed assets	248.37	0.02		265.98	-		280.00	0.52	
Other assets	-	-		-	-		-	-	
Total assets	229,500.22	20,265.53	8.83%	199,511.86	18,169.55	9.11%	163,856.89	13,342.08	8.14%
Financial liabilities:									
Borrowings	168,653.71	12,347.92	7.32%	138,811.59	10,691.60	7.70%	114,667.59	7,866.66	6.86%
Total interest-bearing liabilities	168,653.71	12,347.92	7.32%	138,811.59	10,691.60	7.70%	114,667.59	7,866.66	6.86%
Non-financial liabilities									
Capital and reserves (3)	26,595.15	262.80	0.99%	25,351.64	1,570.68	6.20%	23,939.67	1,203.58	5.03%
Other liabilities	30,880.59			32,776.45			23,415.51		
Deferred tax liability	-	-		-	-		-	-	
Total non-interest bearing liabilities	57,475.74			58,128.09			47,355.18		
Total liabilities	226,129.45			196,939.68			162,022.77		

(1) Solar project income represents gross receipts during the period and average balance represents the carrying value of the solar plant.

(2) Income against non-financial assets includes income not represented by any assets and includes income earned on commercial paper during the fiscal year.

(3) Capital and reserves have been shown excluding other comprehensive income.

Analysis of Changes in Interest Income and Interest Expense by Volume and Rate

The table below sets forth, for the periods indicated, the allocation of the changes in our interest income and interest expense and other charges between changes in average balance and changes in average rates.

The changes in net interest income and interest expense and other charges between periods have been reflected as attributed either to average balance or average rate changes. For purposes of the table below, changes that are due to both average balance and average rate have been allocated solely to changes in average rate.

(in ₹ millions, except percentages)

Particulars	Year ended March 31, 2019 vs.			Year ended March 31, 2018 vs.		
	Year ended March 31, 2018			Year ended March 31, 2017		
	Net Changes in interest	Change in average volume	Change in Average Rate	Net Changes in interest	Change in average volume	Change in Average Rate
Interest income:						
Loan portfolio	2,372.88	38,695.47	(1.01%)	2,430.91	27,319.90	(0.48%)
Investments	(0.68)	(0.14)	(11.30%)	0.59	(0.10)	10.00%
Deposits	(241.45)	(3,829.94)	1.62%	477.03	(3,631.34)	5.63%
Solar project (1)	88.57	(55.96)	3.24%	177.44	1,382.29	5.39%
Total interest income	2,219.32	34,809.43	(0.79%)	3,085.97	25,070.75	0.27%
Interest expense:						
Borrowings	1,656.32	29,842.12	(0.38%)	2,824.94	24,144.00	0.84%
Deposits	-	-	-	-	-	-
Net interest income	563.00	4,967.31		261.03	926.75	

Yields, Spreads and Margins

The following table sets forth, for the periods indicated, the yields, spreads and interest margins on our average interest-earning assets.

(in ₹ millions, except percentages)

Particulars	Year ended March 31,		
	2019	2018	2017
Average interest-earning assets	197,003.49	162,194.06	137,123.31
Average interest-bearing liabilities	168,653.71	138,811.59	114,667.59
Average total assets	229,500.22	199,511.86	163,856.89
Average interest-earning assets as a percentage of average total assets (%)	85.84%	81.30%	83.68%
Average interest-bearing liabilities as a percentage of average total assets (%)	73.49%	69.58%	69.98%
Average interest-earning assets as a percentage of average interest-bearing liabilities (%)	116.81%	116.84%	119.58%
Average yield on average interest earning assets ⁽¹⁾	10.04%	10.83%	10.56%
Average cost to average interest-bearing liabilities (%) ⁽²⁾	7.32%	7.70%	6.86%
Annual disbursements	93,853.66	83,283.83	65,934.87
Yield on advances (%)	10.01%	11.02%	11.50%
Yield on investments (%)	-	-	-
Cost of funds (%) ⁽⁵⁾	7.32%	7.70%	6.86%
Interest subvention (%)	-	-	-
Net interest margin (%) ⁽⁴⁾	3.78%	4.24%	4.82%
Spread (%) ⁽³⁾	2.69%	3.32%	4.64%
Gearing ratio (long term debt/equity)	6.76	5.88	5.07

Notes:

- (1) The average yield on average interest-earning assets is the ratio of interest income and income that is directly attributable to income on loans and advances (such as loan application fees and front-end fees payable by the borrower prior to sanction/disbursement of the loan) on interest earning assets to average interest-earning assets for the fiscal year or period, as applicable.
- (2) Average cost on average interest-bearing liabilities is the ratio of interest expense (without exchange gain or loss) and other borrowing costs to average interest-bearing liabilities for the year or period, as applicable.
- (3) Spread refers to difference between average yield on average interest earning assets and average cost on average interest-bearing liabilities (without foreign exchange adjustments).
- (4) Net interest margin, or "NIM", for any given period represents the ratio of net interest income to the average of interest-earning assets, expressed as a percentage.
- (5) For the purpose of computation of cost of funds, finance cost is considered including gain or loss on foreign currency exchange rate fluctuation. Without considering the gain or loss on foreign exchange rate fluctuation as part of finance cost, spread and NIM would be: -

Particulars	Year ended March 31,		
	2019	2018	2017
Spread	2.99%	3.77%	4.43%
Net interest margin (%) (4)	4.06%	4.63%	4.65%

Return on Equity and Assets

The following table presents selected financial ratios for the periods indicated.

(in ₹ millions, except percentages)

Particulars	Year ended March 31,		
	2019	2018	2017
Interest income	19,785.32	17,566.00	14,480.03
Average total assets	229,500.22	199,511.86	163,856.89
Average shareholders' equity	26,595.15	25,351.64	23,939.67
Net profit before tax	3,217.79	5,494.64	3,127.93
Net profit after tax	2,310.95	4,053.60	2,100.74
ROE (%) (1)	8.69%	15.99%	8.78%
ROA (Net profit to average total assets) (%) (2)	1.01%	2.03%	1.28%
Dividend pay-out ratio (%) (3)	55.47%	32.19%	47.60%
Average shareholders' funds as a percentage of average total assets (%)	11.59%	12.71%	14.61%

Notes:

- (1) Return on equity (ROE) is calculated by dividing the profit after tax for the period by average shareholders' equity at the end of the period, expressed as a percentage.
- (2) Return on average assets (after tax) (ROA) is calculated by dividing the profit after tax for the period by the average total assets for the period.
- (3) Dividend pay-out ratio refers to ratio of total dividend (excluding dividend distribution tax) to profits after tax. Final dividend for Fiscal 2019 is considered as per recommendations of the Board.

Productivity and Efficiency Ratios

The following table presents productivity and efficiency ratios for the periods indicated.

(in ₹ millions, except employees and percentages)

Particulars	Year ended March 31,		
	2019	2018	2017
Employees	165	149	152
AUM	220,236.33	173,770.60	150,617.50
AUM/Employee	1,334.77	1,166.25	990.90

Note: Assets under management (AUM) are interest or income generating assets.

Interest Coverage Ratio

The following table sets forth information with respect to our interest coverage ratio as at and for the years ended March 31, 2019, 2018 and 2017. However, this ratio is typically used to measure the debt servicing ability of a corporation and generally is not relevant to a finance company, such as our Company.

(in ₹ millions, except percentages)

Particulars	As at and for the year ended March 31,		
	2019	2018	2017
(i) Net profit before tax	3,217.79	5,494.64	3,127.93
(ii) Non-cash expenses – depreciation, bad debts written off, provision for bad and doubtful debts written off and general provisions for standard assets	3,311.38	1,315.56	2,702.02
(iii) Finance cost	12,347.92	10,691.60	7,866.66
(iv) Total (i) +(ii) + (iii)	18,877.09	17,501.80	13,696.61
Interest coverage ratio (iv) ÷ (iii)	1.53	1.64	1.74

Treasury

The following table presents our cash and cash equivalents, other deposits with banks and funds held on behalf of other (MNRE) for the years ended March 31, 2019, 2018 and 2017.

(in ₹ millions)

Particulars	Year ended March 31,		
	2019	2018	2017
Cash and bank balances	3,918.14	8,075.01	11,717.93
Short term foreign currency deposits	2,413.33	11,519.34	10,073.21
Long Term Foreign Currency Deposits (More than 12 Months)	-	-	-
MNRE Fund	4,188.06	4,376.41	10,619.05
Total	10,519.53	23,970.76	32,410.19

Borrowings

The following table sets forth, for the periods indicated, information related to our borrowings, which are comprised primarily of loans from banks, public deposits, and non-convertible debentures.

(in ₹ millions, except percentages)

Particulars	Year ended March 31,		
	2019	2018	2017
Period end balance	187,455.33	149,852.08	127,771.09
Average borrowing	168,653.71	138,811.59	114,667.59
Finance cost before foreign exchange gain or loss	11,832.40	10,059.44	8,104.45
Average interest rate during the period ⁽¹⁾ (%)	7.02%	7.25%	7.07%

Note:

(1) Represents the ratio of interest expense on borrowings to the average balances of borrowings. This interest does not include foreign exchange rate fluctuation gain or loss.

Subordinated Debt

We have issued non-convertible subordinated debt securities during Fiscal 2019, which qualified as Tier II capital under the DPE guidelines for assessing capital adequacy for an amount of ₹1,500 million. As at March 31, 2019, we had ₹1,500 million outstanding subordinated debt balance at issue price.

Perpetual Debt

We have not issued non-convertible perpetual debt securities, which qualified as Tier II capital under the DPE guidelines for assessing capital adequacy. As at March 31, 2019, we had no outstanding perpetual debt.

Loans and Advances

As at March 31, 2019, March 31, 2018 and March 31, 2017 our gross loan portfolio outstanding (including short term loans) was ₹213,886.69 million, ₹158,203.90 million and ₹136,046.62 million, respectively. As at March 31, 2019, March 31, 2018

and March 31, 2017 our assets under management (“AUM”) was ₹220,230.33 million, ₹173,770.60 million and ₹150,617.50 million, respectively. As at March 31, 2019, March 31, 2018 and March 31, 2017, our gross loans and AUM were to borrowers in India and were denominated in Indian Rupees.

The following tables sets forth, for the periods indicated, our net loan portfolio classified by loan types.

(in ₹ millions)

Classification of Loans and Advances	As at March 31,					
	2019		2018		2017	
	Loans	AUM	Loans	AUM	Loans	AUM
Secured loans	198,397.39	199,530.74	153,912.90	155,049.30	116,754.55	118,337.05
Unsecured loans	15,489.30	20,705.59	4,291.00	18,721.30	19,292.07	32,280.45
Total	213,886.69	220,236.33	158,203.90	173,770.60	136,046.62	150,617.50
Standard	192,146.20	220,236.33	138,171.34	173,770.60	119,695.84	150,617.50
Restructured	8,655.81	-	10,058.86	-	8,175.07	-
Doubtful	13,084.68	-	9,973.70	-	8,175.71	-
Total	213,886.69	220,236.33	158,203.90	173,770.60	136,046.62	150,617.50

Maturity and Interest Rate Sensitivity of Loans

The following tables sets forth the maturity sensitivity of our liabilities outstanding as at March 31, 2019, March 31, 2018 and March 31, 2017.

(in ₹ millions)

Rupee Liability Particulars	As at March 31,		
	2019	2018	2017
Less than or equal to 1 year	4,219.95	1,598.91	793.92
More than a year up to 3 years	6,951.64	3,628.52	3,534.57
More than 3 years up to 5 years	29,570.55	22,697.71	1,784.98
More than 5 years	47,788.16	42,553.13	45,658.71
Total	88,530.30	70,478.27	51,772.18

(in ₹ millions)

Foreign Currency Liability Particulars	As at March 31,		
	2019	2018	2017
Less than or equal to 1 year	19,254.91	2,052.89	2,997.26
More than a year up to 3 years	34,069.26	10,827.57	7,438.44
More than 3 years up to 5 years	6,393.73	10,962.53	9,401.89
More than 7 years	39,387.05	55,727.32	56,241.64
Total	99,104.95	79,570.31	76,079.23

The following table sets forth the interest rate sensitivity of our loans and loans outstanding for the years ended March 31, 2019, 2018 and 2017.

(in ₹ millions)

Particulars	Year ended March 31,		
	2019	2018	2017
Foreign Currency Loans	99,104.94	79,570.32	76,079.25
Variable rate loans	59,676.04	47,578.68	45,854.04
Fixed rate loans	39,428.90	31,991.64	30,225.21
Rupees Currency Loans	88,350.39	70,281.76	51,691.84

Particulars	Year ended March 31,		
	2019	2018	2017
Variable rate loans	9,941.27	960.72	1,678.78
Fixed rate loans	78,409.12	69,321.04	50,013.06
Total loans	187,455.33	149,852.08	127,771.09

Concentration of Customers

The following tables set forth, at the dates indicated, our fund-based loans outstanding categorized by customer type.

(in ₹ millions, except percentages)

	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	Loans	% of Total	Loans	% of Total	Loans	% of Total
By Sector						
Wind	58,281.12	27.25%	49,030.50	30.99%	43,806.85	32.20%
Hydro	23,663.44	11.06%	21,782.60	13.77%	19,289.91	14.18%
COGEN and EEC	13,637.21	6.38%	15,128.90	9.56%	15,334.13	11.27%
Solar	76,858.48	35.93%	49,764.00	31.46%	34,852.97	25.62%
Biomass and WTE	3,099.28	1.45%	1,950.50	1.23%	2,034.45	1.50%
NCEF	343.54	0.16%	537.44	0.34%	568.00	0.42%
Miscellaneous	38,003.62	17.77%	20,009.96	12.65%	20,160.31	14.82%
By Product						
Term loans	213,886.69	100.00%	158,203.90	100.00%	136,046.62	100.00%
Working capital loans	-	0.00%	-	0.00%	-	0.00%
By Term						
Short term	48,594.98	22.72%	30,287.80	19.14%	29,621.34	21.77%
Long term	164,029.11	76.69%	126,430.20	79.92%	104,890.13	77.10%
LOC for refinance	1,262.60	0.59%	1,485.90	0.94%	1,535.15	1.13%
Total	213,886.69		158,203.90		136,046.62	

Maturity Pattern

The following table sets forth our maturity pattern position as at March 31, 2019, which was the last reporting day in the year ended March 31, 2019.

(in ₹ millions)

Maturity Pattern of Assets & Liabilities:				
Items	Fiscal Year	Less than or equal to 1 year	More than a year up to 3 years	More than 3 years up to 5 years
Loan Assets				
	2019	49,799.60	27,906.49	25,651.38
	2018	31,648.40	22,376.13	21,515.27
	2017	31,421.23	22,374.05	25,242.56
Foreign currency assets				
	2019	283.79	476.63	-
	2018	242.04	561.06	153.95
	2017	218.84	507.31	446.77
Rupee liabilities				
	2019	4,219.95	6,951.64	29,570.55
	2018	1,598.91	3,628.52	22,697.70
	2017	793.92	3,534.57	1,784.98
Foreign currency liabilities				
	2019	19,254.91	34,069.26	6,393.72
	2018	2,052.89	10,827.57	10,962.53

Maturity Pattern of Assets & Liabilities:				
Items	Fiscal Year	Less than or equal to 1 year	More than a year up to 3 years	More than 3 years up to 5 years
	2017	2,997.26	7,438.45	9,401.89

Non-Performing Assets

The following table sets forth, for the periods indicated, information about our NPA portfolio.

(in ₹ millions, except percentages)

Particulars	As at and for the year ended March 31,		
	2019	2018	2017
Opening balance at the beginning of the period	9,973.70	8,175.71	5,910.36
Add: fresh slippage	4,036.49	2,051.12	2,343.73
Less: upgradation / cash recovery	676.45	253.13	78.38
Less: Technically Written off	249.06	-	-
Credit cost			
Gross NPAs at the close of the period	13,084.68	9,973.70	8,175.71
Net NPAs	7,798.17	5,912.44	4,995.16
AUM	220,236.33	173,770.60	150,617.50
Net loans	214,949.81	169,709.35	147,436.96
Gross NPAs/AUM (%)	5.94%	5.74%	5.43%
Net NPAs/AUM (%)	3.54%	3.40%	3.32%
Total provisions as a percentage of gross NPAs (including floating provisions)(%)	40.40%	40.72%	38.90%

Recognition of Non-Performing Assets

Non-performing Asset are further classified as below:-

I. Sub-standard Assets

A sub-standard asset is one, which has remained overdue for a period of more than 120 days.

II. Doubtful Assets

A doubtful asset is one, which has remained in the substandard category for a period exceeding 12 months.

III. Loss assets

A Loss asset is one which is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value and where loss has been identified by the company or internal or external auditors or any other relevant Government authority but the amount has not been written off wholly or the asset remains doubtful asset for a period exceeding 5 years.

The following table is a summary of the risk classification of our gross NPAs (in absolute terms and as a percentage of our gross NPAs) and our provision for probable losses as at March 31, 2019, 2018 and 2017.

(in ₹ millions, except percentages)

Sector	As at March 31, 2019			As at March 31, 2018			As at March 31, 2017		
	NPA loans outstanding	% of total NPAs	Total loans outstanding	NPA loans outstanding	% of total NPAs	Total loans outstanding	NPA loans outstanding	% of total NPAs	Total loans outstanding
Biomass Power	1,461.61	11.17%	1554.86	1485.43	14.90%	1,801.2	1,481.89	18.12%	1,877.09
Substandard				17.7	0.18%				
Doubtful	1,461.55	11.17%		1,467.67	14.72%		1,481.83	18.12%	
Loss	0.06	0.00%		0.06	0.00%		0.06	0.00%	
Briquetting	0.04	0.00%	0.04	0.04	0.00%	0.04	0.04	0.00%	0.04
Substandard									
Doubtful									
Loss	0.04	0.00%		0.04	0.00%		0.04	0.00%	
Co-generation	3,405.39	26.02%	12,996.04	2,606.18	26.13%	13,885.4	2,256.18	27.59%	13,943.78
Substandard	845.62	6.46%		218.4	2.19%		1,314.93	16.08%	
Doubtful	2,559.74	19.56%		2,387.75	23.94%		941.22	11.51%	
Loss	0.03	0.00%		0.03	0.00%		0.03	0.00%	

Sector	As at March 31, 2019			As at March 31, 2018			As at March 31, 2017		
	NPA loans outstanding	% of total NPAs	Total loans outstanding	NPA loans outstanding	% of total NPAs	Total loans outstanding	NPA loans outstanding	% of total NPAs	Total loans outstanding
Small Hydro	4,020.77	30.73%	23,663.44	3,443.85	34.53%	21,782.6	3,248.6	39.74%	19,289.91
Substandard		0.00%					1,175.37	14.38%	
Doubtful	4,020.69	30.73%		3,443.77	34.53%		2,073.15	25.36%	
Loss	0.08	0.00%		0.08	0.00%		0.08	0.00%	
Solar Thermal / SPV	370.65	2.83%	76,858.48	0.07	0.00%	49,764	0.09	0.00%	34,852.97
Substandard	370.58	2.83%							
Doubtful									
Loss	0.07	0.00%		0.07	0.00%		0.09	0.00%	
Wind	2,573.25	19.66%	58,281.12	652.23	6.54%	49,030.5	658.19	8.04%	43,806.85
Substandard	1,922.22	14.69%		595	5.97%		651.18	7.96%	
Doubtful	650.95	4.97%		57.15	0.57%		6.93	0.08%	
Loss	0.08	0.00%		0.08	0.00%		0.08	0.00%	
Waste to energy	89.9	0.69%	1,544.42	129.65	1.30%	149.3	37.49	0.46%	157.36
Substandard				92.17	0.92%				
Doubtful	89.88	0.69%		37.46	0.38%		37.46	0.46%	
Loss	0.02	0.00%		0.02	0.00%		0.03	0.00%	
Energy Efficiency	0.05	0.00%	641.17	493.22	4.94%	1243.5	493.22	6.03%	1,390.35
Substandard									
Doubtful				493.17	4.94%		493.17	6.03%	
Loss	0.05	0.00%		0.05	0.00%		0.05	0.00%	
Others	1,163.02	8.89%	38,347.12	1,163.03	11.66%	205,47.4	0.01	0.00%	20,728.29
Substandard									
Doubtful	1,163.01	8.89%		1,163.02	11.66%				
Loss	0.01	0.00%		0.01	0.00%		0.01	0.00%	
Total	13,084.68		213,886.69	9,973.70		158,203.94	8,175.71		136,046.64

Provisions for NPAs

The following table sets forth, for the periods indicated, movements in our provisions against NPAs.

(in ₹ millions)

Particulars	Year ended March 31,		
	2019	2018	2017
NPA Provisions:			
Total NPA provisions at the beginning of the period...	3,487.91	2,679.12	1,440.03
Additions during the period	2,126.50	933.17	1,280.22
Reductions during the period on account of recovery and write-offs	605.53	124.38	41.13
Floating Provisions	277.64	573.34	501.42
Total NPA provisions at the end of the period	5,286.52	4,061.25	3,180.54

Provisions held against Standard Advances

The following table sets forth our provisions held against standard advances for the periods indicated.

(in ₹ millions)

Particulars	Year ended March 31,		
	2019	2018	2017
Standard advances	1,043.45	552.69	448.64
Restructured advances	530.36	573.34	501.42

NPA Strategy

We take action on non-performing assets through, follow up meetings, one-time settlement, re-scheduling, and recovery through a debt recovery tribunal (DRT). Further we rely on the SARFAESI Act to enforce security charged to it in the case of defaulting borrowers as well to take appropriate portfolio intervention such as the sale of non-performing loans to specialized asset reconstruction companies. We also have restructured loans to customers who have faced cash flow problems causing delay or default in servicing their loan obligations.

Capital Adequacy

The table below sets out our capital to risk-weighted assets ratio (CRAR) as at March 31, 2019, 2018 and 2017.

(in ₹ millions, except percentages)

Particulars	As at March 31,		
	2019	2018	2017
Paid up capital	7,846.00	7,846.00	7,846.00
Reserve and surplus	17,917.99	16,609.10	16,431.81
Tier 1 capital	26,887.31	24,837.80	22,424.66
Tier 2 capital	3,070.59	-	-
Total capital	29,957.90	24,837.80	22,424.66
Tier 1 capital adequacy ratio	14.65%	18.05%	19.17%
Tier 2 capital adequacy ratio	1.67%	-	-
Capital adequacy ratio %	16.32%	18.05%	19.17%

Funding Sources

We strive to maintain diverse sources of funds to reduce its costs of funding, to maintain adequate interest margins and to achieve liquidity goals.

The following tables sets out our sources of funding as at March 31, 2019, 2018 and 2017.

(in ₹ millions)

Source of Funding(3)	As at March 31,		
	2019	2018	2017
Loans from banks and financial institutions	109,660.65	80,775.17	77,617.04
Non-convertible debentures and other debt instruments (Private Placement)(1)	51,731.06	44,062.47	24,680.69
Public non-convertible debentures	24,319.79	24,317.58	24,315.53
External commercial borrowings(2)	247.04	696.86	1,157.83
Commercial paper	-	-	-
Subordinated debt	1,496.79	-	-
Perpetual debt	-	-	-
Total	187,455.33	149,852.08	127,771.09

Notes

- (1) Non-convertible debenture, Masala Bond (which though falls under ECB guidelines) and other debt instruments have included bonds raised through public issue as same has been shown separately.
- (2) External commercial borrowings are from Nordic Investment Bank (NIB), which is also a financial institution. NIB borrowings are not included in loans from bank and financial institutions as it is provided under external commercial borrowings.
- (3) The above source of funding has been shown as per Amortised cost as per Ind AS.

(in ₹ millions)

Source of Funding	As at March 31,		
	2019	2018	2017
Rupee liabilities	88,350.39	70,281.76	51,691.84
Foreign currency liabilities	99,104.94	79,570.32	76,079.25
Total	187,455.33	149,852.08	127,771.09

Foreign Currency Hedging

As per our board approved foreign exchange and derivative risk management policy, an open exposure on foreign currency loans (40% of outstanding foreign exchange borrowing) is permissible. All foreign currency borrowings from various multilateral/bilateral agencies are hedged and converted into rupee loans by way of transaction/currency swaps, interest rate swaps and principal only swaps which are entered into with various banks with whom we have signed an ISDA Master Agreement. These swap and derivative transactions are entered into with the participating bank for a different maturity period for each transaction which is as per maturity pattern or for shorter period of the loan. The hedging of the foreign currency loan is carried out at various intervals and in multiple tranches of draw against the lines of credit.

The particulars of foreign currency risks outstanding which are hedged are set forth below.

(in ₹ millions)

Particulars	As at March 31,		
	2019	2018	2017
Forward contracts/SWAP	78,050.85	53,511.12	59,470.06
Option contracts	-	-	-
Total	78,050.85	53,511.12	59,470.06

The particulars of foreign currency risks outstanding which are not hedged are set forth below.

(in ₹ millions)

Particulars	As at March 31,		
	2019	2018	2017
Borrowings in USD (equivalent to INR)	33,429.70	28,300.94	27,245.20
Borrowings in EUR (equivalent to INR)	30,327.19	24,327.61	23,234.93
Borrowings in JPY (equivalent to INR)	35,348.05	26,941.79	25,599.12
Total	99,104.94	79,570.34	76,079.25

OTHER FINANCIAL INFORMATION

1. The standalone financial statements of our Company as at and for the year ended March 31, 2019, March 31, 2018 and March 31, 2017 and the reports thereon dated May 30, 2019, May 26, 2018 and June 30, 2017, respectively (“**Standalone Financial Statements**”) are available at <https://ireda.in/forms/contentpage.aspx?lid=737>. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any of the BRLMs or any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Standalone Financial Statements, or the opinions expressed therein.
2. For details of accounting ratios, see “*Annexure-3 - Restated Statement of Accounting Ratios*” on page 272.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2019, on the basis of our Restated Financial Statements, and as adjusted for the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" beginning on pages 295, 144 and 21, respectively.

(in ₹ million)

Particulars	Pre-Issue as at March 31, 2019	As adjusted for the proposed Issue*
Shareholders' funds		
Equity share capital	7,846.00	[●]
Reserves and surplus	19,866.69	[●]
Total shareholders' funds (A)	27,712.69	[●]
Debt		
Debt securities	76,050.85	[●]
Borrowings (other than debt securities)	109,907.69	[●]
Subordinated liabilities	1,496.79	[●]
Total debt (B)	187,455.33	[●]
Total (A+B)	215,168.02	[●]
Debt/ equity ratio	6.76	[●]
Total debt/ equity ratio (A/B)	6.76	[●]

* To be updated upon finalization of the Issue Price.

FINANCIAL INDEBTEDNESS

Pursuant to a resolution passed by our shareholders in the EGM held on July 31, 2017, the Board has been authorized to borrow sums of money for the purposes of our Company, upon such terms and conditions as the Board may think fit. However, the aggregate indebtedness of our Company shall not exceed 15 times of the net worth of our Company.

The details of aggregate indebtedness of our Company as on June 30, 2019 is provided below:

(in ₹ million)		
Category of Borrowing	Sanctioned Amount	Principal amount outstanding as on June 30, 2019
Working capital facilities		
Secured		
Fund based	2,000.00	0.00
Non-fund based	0.00	0.00
Total (A)	2,000.00	0.00
Unsecured		
Fund based	1,480.00	0.00
Non-fund based	0.00	0.00
Total (B)	1,480.00	0.00
Total working capital facilities (A+B)	3,480.00	0.00
Term loan facilities		
Secured (C1)	50,804.75	32,838.27
Unsecured (C2)	114,623.25	77,919.14
Total term loan facilities (C=C1+C2)	165,428.01	110,762.59
Debentures		
Secured (D1)	55,224.83	55,224.83
Unsecured (D2)	20,899.85	20,899.85
Total debentures (D=D1+D2)	76,124.68	76,124.68
Total borrowings (A+B+C+D)	245,032.69	186,887.27

Note: Out of ₹ 77,919.14 million unsecured term loan facilities, ₹ 66,859.59 million is secured by Government of India guarantee.

Principal terms of the borrowings availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

- Interest:** In terms of foreign currency loans availed by us, the interest rate is typically either the floating rate i.e. LIBOR/ EURIBOR and spread per annum, subject to a minimum interest rate or a fixed interest rate over the loan tenor. For domestic bonds issued by our Company, the coupon rate varies between 7.17% p.a. to 9.49% p.a. The term loans from banks availed by our Company are at floating rate and the rate varies with the change in MCLR. Term loans from financial institutions also carry floating rate of interest. For the masala bonds issued by our Company, the coupon is 7.12% along with withholding tax.
- Validity/Tenor:** The tenor of the foreign currency term loan typically ranges between 12 years to 40 years, amount being disbursed periodically as per the terms of the loan agreements. The tenor of the term loan from domestic institutions typically ranges between three years to seven years, amount being disbursed periodically as per the terms of the loan agreements. The maturity period of the NCDs issued by our Company ranges between 10 to 20 years. The maturity period for the masala bonds issued by our Company is five years.
- Penal Interest:** The terms of loan availed by our Company prescribe penalties for delayed payment, default in the repayment obligations, delay in creation of the stipulated security or certain specified obligations, which is typically around 2% of the outstanding amount.
- Prepayment Penalty:** Loan agreements entered by our Company typically allow our Company to pre-pay and/or re-schedule the outstanding loans, subject to receiving prior approval from the concerned lender. In addition, the concerned lenders may impose such pre-payment penalties and prepayment compensatory indemnity as may be decided by them, or as set forth in the loan agreements.
- Security:** Our secured borrowings are typically required to be secured by:
 - first *pari passu* charge on the present and future receivables of our Company;
 - charges on movable and as well as immovable assets;
 - negative lien on the present and future receivables of our Company; and

- (d) Guarantees from Government of India and Federal Republic of Germany.

Owing to the fact that charge over properties of our Company in favour of the lenders are mostly common, such securities are created on a *pari passu* basis in favour of the lenders in different ranks.

6. **Repayment:** The repayment schedule for our long term loan typically requires us to repay our loans on a quarterly or half yearly instalment basis.
7. **Key Covenants:** Our several financing arrangements contain various restrictive conditions and covenants, which restricts initiation of certain corporate actions by our Company. In this regard, our Company is required to take the prior approval of the concerned lender before carrying out such activities, including for:
- (a) effecting any amalgamation, merger, reconstruction, takeover or consolidation;
 - (b) changing our accounting system;
 - (c) utilising proceeds of the facilities towards purposes other than as stipulated in the loan agreements;
 - (d) amending our constitutional documents which may cause prejudice to the rights of our lenders and bondholders;
 - (e) changing the capital structure and shareholding of our Company;
 - (f) changing the management structure of our Company;
 - (g) creating any charge, lien or encumbrance over our undertaking or any part thereof in favour of any financial institution or otherwise;
 - (h) prepaying any other financial indebtedness;
 - (i) refraining from selling or disposing of any of its assets which may be required for carrying on its operations; and
 - (j) any activity resulting in dilution of GoI shareholding in our Company beyond 75%.
8. **Events of Default:** In terms of our Company's borrowing arrangement for the loans availed by us, the occurrence of any of the following, among others, constitute events of default:
- (a) non-payment or default of any amount including the principal, interest or other charges due by our Company to the lender;
 - (b) breach of the financial covenants specified in the loan documentation;
 - (c) upon any substantial change in the constitution or management of our Company without the previous written consent of the respective lenders;
 - (d) upon the failure in our business or our Company going into liquidation, amalgamation or reconstruction without the prior approval of the lender;
 - (e) upon happening of any circumstances or event which would or is likely to prejudicially or adversely affect in any manner the capacity of our Company to repay the loan;
 - (f) failure to create security as provided under the loan agreements;
 - (g) deterioration/ impairment of the security or any decline/ depreciation in the value or market price of the security;
 - (h) all or substantially all of the undertaking, assets or properties of our Company or the interest therein are seized, nationalized, expropriated or compulsorily acquired by the any authority;
 - (i) upon any attachment, distress, execution or other process against our Company, or enforcement of any of the securities;
 - (j) breach of any representations, warranty or undertaking furnished by our Company under the loan documentation;

- (k) if it is or becomes unlawful for the borrower or the guarantor to perform any of its obligations under the loan agreement or guarantee agreement; and
- (l) utilisation of the borrowings availed by our Company for any purpose other than as sanctioned.

Our Company is required to ensure that none of the aforementioned events of default and other events of default, as specified under the various loan documentation entered into by our Company for the purpose of availing of loans, is triggered. This is an indicative list and there may be additional terms and conditions that may amount to an event of default under the various borrowing arrangements entered into by us.

9. ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangement for the loans availed by us, the following, among others, are the consequences of occurrence of events of default, our lenders may:

- (a) suspend or cancel any disbursement;
- (b) take possession or enforcement of the security so created;
- (c) shall have the right to recover the entire dues of the loan under the respective agreements;
- (d) declare all amount outstanding to become payable immediately under the respective agreements;
- (e) enforce and realise the guarantees furnished by Government of India; and
- (a) recover any loss, costs, charges or expenses sustained or incurred by lender.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the discussion and analysis of our financial condition and results of operations set forth below in conjunction with our Restated Financial Statements set forth in "Financial Information" on page 144. As we are required to prepare our financial statements in accordance with Ind AS from April 1, 2018, we have prepared restated consolidated financial statements as of and for the financial years ended March 31, 2019 and 2018 in accordance with Ind AS, applicable provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and restated consolidated financial statements for the financial year ended March 31, 2017 on a proforma basis by using Ind AS principles read with the applicable circulars and guidance notes. Ind AS differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Accordingly, the degree to which the Restated Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations.

The discussion below includes the discussion of various unaudited financial ratios which are unaudited but are based on, or derived from, our Restated Financial Statements.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in the sections "Forward-Looking Statements" and "Risk Factors" on pages 15 and 21, respectively.

In this section, references to "we" and "our" are to Indian Renewable Energy Development Agency Limited and our joint venture, M.P. Windfarms.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the 12-month period ended March 31 of that fiscal year.

Overview

We are a domestic financial institution with more than 30 years of experience in the Indian renewable energy sector. We provide financial assistance to renewable energy projects, companies and manufacturers in India for power generation, equipment supply and fuel source projects including wind power, solar power, hydro power, biomass, co-generation and waste to energy as well as energy efficiency and conservation. Our comprehensive suite of financial products and services includes various fund-based financial products including long-term and short-term project and manufacturing loans, take out financing, bridge loans, securitization of project receivables, various financing schemes for renewable energy suppliers, manufacturers and contractors as well as non-fund based assistance, like performance guarantees, letters of comfort, letters of undertaking and refinancing schemes.

As at March 31, 2019, we had loans and advances (including short term loans) outstanding of ₹213,886.69 million out of which 27.25% related to wind power and 35.93% related to solar power. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we sanctioned loans of ₹119,418.70 million, ₹121,300.09 million and ₹101,990.11 million, respectively, and we disbursed loans of ₹93,853.66 million, ₹83,283.83 million and ₹65,934.87 million, respectively. In Fiscal 2019, our sanctioned loans included

- ₹48,200.65 million of term loans for renewable energy and energy efficiency and conservation projects;
- ₹38,690.00 million of short-term loans to renewable energy developers, suppliers, and others;
- ₹29,754.10 million of take-out financing replacing loans of other banks and financial institutions;
- ₹1,642.60 million of guarantees under our Guarantee Assistance Scheme;
- ₹1,071.35 million of bridge loans in respect of pending energy bills and generation-based incentives; and
- ₹60.00 million of securitization of receivables.

Currently, we are a 100% Government of India ("GoI") owned enterprise under the administrative control of the Ministry of New and Renewable Energy (the "MNRE"). Our Company is a "Public Financial Institution" (a "PFI") under Section 2(72) of the Companies Act, 2013 and is registered as a non-banking financial company (a "NBFC") with the Reserve Bank of India (the "RBI"). We believe that our classification as a PFI enhances our ability to raise funds on a cost-competitive basis (including through the issuance of various types of bonds that offer certain tax benefits to the bondholders). We also were conferred with the Mini Ratna (Category 1) status in June 2015 by the Department of Public Enterprises.

We were established as an integral part of, and have played a strategic role in, the GoI's initiatives for the promotion and development of the renewable energy sector in India. We have been involved in the development and implementation of various policies and structural and procedural reforms in the renewable energy sector. Under the IREDA-NCEF Refinancing Scheme, we utilize funds received from the National Clean Energy Fund ("NCEF") to refinance renewable energy projects for bio-mass (up to 10MW) and small hydro (up to 5MW). We have also been involved in various GoI programs for the development of renewable energy sector including the Wind GBI Scheme, the Solar GBI Scheme and the Solar Water

Heating System Capital Subsidy Scheme.

Our primary sources of funds include domestic and foreign borrowings, internal resources and Government of India guarantees and support. As at March 31, 2019, our domestic borrowings were ₹68,947.33 million, which included taxable and tax-free bonds as well as term loans from other banks and financial institutions in the domestic market. Further our rupee borrowings from green rupee-denominated bonds Masala bonds in the international market were ₹19,403.06 million. As at and March 31, 2019, our foreign currency borrowings from international sources guaranteed by the GoI were ₹81,308.47 million, and our foreign currency borrowings from international sources on a non-sovereign basis were ₹17,796.47 million. In January 2019, we issued ₹8,650.00 million of taxable green bonds, and we issued ₹1,500.00 million of taxable unsecured subordinated Tier II bonds in February 2019.

In addition to our financial products and services, we have also set up our own 50 MW Solar Photovoltaic Project in 200 MW Kasaragod Solar Park in the state of Kerala at a cost of ₹3,193.62 million. The project generates power which is injected into the grid of Kerala State Electricity Board Limited. The project was part commissioned in December 2016 and fully commissioned in September 2017. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, our 50 MW Solar Photovoltaic Project earned revenue of ₹ 288.91 million, ₹200.34 million and ₹22.9 million, respectively.

Presentation of Financial Information, Basis of Consolidation and Restatement

Our Restated Financial Statements have been compiled by the management from the audited consolidated financial statements as at and for the fiscal years ended March 31, 2019, March 31, 2018 and March 31, 2017. Our Restated Financial Statements for Fiscal 2019, Fiscal 2018 and Fiscal 2017 present the accounts of (i) our Company, (ii) our joint venture, M.P. Windfarms Limited (“MPWL”).

As we are required to prepare our financial statements in accordance with Ind AS from April 1, 2018, our Restated Financial Statements have been prepared as of and for the financial years ended March 31, 2019 and 2018 in accordance with Ind AS, applicable provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and restated consolidated financial statements for the financial year ended March 31, 2017 on a proforma basis by using Ind AS principles read with the applicable circulars and guidance notes. The Restated Financial Statements have been prepared to comply in all material respects with the requirements of sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**Regulations**”) as amended from time to time.

Unless otherwise indicated, this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section has been prepared on the basis of our Restated Financial Statements.

As we are a PFI, 100% owned by the GoI, our annual financial accounts are audited by the Comptroller and Auditor General of India (the “CAG”). Our consolidated audited financial statements as at and for the fiscal year ended, March 31, 2019, approved by our Board in its meeting dated May 30, 2019. The CAG’s audit consolidated audited financial statements as at and for the fiscal year ended, March 31, 2019, has completed, and we expect final observations and guidance, if any, will be given to us by the CAG shortly. Accordingly, our Restated Financial Statements as at, and for the fiscal year ended, March 31, 2019, included in this Draft Red Herring Prospectus have been prepared based on our consolidated audited financial statements and are subject to any observations and guidance given by the CAG.

Indian financial reporting standards (Ind AS)

We currently prepare our financial statements under Ind AS, and our Restated Financial Statements have been prepared under Ind AS.

The Companies (Indian Accounting Standards) Rules, 2015 (“**IAS Rules**”), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Ind AS. Ind AS is different in many respects from Indian GAAP under which our historical accounts before April 1, 2018 were prepared. All NBFCs having a net worth of more than ₹5,000.00 million were required to mandatorily adopt Ind AS for the accounting period beginning from April 1, 2018, with comparatives for the period ending on March 31, 2017. We began preparing our financial statements under Ind AS beginning from April 1, 2018. Accordingly, our historical Indian GAAP financial statements are not comparable to the Restated Financial Statements included in this DRHP and discussed in this section.

Financial Performance Indicators and Non-GAAP Financial Measures

We use a variety of financial indicators and ratios to measure and analyse our financial performance and financial condition from period to period and to manage our business. These financial indicators and ratios are defined by our management and are presented, along with a brief explanation, in “*Selected Statistical Information*” beginning on page 280. While these financial indicators and ratios are widely used in our industry, they may not be comparable to similar financial indicators and ratios used by other companies engaged in the financial services industry in India. Other companies may use different financial indicators and ratios or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to those used by us. Several of these financial indicators and ratios are not defined under Ind AS and therefore should not be viewed as substitutes for measures derived to calculate operational performance or profitability under Ind AS. Further, these financial measures and ratios have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, analysis of our historical performance, as reported and presented in our Consolidated Financial Statements.

Factors affecting our Results of Operations

The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our liquidity, capital resources and results of operations.

Interest Rate Volatility

Our business is dependent on interest income from our lending operations, which contributed 91.18%, 87.69% and 101.81% (due to a net loss on fair value changes on derivatives included in total revenue from operations) of our total revenue in Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively. Our business also is affected by the interest rates at which we borrow from other banks and financial institutions or the rates at which we issue bonds. Accordingly, we are affected by volatility in interest rates in our borrowing and lending operations.

Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Furthermore, the rise in inflation and consequent fluctuation in interest rates, repo rates (the rates at which the RBI lends to commercial banks) and reverse repo rates (the rates at which the RBI borrows from commercial banks) has led to revision in the interest rates on loans provided by banks and financial institutions. Due to these factors, interest rates in India have experienced a relatively high degree of volatility.

Our net interest margins are determined by the cost of our funding relative to the pricing of our loan products. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control. If we suffer a decline in net interest margins, we would be required to increase our lending activity in order to maintain our profitability. In case we are not able to do so we may suffer reduced profitability or losses if our net interest margins were to decrease, which may adversely affect our business, results of operations and financial condition.

Our domestic borrowings are usually on fixed interest rate basis and are primarily for a tenure in excess of ten years. As a result, if interest rates fall, we may have greater difficulty in maintaining a low effective cost of funds compared to our competitors. Although our loan sanctions typically contain an interest reset clause, in the event such reset does not serve to benefit from, or set off, the extent of the interest rate fluctuation, or if we are not able to pass on the increased cost of borrowing to our own borrowers, our net interest income and net interest margin could be adversely impacted.

Furthermore, as at March 31, 2019, 99.94% of the loans taken by us are long-term in nature and the interest rates are subject to periodic resets. When interest rates decline, we may be subject to greater repricing and prepayment risks. During periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to reprice loans. When assets are repriced, the spread on loans, which is the difference between the average yield on loans and the average cost of funds, could be affected. If we reprice loans, our financial results may be adversely affected in the period in which the repricing occurs. To the extent that our borrowers prepay loans, the return on our capital may be impaired as any prepayment premium we receive may not fully compensate us for the redeployment of such funds elsewhere. When interest rates increase, we may be unable to pass on such increase to the borrowers in full by increasing the corresponding borrowing interest rates and increase in the interest rate on reset may also result in the borrowers' prepayment of such loans. Such prepaid loans may not be immediately redeployed by us which may result in loss of interest income.

Our results of operations are also dependent on other factors including factors that are indirectly related to the prevailing interest rate and lending environment, including disbursement and repayment schedules for our loans, the terms of such loans including interest rate reset terms as well as the currency of such loans and any exchange gains or losses relating thereto. We review our lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements. In addition, the value of any interest rate hedging instruments we may enter into may be affected by changes in interest rates. As at March 31, 2019, 62.86% of our borrowings (including debt securities), respectively, were at fixed rates while the remaining were at floating rates (i.e., linked to the MCLR/base rate/Repo and other market benchmarks), compared to a large part of our loans which carry fixed interest rates.

Availability of cost-effective funding sources and ability to raise capital

Our borrowings primarily include bonds and term loans obtained from various domestic and multilateral and bilateral institutions. Our ability to price our products depends on our cost of capital. Our average cost of funds in Fiscal 2019, Fiscal 2018 and Fiscal 2017 was 7.32%, 7.70% and 6.86%, respectively, which we believe is competitive but our ability to compete effectively will remain dependent on our timely access to, and the costs associated with raising capital and our ability to maintain a low, effective cost of funds in the future that is comparable or lower than that of our competitors. Our total finance cost (excluding exchange rate fluctuation gain or loss) for Fiscal 2019, Fiscal 2018 and Fiscal 2017 was ₹11,832.40 million, ₹10,059.44 million and ₹8,104.45 million, respectively, and comprised 72.57%, 79.37% and 80.10% of our total expenditure in the same respective periods.

As at March 31, 2019, our single largest funding source, Japan International Corporation (JICA), for ₹35,348.05 million is for a term of 30 years and accounted for 18.86% of our total funding.

Following a general decrease in the level of direct and indirect financial support by the GoI to us in recent years, we are significantly dependent upon funding from the bond markets and commercial borrowings in the form of term loans and long-term borrowing facilities. We are particularly vulnerable in this regard given the growth of our business in recent years. The market for such funds is competitive and our ability to obtain funds on acceptable terms, or at all is subject to various factors beyond our control. Many of our competitors have greater and cheaper sources of funding than we do. Further, many of our competitors may have larger resources or balance sheet strength than us and may have access to considerable financing resources. In addition, since we are a non-deposit taking NBFC, we may have restricted access to funds in comparison to banks and deposit taking NBFCs.

Our ability to borrow on acceptable terms and at competitive rates depends on various factors including, our credit ratings, our capital adequacy ratios, foreign exchange rates and volatility in interest and exchange rates, the regulatory environment, liquidity in the markets, policy initiatives in India, developments in the international markets affecting the Indian economy and the perception of investors, and our current and future results of operations and financial condition.

A major factor that determines interest rates on our borrowings is our credit ratings. Our external credit ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. Rating agencies may reduce, or indicate their intention to reduce, the ratings at any time. See “-Credit Ratings Downgrade” below

In addition, due to our nature and tenure of the loans, it may not be possible for us to pre-pay the existing loans by incurring additional indebtedness without payment of penalty and interest. While we have generally been able to pass any increased cost of funds onto our customers, we may not be able to do so in the future. If our products are not competitively priced, there is a risk of our borrowers taking loans from other lenders. Accordingly, the unavailability of borrowings at commercially acceptable terms, or at all, may adversely affect our capacity to lend in the future and would therefore have an adverse effect on our results of operations and financial condition.

Distress in the NBFC sector

Recent developments in the Indian domestic financial markets have brought the focus on the NBFC sector (including housing finance companies or HFCs) especially with regard to their exposures, quality of assets and asset-liability mismatches (ALM). (Source: RBI, Financial Stability Report, June 2019) In September 2018, Infrastructure Leasing & Financial Services Limited (“IL&FS”) reported that it defaulted on several of its bank loan repayment obligations. There has also been certain reports and allegations against other NBFCs in India whose rating have been downgraded due to defaults on their debt securities. These reports led to tight liquidity in the NBFC sector in India in late 2018 and 2019. There was also volatility in the Indian equity and debt securities market due to the distress in the NBFC sector. The RBI has suggested that the liquidity stress in NBFCs since September 2018 was due to an increase in funding costs and also difficulties in market access in some cases. (Source: RBI, Financial Stability Report, June 2019)

Our ability to borrow on acceptable terms and at competitive rates depends on various factors including, our credit ratings, our capital adequacy ratios, foreign exchange rates and volatility in interest and exchange rates, the regulatory environment, liquidity in the markets, policy initiatives in India, developments in the international markets affecting the Indian economy and the perception of investors, and our current and future results of operations and financial condition. The unavailability of funding for our business at commercially acceptable terms, or at all, may adversely affect our capacity to lend in the future and would therefore have an adverse effect on our business, results of operations and financial condition.

In addition, precipitated the NBFC liquidity crises, we took a provision for our investment of ₹689.91 million in commercial paper IL&FS. This provision adversely affected our profitability in Fiscal 2019.

In light of the liquidity stress in the NBFC sector, the RBI has issued a draft circular on May 24, 2019 on ‘Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies’ which will require the NBFCs to ensure maintenance of sufficient liquidity, including a cushion of unencumbered, high-quality liquid assets to

withstand a range of stress events; establish diversified funding strategy; and monitor the risk of intra-group transfers. The draft proposes to introduce Liquidity Coverage Ratio (LCR) for all deposit taking NBFCs; and non-deposit taking NBFCs with an asset size of ₹50,000 million and above. All the measures outlined in the draft circular could increase the cost of funding for NBFCs and may also restrict our lending operations.

Regulation of Non-deposit taking NBFCs

We are a non-deposit taking NBFC and our results of operations and financial condition are, and will continue to be impacted by, the regulation of non-deposit taking NBFCs by the RBI. Any change in regulation of non-deposit taking NBFCs may have a significant impact on our revenues, expenses and profitability.

Being a non-banking financing company wholly-owned by the Government, until Fiscal 2018 we were exempt from prudential norms as prescribed by the RBI, and we made provisioning in terms of prudential norms as approved by our Board of Directors in accordance with our internal policy.

In Fiscal 2019, the RBI withdrew the exemptions from their prudential norms which were previously available to all Government NBFCs ND SI vide their circular, dated May 31, 2018. As per the revised RBI norms, the NPA classification as at March 31, 2019 provides that an NPA includes any loan asset that is in default for more than 120 days. In addition, we as a non-deposit taking systemically important NBFC, were maintaining a CRAR above 15% until March 31, 2018. The RBI's May 31, 2018 circular provides new CRAR requirements for Government owned NBFCs which is 10.0% as on March 31, 2019; and is required to be 12% by March 31, 2020; 13% by March 31, 2021 and 15% by March 31, 2022. Our CRAR was 16.32% as at March 31, 2019.

The RBI has not provided for any ceiling on interest rates that can be charged by non-deposit taking NBFCs. Accordingly, our interest rates are set by a designated committee as authorised by Board of Directors in accordance with market factors and RBI policy.

Credit Ratings Downgrade

Our external credit ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. Rating agencies may reduce, or indicate their intention to reduce, the ratings at any time.

In Fiscal 2019, in respect of our US\$300 million Masala Bonds issued internationally, Fitch Ratings downgraded our Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDR) as well as our senior unsecured rating to 'BB+' from 'BBB-'. The Outlook is Stable. Fitch Ratings also downgraded the Short-Term IDR to 'B' from 'F3'. The key reason for downgrade according to Fitch was our concentrated business model, moderate capitalisation against our high-risk appetite and volatile asset quality, which is vulnerable to sharp deterioration due to the characteristics of the renewable-energy sector in India.

Further, in Fiscal 2019, Moody's affirmed our Baa3 local and foreign currency issuer rating but changed the rating outlook to negative from stable. In addition, Moody's affirmed our (P)Baa3/(P)P-3 rating assigned to our senior unsecured medium-term note program and our Baa3 rating assigned to our senior unsecured debt issued under this medium-term note program; however, it has changed the outlook to negative. Moody's reported that the key reason that they assigned a negative outlook was the deterioration in our financial performance, due to an increase in problem assets, as well as a significant decline in our profitability, driven by certain changes in accounting norms.

Our ability to raise further borrowings at attractive pricing in the form of bank loans or bond offerings in international markets may be adversely affected by these rating downgrades by Fitch and by the change in outlook given by Moody's. In Fiscal 2019, we did not issue any Masala bonds due to unfavourable international market conditions after this rating downgrade by Fitch. We, however, raised domestic taxable bonds for an aggregate value of ₹8,650 million in two tranches of ₹2,750 million and ₹5,900 million.

NPAs, Provisioning and Write offs

We began preparing our financial statements under Ind AS for the accounting period beginning from April 1, 2018, and our Restated Financial Statements included in this DRHP have been prepared under Ind AS. Ind AS requires us to value our NPAs by reference to their market value (if a ready market for such loans exists) or to calculate the present value of the expected future cash flows realizable from our loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate) in estimating allowances for doubtful debt losses. The valuation of our NPA under Ind AS is different from our valuation of our NPAs under Indian GAAP as presented in our historical Indian GAAP financial statements and are not comparable. This "Management's Discussion and Analysis of Financial Condition and Results of Operations" section only discusses our Restated Financial Statements under Ind AS.

The total value of our gross NPAs has increased from ₹8,175.70 million as at March 31, 2017, to ₹9,973.70 million as at March 31, 2018 and to ₹13,084.68 million as at March 31, 2019. Our gross NPAs represented 6.12%, 6.30% and 6.01% of

our loans and advances as at March 31, 2019, 2018 and 2017, respectively. The total value of our net NPAs has increased from ₹4,995.16 million as at March 31, 2017, to ₹5,912.44 million as at March 31, 2018 and to ₹7,798.17 million as at March 31, 2019. Our net NPAs represented 3.74%, 3.84% and 3.76% of our loans and advances as at March 31, 2019, 2018 and 2017, respectively.

In Fiscal 2019, the RBI withdrew the exemptions from their prudential norms which were previously available to all Government NBFCs ND SI vide their circular dated, May 31, 2018. As per the revised RBI norms, the NPA classification, as at March 31, 2019, provides that an NPA includes any loan asset that is in default for more than 120 days and, as at March 31, 2020, shall include any loan asset that is in default for more than 90 days. The change in the prudential norms was one of the reasons for level of our NPAs (in absolute terms) in Fiscal 2019.

In addition, our recent levels of net NPAs and gross NPAs has been primarily due to an increase in credit problems in biomass, co-generation and small hydro power projects which have been affected by factors including project delays, rise in the biomass price, national calamities (droughts and floods), delay in payments from State electricity distribution companies (“DISCOMs”) and other regulatory and tariff related issues. As at March 31, 2019, small hydro power projects, co-generation, wind and biomass constituted 30.73%, 26.02%, 19.66% and 11.17% of our gross NPAs respectively. In response to these issues, on February 16, 2017, we reduced our funding of biomass, co-generation and small hydro power projects to not more than 50% of the project cost.

Although we are increasing our efforts to improve collections and to foreclose on existing impaired loans in a timely manner, there cannot be any assurance that we will be successful in our efforts or that the overall quality of our loan portfolio will not deteriorate in the future. If we are unsuccessful in controlling or reducing our impaired loans, if there is a significant increase in impaired loans, or if there is deterioration in the quality of the assets that we hold as security, our future financial performance could be materially and adversely affected.

As at March 31, 2019, we made provisions with respect to 40.40% of our gross NPAs (including technical write-offs), respectively. We, however, may need to make further provisions if recoveries with respect to such NPAs do not materialize in time or at all. Any significant increase in provisions would materially and adversely impact our financial performance.

Although we have taken necessary steps to contain NPAs, we may not be able to reduce or contain NPAs in the future or that the overall quality of our loan portfolio will not deteriorate in the future. Any increase in NPAs will reduce the net interest-earning asset base and increase provisioning requirements, thereby adversely affecting our results of operations and financial condition. Various factors beyond our control, like changes in electricity tariffs, prolonged recessionary conditions in the world economy, a sharp and sustained rise in the interest rates, developments in the Indian economy, changes in Indian laws, regulations and policies and other factors beyond our control could have an adverse impact on the quality of our loan portfolio.

Further, certain assets classified as restructured may subsequently be classified as delinquent or non-performing if a borrower fails to restore its financial viability and honour its loan servicing obligations. There can be no assurance that the debt restructuring criteria approved by us will be adequate or successful and that borrowers will be able to meet their obligations under restructured advances. Any resulting increase in delinquency levels may adversely impact our business, financial condition and results of operations.

Renewable Energy Dependent Financial Institution

We are public financial institution and our business is almost entirely concentrated with renewable energy sector borrowers. For example, wind power and solar energy related loans and advances constituted 27.25% and 35.93% of our total loans and advances as at March 31, 2019. Accordingly, our results and operations and financial condition are dependent on the success and growth of the Indian renewable energy sector. For information on the renewable energy industry, see “*Industry Overview*” on page 78.

The viability of the renewable energy sector is linked to a favourable policy framework and the related fiscal and financial incentives available thereunder. Reduction or withdrawal of these benefits may impact the sector adversely, and, accordingly, adversely impact our borrowers and our business. For further information, see “*Risk Factors*” and “*Key Regulations and Policies in India*” on page 21 and on page 118, respectively.

Project Lending

We typically advance long term loans to borrowers for utilization in a particular project on the basis that the cash flows from the project, once commissioned, will service the repayment of principal amounts to us. Renewable energy projects are subject to risks which are further heightened on account of the long gestation periods for certain projects that we fund.

Renewable energy projects carry project-specific as well as general risks, many of which are beyond our control, including: political, regulatory, fiscal, monetary and legal actions and policies that may adversely affect the viability of projects we finance; changes in government and regulatory policies relating to the renewable energy sector; delays in the construction and

operation of projects we finance; adverse changes in demand for, or the price of, energy generated or distributed by the projects we finance; the willingness and ability of consumers to pay for the energy produced by projects we finance; shortages of, or adverse price developments for, raw materials and key inputs; increased project costs due to environmental challenges and changes in environmental regulations; potential defaults under financing arrangements of project companies and their equity investors; failure of co-lenders with us under consortium lending arrangements to perform on their contractual obligations; failure of third parties such as contractors, fuel suppliers, sub-contractors and others to perform on their contractual obligations in respect of projects we finance; adverse developments in the overall economic environment in India; adverse fluctuations in interest rates or currency exchange rates; economic, political and social instability or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve; delay in obtaining or renewing regulatory or environmental clearances; and delay in acquisition of land for projects we finance. The long-term profitability of power sector projects is also dependent on the efficiency of their operation and maintenance of their assets. Delayed implementation, pre-commissioning issues, inefficient operations and maintenance and similar factors may reduce the profitability of the project, adversely affecting the ability of these projects to repay our loans. In addition, renewable energy sector projects may be exposed to unplanned interruptions caused by catastrophic events such as floods, earthquakes, fires, major plant breakdowns or electricity line ruptures or other disasters. Such operational disruption could adversely affect the cash flows available from these projects. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in a permanent loss of customers, substantial litigation or penalties and/or regulatory or contractual non-compliance.

If our borrowers fail to make payments of interest or principal in a timely manner it may also affect the asset classification as per the terms of applicable prudential norms and consequently we may be unable to recognize revenue from these loans on an accrual basis and may also have to undertake additional provisioning in accordance with applicable prudential norms.

Borrowers' Cash Flows

The power off-take from the renewable energy projects is largely through long-term power purchase agreements (PPAs) with the DISCOMs. However, many of the DISCOMs in India are in poor financial health. These financial issues may result in delayed payments to the renewable energy power generators and irregular payment cycles of our renewable energy project borrowers. This may affect the repayment capability of our borrowers and in turn may adversely affect our results of operations and financial condition.

If our borrowers are unable to manage their cash flow and other financial risks applicable to such borrowers due to risks of non-payment or delayed payment by the DISCOMs, our non-performing assets ("**NPAs**") could increase which would also adversely affect our results of operations and financial condition.

We generally implement security and quasi-security arrangements in relation to our term loans. We take security by way of a mortgage on project land and buildings and hypothecation of project assets including plant and machinery. In addition, we often take an additional security through a charge on asset collateral such as pledges of shares held by promoters, personal guarantees and corporate guarantees.

We also use trust and retention account arrangements to provide us with payment security. The trust and retention account arrangements are effective in the event that revenue from the end users or other receipts, as applicable, is received by our borrowers and deposited in the relevant escrow accounts or trust and retention accounts. Although we monitor the flow into the trust and retention accounts, we do not have any arrangement in place to ensure that such revenue is received or deposited in such accounts and the effectiveness of the trust and retention account arrangements is limited to that extent. If end users do not make payments to our borrowers, the trust and retention account arrangements will not be effective in ensuring the timely repayment of our loans, which may adversely affect our results of operations and financial condition. In addition, as we diversify our loan portfolio and enter new business opportunities, we may not be able to implement such or similar quasi-security mechanisms or arrangements and there can be no assurance that even if such mechanisms and arrangements are implemented, they will be effective.

Foreign Exchange and Hedging

As at March 31, 2019, we had foreign currency borrowings of ₹99,104.94 million. We may seek to obtain additional foreign currency borrowings in the future. We are therefore affected by adverse movements in foreign exchange rates. In recent times, the rupee has depreciated against US\$, Euro and Japanese Yen and such depreciation has been significantly volatile. If the Rupee depreciates against the currencies in which we borrow in, it will result in a higher outflow in relation to the foreign currency denominated loan. Although we have hedged our foreign currency loan in accordance with our foreign exchange and derivatives risk management policy, our hedges may not cover sufficiently, or at all, an increase in foreign currency loans resulting from the depreciation of the rupee against such currencies. Volatility in foreign exchange rates could adversely affect our results of operations and financial condition.

We currently hold, and have in the past held, derivative contracts, including forward exchange contracts and interest rate swaps. We believe that these forward exchange contracts, and cross currency swaps, have the effect of reducing the volatility of our profit and reducing our exposure to foreign exchange and interest rate risk. If, in the future, foreign exchange rates or

interest rates move contrary to our expectations, or if our risk management procedures prove to be inadequate, we could incur derivative-related or other charges and opportunity losses independent of the relative strength of our business, which could affect our results of operations and financial condition.

For further information about regulation of our business, see “*Key Regulations and Policies in India*” on page 118.

Borrower Concentration

As at March 31, 2019, our single largest borrower accounted for 2.73% of our total outstanding loans, and our top ten and twenty borrowers accounted for, in the aggregate, 20.92% and 32.65%, respectively, of our total outstanding loans and advances. In addition, we have additional exposure to these borrowers in the form of non-fund based assistance. Any financial difficulties on the part of these borrowers to whom we have significant exposure) could increase the level of NPAs in our portfolio and adversely affect our results of operation and financial condition.

Tax benefits and incentives

We provide finance towards promotion and development of renewable sources of energy and energy efficiency projects which have benefited from treatment and incentives under Indian tax regulations. For example, Indian income tax regulations provide a tax holiday period for power generation projects as well as accelerated depreciation of power plants.

We currently receive tax benefits by virtue of our status as a public financial institution, which has enabled us to reduce our effective tax rate. These tax benefits include the creation of a special reserve under Section 36(1)(viii) of the Income Tax Act and provision for bad and doubtful debts under Section 36(1)(vii)(c) of the Income Tax Act. For further details, see “*Statement of Special Tax Benefits*” on page 75.

The availability of such tax benefits to our Company is subject to our Company retaining its status as a public financial institution and the policies of the GoI. Under the current law, we will retain our status as a public financial institution so long as the President of India owns 51.00% of our outstanding Equity Shares. If we lose our status as public financial institution or the laws or regulations regarding these tax benefits are amended, our taxable income and tax liability would increase, which would adversely impact our results of operations and financial condition.

Accounting Policies

The preparation of our financial information requires selecting accounting policies and making estimates and assumptions that affect items reported in the revenue accounts, profit and loss account, balance sheet, and cash flow statements and notes to the financial information. The determination of these accounting policies is fundamental to our results of operations and financial condition, and such determination requires management to make subjective and complex judgements about matters that are inherently uncertain based on information and data that may change in future periods. As a result, determinations regarding these items necessarily involve the use of assumptions and subjective judgements as to future events and are subject to change, and the use of different assumptions or data could produce materially different results. In addition, actual results could differ from estimates and may have a material adverse effect on our business, financial condition, results of operations or cash flows.

Our accounting policies are set forth in Note 1 para 3 in “*Financial Statements – Notes to Restated Financial Statements for the years ended March 31, 2019, 2018 and 2017*” on page 162.

Results of Operations

The table below sets forth a summary of our profit and loss account on a consolidated restated basis for Fiscal 2019, Fiscal 2018 and Fiscal 2017.

(amounts in ₹ millions)

Profit and Loss Account	Fiscal 2019	Fiscal 2018	Fiscal 2017
Income:			
Revenue from Operations			
Interest income	19,253.03	16,867.99	14,071.13
Rental income	0.66	0.62	0.60
Fees and commission income	354.07	520.72	454.13
Net gain/(loss) on fair value changes on derivatives	343.48	510.24	(1,238.11)
Revenue from solar plant operations	288.91	200.34	22.90
Total Revenue from Operations	20,240.15	18,099.91	13,310.65
Other Income	25.76	69.30	31.66
Total Income	20,265.91	18,169.21	13,342.31

Profit and Loss Account	Fiscal 2019	Fiscal 2018	Fiscal 2017
Expenses:			
Finance Cost	11,832.40	10,059.44	8,104.45
Net translation/transaction exchange loss	515.52	632.16	(237.78)
Impairment on financial instruments	2,658.65	984.75	1,628.50
Employee benefit expenses	443.32	437.98	279.46
Depreciation, amortization and impairment	233.56	213.28	73.20
Other expenses	621.38	346.96	269.61
Total Expenses	16,304.84	12,674.57	10,117.44
Profit/(loss) before exceptional items and tax	3,961.08	5,494.64	3,224.87
Exceptional items	743.29	-	96.94
Profit/(loss) before tax	3,217.79	5,494.64	3,127.93
Tax Expense			
Current tax	1,450.00	1,051.90	1,555.81
Deferred tax	(543.54)	389.48	(528.85)
Total Tax Expense	906.46	1,441.38	1,026.96
Profit/(loss) for the period from continuing operations	2,311.33	4,053.26	2,100.97
Share of Profit in Associate	(0.38)	0.34	(0.23)
Profit/(loss) for the period	2,310.95	4,053.60	2,100.74
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:-			
Gratuity	3.83	(1.45)	(0.68)
Post-retirement medical benefit	(4.18)	(7.53)	(0.53)
Baggage allowance	(0.02)	0.29	(0.03)
Income tax relating to items that will not be reclassified to profit or loss:-	(2.43)	2.54	4.99
Effective portion of gain /(loss) on hedging instrument in cash flow hedge reserve	(929.55)	(64.75)	(879.24)
Income tax relating to items that will be reclassified to profit or loss	-	-	-
Total Other Comprehensive Income	(932.35)	(70.90)	(875.50)
Total Comprehensive Income for the period (comprising Profit/(Loss) and other Comprehensive Income for the period)	1,378.60	3,982.70	1,225.24

Principal Components of Statement of Profit and Loss

Revenue

Revenue from Operations

Our revenue from operations comprises the following:

Interest income: Our interest income comprises interest on (a) interest on loans from lending operations, (b) interest on deposits with banks, (c) differential interest which is charged on prepayment of loans and (e) interest on commercial paper.

Rental income: Our rental income comprises rent from let out property.

Fees and commission income: Fees and commission income comprises (a) business service fees (including front end fees, application fees and documentation fees), (b) business service charges (including charges from various funds, incentives and projects) and (c) guarantee commission.

Net gain/(loss) on fair value changes: Net gain/(loss) on fair value changes comprise fair value changes on derivative cover taken on foreign currency loans and fair value changes other than those arising on account of accrued interest income and expenses.

Revenue from solar plant operations: Our revenue from solar operations consists of revenue from solar plant operations at our 200MW Kasaragod Solar Park in the state of Kerala.

Other Income

Our other income comprises (a) provisions written back, (b) bad debts recovered, (c) interest on staff loans, (d) amortisation of Masala Bond grant, (e) profit on the sale of fixed assets and (f) others.

Expenses

Finance Costs

Finance costs primarily include (a) interest on borrowings, (b) interest on debt securities, (c) other borrowing cost including commitment fees and guarantee fees, and (c) transaction costs which are costs incurred on the issue of securities or the initial costs on availing lines of credit or bank facility.

Net translation/transaction exchange loss/(gain)

Net translation/transaction exchange loss or gains comprise our net translation of foreign currency exchange loss or gains and amortisation of Foreign Currency Monetary Item Translation Reserve (FCMITR).

Impairment on financial instruments

Impairment on financial instruments includes impairment on our loans and advances measured at amortised cost.

Employee Benefit Expenses

Employee benefit expenses includes (a) salaries, wages and other amenities, (b) contributions to provident fund and other funds, (c) staff welfare expenses and (d) human resource development expenses.

Depreciation, Amortisation and Impairment

Depreciation, amortisation and impairment expense includes (a) the depreciation on property and plant including buildings, computers, furniture and fixtures, leasehold improvements, office equipment, vehicles, solar plant (building and plant and equipment), (b) depreciation of intangible assets including software, and (c) depreciation of investment property including building and plant and machinery.

Other Expenses

Other expenses primarily include (a) rent, taxes and energy costs, (b) repairs and maintenance expenses, (c) communication costs, (d) printing and stationery expenses, (e) advertisement and publicity expenses, (f) director's fees, allowances and expenses, (g) auditor's fees and expenses, (h) legal and professional charges, (i) insurance costs, (j) corporate social responsibility expenses, (k) bad debts, (l) discounts on the sale of power, (m) credit rating expenses, (n) losses on the sale of fixed assets and (o) other expenses.

Fiscal 2019 Compared to Fiscal 2018

Income

Our total income comprising revenue from operations and other income increased by 11.54% to ₹20,265.91 million in Fiscal 2019 from ₹18,169.21 million in Fiscal 2018 primarily due to higher interest income from the growth in our financial assets during Fiscal 2019.

The table below sets forth details in relation to our income for Fiscal 2019 and Fiscal 2018.

<i>(amounts in ₹ millions, except percentages)</i>			
Income	Fiscal 2019	Fiscal 2018	Percent Change
Revenue from Operations			
Interest income	19,253.03	16,867.99	14.14%
Rental income	0.66	0.62	6.45%
Fees and commission income	354.07	520.72	(32.00%)
Net gain/(loss) on fair value changes on derivatives	343.48	510.24	(32.68%)
Revenue from solar plant operations	288.91	200.34	44.21%
Total Revenue from Operations	20,240.15	18,099.91	11.82%
Other Income	25.76	69.30	(62.83%)
Total Income	20,265.91	18,169.21	11.54%

Revenue from Operations

Our revenue from operations increased by 11.82% to ₹20,240.15 million in Fiscal 2019 from ₹18,099.91 million in Fiscal 2018 for the reasons described below.

Interest income

Our interest income increased by 14.14% to ₹19,253.03 million in Fiscal 2019 from ₹16,867.99 million in Fiscal 2018 primarily due to the growth of our loan portfolio in Fiscal 2019.

- Our interest on loans from lending operations increased by 17.02% to ₹18,177.53 million in Fiscal 2019 from ₹15,533.34 million in Fiscal 2018 primarily due the growth of our loan portfolio in Fiscal 2019.
- Our interest on deposit with banks decreased by 24.22% to ₹755.55 million in Fiscal 2019 from ₹997.00 million in Fiscal 2018 primarily due to a decrease in deposits and better fund management.
- Our differential interest income decreased by 18.03% to ₹276.77 million in Fiscal 2019 from ₹337.65 million in Fiscal 2018 primarily due to lower prepayments from our borrowers in Fiscal 2019.
- We had interest on commercial paper of ₹43.18 million in Fiscal 2019. We did not have an investment in commercial paper in Fiscal 2018 and, consequently, had no interest income from commercial paper in Fiscal 2018.

Rental income

Our rental income increased by 6.45% to ₹0.66 million in Fiscal 2019 from ₹0.62 million in Fiscal 2018 primarily due to an increase in rent.

Fees and commission income

Our fees and commission income decreased by 32.01% to ₹354.07 million in Fiscal 2019 from ₹520.72 million in Fiscal 2018 primarily because there were no new registrations in Fiscal 2019 under the MNRE's GBI Scheme (which closed in 2017).

Net gain/(loss) on fair value changes

Our net gain/(loss) on fair value changes decreased by 32.68% to ₹343.48 million in Fiscal 2019 from ₹510.24 million in Fiscal 2018 primarily due to the decrease in the mark-to-market value of our outstanding derivatives in Fiscal 2019.

Revenue from solar plant operations

Our revenue from solar operations increased by 44.21% to ₹288.91 million in Fiscal 2019 from ₹200.34 million in Fiscal 2018. Our 50 MW Solar Photovoltaic Project in 200 MW Kasaragod Solar Par was part commissioned in December 2016 and fully commissioned in September 2017. Accordingly, we generated our first full year of revenue from the project in Fiscal 2019.

Other Income

Our other income decreased by 62.84% to ₹25.75 million in Fiscal 2019 from ₹69.30 million in Fiscal 2018 primarily due to our lower recovery from bad debts in Fiscal 2019 as compared to Fiscal 2018.

Expenses

Our total expenses increased by 28.64% to ₹16,304.83 million in Fiscal 2019 from ₹12,674.57 million in Fiscal 2018 for the reasons described below.

Finance Costs

Our finance costs increased by 17.62% to ₹11,832.40 million in Fiscal 2019 from ₹10,059.43 million in Fiscal 2018 for the reasons described below.

The table below sets forth details in relation to our finance costs for Fiscal 2019 and Fiscal 2018.

(amounts in ₹ millions, except percentages)

Finance Costs	Fiscal 2019	Fiscal 2018	Percent Change
Interest on borrowings	5,286.57	4,476.58	18.09%
Interest on debt securities	5,558.92	4,668.68	19.07%
Other borrowings costs	961.08	901.38	6.62%
Transaction cost	25.83	12.80	101.80%
Total Finance Cost	11,832.40	10,059.44	17.62%

Our interest on borrowings increased by 18.09% to ₹5,286.57 million in Fiscal 2019 from ₹4,476.58 million in Fiscal 2018 primarily due to increase in borrowings from Asian Development Bank, Kreditanstalt für Wiederaufbau, Japan International Cooperation Agency and Agence Française Development.

Our interest on debt securities increased by 19.07% to ₹5,558.92 million in Fiscal 2019 from ₹4,668.68 million in Fiscal 2018 primarily due to the issue of new debt securities including sub-ordinated debt during Fiscal 2019.

Our other borrowing costs increased by 6.62% to ₹961.08 million in Fiscal 2019 from ₹901.38 million in Fiscal 2018 primarily due to a nominal increase in commitment fees.

Our transaction costs increased by 101.80% to ₹25.83 million in Fiscal 2019 from ₹12.80 million in Fiscal 2018 primarily due to an increase in transaction costs in Fiscal 2019 including stamp duty and arrangers fees incurred on the issue of new debt securities during Fiscal 2019.

Net translation/transaction exchange loss/(gain)

Our net translation/transaction exchange losses decreased by 18.45% to ₹515.52 million in Fiscal 2019 from ₹632.16 million in Fiscal 2018 primarily due to change in foreign currency rates in Fiscal 2019.

Impairment on financial instruments

Our impairment on financial instruments increased by 169.98% to ₹2,658.65 million in Fiscal 2019 from ₹984.75 million in Fiscal 2018 primarily due to an increase in our NPAs in Fiscal 2019 and in provisioning for the doubtful recovery of our investment in the commercial paper of Infrastructure Leasing & Financial Services Limited (IL&FS). The level of our NPAs in Fiscal 2019 (in absolute terms) was also partly on account of the withdrawal by RBI of the exemptions from their prudential norms which were previously available. As per the revised RBI norms, the NPA classification, as at March 31, 2019, provides that an NPA includes any loan asset that is in default for more than 120 days.

Employee Benefit Expenses

Our employee benefit expenses increased nominally by 1.22% to ₹443.32 million in Fiscal 2019 from ₹437.98 million in Fiscal 2018 primarily due to routine increases in the salaries of our employees.

Depreciation, Amortisation and Impairment

Our depreciation, amortisation and impairment expenses increased by 9.51% to ₹233.56 million in Fiscal 2019 from ₹213.28 million in Fiscal 2018 primarily due to capitalisation of Solar Plant for ₹81.27 million during Fiscal 2019.

Other Expenses

Our other expenses increased by 79.10% to ₹621.38 million in Fiscal 2019 from ₹346.96 million in Fiscal 2018 primarily due to bad debts written-off in Fiscal 2019 as a consequence of their settlement as compared to nil in the Fiscal 2018.

Profit before exceptional items and tax

Our profit before exceptional items and tax decreased by 27.91% to ₹3,961.08 million in Fiscal 2019 from ₹5,494.64 million in Fiscal 2018 primarily due to an increase in Fiscal 2019 in the provision for impairment on financial instruments and bad debts.

Exceptional items

We had exceptional items of ₹743.29 million in Fiscal 2019 which related to write-offs of outstanding funded interest term loans (FITLs) created on reschedulement of loans prior to May 31, 2018.

We had no exceptional items in Fiscal 2018.

Profit before tax

Our profit before tax decreased by 41.44% to ₹3,217.79 million in Fiscal 2019 from ₹5,494.64 million in Fiscal 2018 for the reasons described above.

Tax Expenses

Our tax expenses decreased by 37.11% to ₹906.46 million in Fiscal 2019 from ₹1,441.38 million in Fiscal 2018 primarily due to a decrease in deferred tax due to a decline in profit which was partly offset by an increase in current tax.

The table below sets forth details in relation to our tax expenses for Fiscal 2019 and Fiscal 2018.

(amounts in ₹ millions, except percentages)			
Tax Expenses	Fiscal 2019	Fiscal 2018	Percent Change
Current tax	1,450.00	1,051.90	37.85%
Deferred tax	(543.54)	389.48	(239.56%)
Total Tax Expenses	906.46	1,441.38	(37.11%)

Profit for the period

For the reasons discussed above, our profit for the period decreased by 42.99% to ₹2,310.95 million in Fiscal 2019 from ₹4,053.60 million in Fiscal 2018.

Other Comprehensive Income

Our other comprehensive income decreased by 1,215.02% to ₹932.35 million in Fiscal 2019 from ₹70.90 million in Fiscal 2018 primarily due to the increase in the effective portion of losses on hedging instrument in our cash flow hedge reserve in Fiscal 2019.

Total Comprehensive Income

For the reasons discussed above, our profit for the period decreased by 65.39% to ₹1,378.60 million in Fiscal 2019 from ₹3,982.70 million in Fiscal 2018.

Fiscal 2018 Compared to Fiscal 2017

Income

Our total income comprising revenue from operations and other income increased by 36.18% to ₹18,169.24 million in Fiscal 2018 from ₹13,342.32 million in Fiscal 2017 primarily due to higher interest income from the growth in our financial assets during Fiscal 2018.

The table below sets forth details in relation to our income for Fiscal 2018 and Fiscal 2017.

(amounts in ₹ millions, except percentages)			
Income	Fiscal 2018	Fiscal 2017	Percent Change
Revenue from Operations			
Interest income	16,867.99	14,071.13	19.88%
Rental income	0.62	0.60	3.33%
Fees and commission income	520.72	454.13	14.66%
Net gain/(loss) on fair value changes on derivatives	510.24	(1,238.11)	141.21%
Revenue from solar plant operations	200.34	22.90	774.85%
Total Revenue from Operations	18,099.91	13,310.65	35.98%
Other Income	69.30	31.66	118.89%
Total Income	18,169.21	13,342.31	36.18%

Revenue from Operations

Our revenue from operations increased by 35.98% to ₹18,099.91 million in Fiscal 2018 from ₹13,310.65 million in Fiscal 2017 for the reasons described below.

Interest income

Our interest income increased by 19.88% to ₹16,867.99 million in Fiscal 2018 from ₹14,071.13 million in Fiscal 2017 primarily due to an increase in our loan portfolio in Fiscal 2018.

- Our interest on loans from lending operations increased by 15.73% to ₹15,533.34 million in Fiscal 2018 from ₹13,422.18 million in Fiscal 2017 primarily due to an increase in our loan portfolio in Fiscal 2018.
- Our interest on deposit with banks increased by 91.74% to ₹997.00 million in Fiscal 2018 from ₹519.97 million in Fiscal 2017 primarily due to increase in deposits with banks in Fiscal 2018.
- Our differential interest income increased by 161.78% to ₹337.65 million in Fiscal 2018 from ₹128.98 million in Fiscal 2017 primarily due to increase in prepayments of loans from our borrowers in Fiscal 2018.

- We did not have interest income from commercial paper in Fiscal 2018 or Fiscal 2017.

Rental income

Our rental income increased by 3.33% to ₹0.62 million in Fiscal 2018 from ₹0.60 million in Fiscal 2017 primarily due to nominal increase in rent.

Fees and commission income

Our fees and commission income increased by 14.66% to ₹520.72 million in Fiscal 2018 from ₹454.13 million in Fiscal 2017 primarily due to increase in front end fees and fees from GBI as we sanctioned more projects in Fiscal 2018 as compared to Fiscal 2017.

Net gain/(loss) on fair value changes

Our net gain/(loss) on fair value changes increased by 141.21% to ₹510.24 million in Fiscal 2018 from ₹ (1,238.11) million in Fiscal 2017 primarily due to the increase in the mark-to-market value of our outstanding derivatives in Fiscal 2018.

Revenue from solar plant operations

Our revenue from solar operations increased by 774.85% to ₹200.34 million in Fiscal 2018 from ₹22.90 million in Fiscal 2017. Our 50 MW Solar Photovoltaic Project in 200 MW Kasaragod Solar Park was part commissioned in December 2016 and fully commissioned in September 2017. Accordingly, we generated full power revenue in the second half of Fiscal 2018.

Other Income

Our other income increased by 118.89% to ₹69.30 million in Fiscal 2018 from ₹31.66 million in Fiscal 2017 primarily due to increased bad debt recovery in Fiscal 2018.

Expenses

Our total expenses increased by 25.27% to ₹12,674.57 million in Fiscal 2018 from ₹10,117.44 million in Fiscal 2017 for the reasons described below.

Finance Costs

Our finance costs increased by 24.12% to ₹10,059.44 million in Fiscal 2018 from ₹8,104.45 million in Fiscal 2017 for the reasons described below.

The table below sets forth details in relation to our finance costs for Fiscal 2018 and Fiscal 2017.

(amounts in ₹ millions, except percentages)

Finance Costs	Fiscal 2018	Fiscal 2017	Percent Change
Interest on borrowings	4,476.58	4,020.45	11.34%
Interest on debt securities	4,668.68	3,451.33	35.27%
Other borrowings costs	901.38	630.32	43.00%
Transaction cost	12.80	2.35	444.68%
Total Finance Cost	10,059.44	8,104.45	24.12%

Our interest on borrowings increased by 11.34% to ₹4,476.58 million in Fiscal 2018 from ₹4,020.45 million in Fiscal 2017 primarily due to increase in our borrowings from lines of credit.

Our interest on debt securities increased by 35.27% to ₹4,668.68 million in Fiscal 2018 from ₹3,451.33 million in Fiscal 2017 primarily due interest expense on our Masala Bonds after their issuance in Fiscal 2018.

Our other borrowing costs increased by 43.00% to ₹901.38 million in Fiscal 2018 from ₹630.32 million in Fiscal 2017 primarily due to an increase in commitment fees.

Our transaction costs increased by 444.68% to ₹12.80 million in Fiscal 2018 from ₹2.35 million in Fiscal 2017 primarily due to the transaction costs incurred on the issuance of our Masala Bonds during Fiscal 2018.

Net translation/transaction exchange loss/(gain)

Our net translation/transaction exchange losses increased by 365.85% to ₹632.16 million in Fiscal 2018 from ₹(237.79 million) in Fiscal 2017 primarily due to favourable changes in foreign currency exchange rates in Fiscal 2018.

Impairment on financial instruments

Our impairment on financial instruments decreased by 39.53% to ₹984.75 million in Fiscal 2018 from ₹1,628.50 million in Fiscal 2017 primarily due to a decrease in provisioning of bad and doubtful debts in Fiscal 2018.

Employee Benefit Expenses

Our employee benefit expenses increased by 56.72% to ₹437.98 million in Fiscal 2018 from ₹279.47 million in Fiscal 2017 primarily due to payments of salary to our employees in arrears in Fiscal 2018 that were owed from a revision of our pay scale with effect from January 1, 2017.

Depreciation, Amortisation and Impairment

Our depreciation, amortisation and impairment expenses increased by 191.41% to ₹213.28 million in Fiscal 2018 from ₹73.20 million in Fiscal 2017 primarily due to our increased asset base after commissioning of our 50 MW Solar Photovoltaic Project.

Other Expenses

Our other expenses increased by 28.69% to ₹346.96 million in Fiscal 2018 from ₹269.61 million in Fiscal 2017 primarily due to increase in expense in Fiscal 2018 on our Corporate Social Responsibility program.

Profit before exceptional items and tax

Our profit before exceptional items and tax increased by 70.38% to ₹5,494.64 million in Fiscal 2018 from ₹3,224.87 million in Fiscal 2017 primarily due to an increase in our interest income on lending operations.

Exceptional items

We had no exceptional items in Fiscal 2018. We had an exceptional item of ₹96.94 million were in Fiscal 2017 which consisted of contributions made to the International Solar Alliance and three MNRE institutes including NIWE, NISE and the National Institute of Bio Energy.

Profit before tax

Our profit before tax increased by 75.66% to ₹5,494.67 million in Fiscal 2018 from ₹3,127.93 million in Fiscal 2017 primarily due to the reasons described above.

Tax Expenses

Our tax expenses increased by 40.35% to ₹1,441.38 million in Fiscal 2018 from ₹1,026.96 million in Fiscal 2017 primarily due to tax benefits from investment allowances and accelerated depreciation available on capitalisation of our 50 MW Solar Photovoltaic Project in Fiscal 2017.

The table below sets forth details in relation to our tax expenses for Fiscal 2018 and Fiscal 2017.

<i>(amounts in ₹ millions, except percentages)</i>			
Tax Expenses	Fiscal 2018	Fiscal 2017	Percent Change
Current tax	1,051.90	1,555.81	(32.39%)
Deferred tax	389.48	(528.85)	173.65%
Total Tax Expenses	1,441.38	1,026.96	40.35%

Profit for the period

For the reasons discussed above, our profit for the period increased by 92.96% to ₹4,053.60 million in Fiscal 2018 from ₹2,100.74 million in Fiscal 2017.

Other Comprehensive Income

Our other comprehensive loss decreased by 91.90% to ₹(70.90 million) in Fiscal 2018 from ₹(875.50 million) in Fiscal 2017 primarily due to a decline in the effective portion of loss on hedging instruments in respect of our cash flow hedge reserve.

Total Comprehensive Income

For the reasons discussed above, our profit for the period increased by 225.05% to ₹3,982.70 million in Fiscal 2018 from ₹1,225.24 million in Fiscal 2017.

Liquidity and Capital Resources

Our primary liquidity requirements have been, and will continue to be, for providing loans to customers, meeting our working capital requirements and repaying our borrowings. Surplus funds, if any, are invested in accordance with our investment policy. We actively monitor our liquidity position to meet our customers' requirements, while also meeting our lenders' requirements.

We have met our liquidity needs primarily from our borrowings (including issuance of bonds) and to a lesser extent from our cash flows from operations.

We maintain diverse sources of funding to facilitate flexibility in meeting our liquidity requirements. Our borrowings primarily include bonds issued in both the Indian domestic market and in the international market and term loans obtained from various domestic and multilateral and bilateral institutions. Our total finance costs (excluding foreign currency exchange rate fluctuation gain or loss) for Fiscal 2019, Fiscal 2018 and Fiscal 2017 were ₹ 11,832.40 million, ₹10,059.44 million and ₹8,104.45 million, respectively, and comprised 72.57%, 79.37% and 80.10% of our total expenditure in the same respective periods. For details in relation to our borrowings as at March 31, 2019, see "*Financial Indebtedness*" and "*Our Business – Our Sources of Funding*" on pages 292 and 107, respectively.

We expect to meet our working capital needs and liquidity requirements for the next 12 months from the cash flows from our borrowings and from operations.

Capital Adequacy

The table below sets out our capital to risk-weighted assets ratio (CRAR) as at March 31, 2019, 2018 and 2017.

(amounts in ₹ millions, except percentages)

	As at or for the year ended		
	March 31,		
	2019	2018	2017
Paid up capital	7,846.00	7,846.00	7,846.00
Reserve and surplus	17,917.99	16,609.10	16,431.81
Tier 1 Capital	26,887.31	24,837.80	22,424.66
Tier 2 Capital	3,070.59	-	-
Total Capital	29,957.90	24,837.80	22,424.66
Tier 1 Capital Adequacy Ratio	14.65%	18.05%	19.17%
Tier 2 Capital Adequacy Ratio	1.67%	-	-
Capital adequacy ratio %	16.32%	18.05%	19.17%

Summary of Cash flows

As at March 31, 2019, we had cash and cash equivalents (as per our cash flow statement) of ₹5,563.75 million. Cash and cash equivalents primarily consist of cash on hand and balances with banks in current accounts and three months fixed deposits with banks. As our business involves borrowing funds and on-lending such funds to our customers in the form of loan products, we may experience timing differences between receipt of funds and on- lending of such funds. These timing differences result in on-going, but temporary cash balances on our books.

The table below sets forth selected information from our statements of cash flows in the periods indicated below.

(amounts in ₹ millions)

	Fiscal 2019	Fiscal 2018	Fiscal 2017
Cash flow from operating activities	(46,895.25)	(18,460.90)	(12,815.15)
Cash flow from investing activities	(365.17)	(534.11)	(2,815.48)
Cash flow from financing activities	34,192.22	17,013.07	26,441.50
Net increase/(decrease) in cash and cash equivalents	(13,068.20)	(1,981.94)	10,810.87
Cash and cash equivalents at the beginning of the period	18,631.95	20,613.89	9,803.02
Cash and cash equivalents at the end of the period	5,563.75	18,631.95	20,613.89

Cash from/(used in) operating activities

Our cash used in operations increased by 154.02% to ₹(46,895.25 million) in Fiscal 2019 from ₹(18,460.90 million) in Fiscal 2018 primarily due to an increase in cash used for loans and advances in Fiscal 2019 of ₹(54,056.20 million) in Fiscal 2019 from ₹(21,505.61 million) in Fiscal 2018 and further on account of an increase in impairment cost for financial assets to

₹2,658.65 million in Fiscal 2019 from ₹984.75 million in Fiscal 2018. The increase was partially offset by a decrease in bank balances other than cash and cash equivalents to ₹383.03 million in Fiscal 2019 from ₹6,457.49 million in Fiscal 2018.

Our cash used in operations increased by 44.06% to ₹(18,460.90 million) in Fiscal 2018 from ₹(12,815.15 million) in Fiscal 2017 primarily due to lower operating profit before working capital changes in Fiscal 2018 and ₹(14,090.37 million) cash used for other non-financial assets in Fiscal 2017 relating to payments to our auditors partially offset by a decrease in cash used for loans and advances in Fiscal 2018 of ₹(21,505.61 million) compared to ₹(31,123.43 million) in Fiscal 2017 and further on account of an increase in bank balances other than cash and cash equivalents to ₹6,457.49 million in Fiscal 2018 from ₹4,224.87 million in Fiscal 2017. The increase was partially offset by a decrease in other financial liabilities to ₹(3,927.27 million) in Fiscal 2018 from ₹3,910.75 million in Fiscal 2017.

Cash from/(used in) investing activities

Our cash used in investing activities decreased by 31.63% to ₹(365.17 million) in Fiscal 2019 from ₹(534.11 million) in Fiscal 2018 primarily due to increased cash used for our solar plant in Fiscal 2018. Our cash used in investing activities decreased 81.03% to ₹(534.12 million) in Fiscal 2018 from ₹(2,815.48 million) in Fiscal 2017 primarily due to increased cash used for our solar plant in Fiscal 2017.

Cash from/(used in) financing activities

Our cash from financing activities increased by 100.98% to ₹34,192.22 million in Fiscal 2019 from ₹17,013.07 million in Fiscal 2018 primarily due to an increase in our foreign currency borrowings in Fiscal 2019 and a reduction in dividend paid in Fiscal 2019 compared to Fiscal 2018 which was partly offset by a change in financial liabilities including Foreign Currency Monetary Item Translation (FCMIT). Our cash from financing activities decreased by 35.66% to ₹17,013.07 million in Fiscal 2018 from ₹26,441.50 million in Fiscal 2017 primarily due to our repayment of foreign currency borrowings in Fiscal 2017 which was offset mainly by increase in rupee borrowings in Fiscal 2018 compared to Fiscal 2017.

Financial Condition

The table below sets forth details in relation to our net worth as at the dates indicated below.

(amounts in ₹ millions)

	As at March 31,		
	2019	2018	2017
Total assets (A)	245,347.95	203,939.70	187,969.26
Total liabilities (B)	219,583.96	179,484.60	163,691.45
Net assets (A-B)	25,763.99	24,455.10	24,277.81

Assets

The table below sets forth details in relation to the principal components of our assets as at the dates indicated below.

(amounts in ₹ millions)

Assets	As at March 31,		
	2019	2018	2017
Financial Assets:			
(a) Cash and cash equivalents	5,563.75	18,631.95	20,613.89
(b) Bank balances other than (a) above	4,955.78	5,338.81	11,796.30
(c) Derivative financial instruments	1,543.26	887.90	504.10
(d) Receivables			
(i) Trade receivables	23.96	219.16	23.96
(ii) Other receivables	-	-	-
(e) Loans	208,337.85	154,290.33	133,099.71
(f) Other financial assets	1,521.75	1,578.57	1,804.57
Total Financial Assets:	221,946.35	180,946.72	167,842.53
Non-Financial Assets			
(a) Current tax assets (net)	1,384.28	1,643.30	1,381.48
(b) Deferred tax assets (net)	1,149.33	608.22	995.16
(c) Investment in Associates using Equity Accounting	4.96	5.33	4.99
(c) Investment property	0.61	0.73	0.87

Assets	As at March 31,		
	2019	2018	2017
(d) Plant, property and equipment	3,026.93	3,136.46	3,172.00
(e) Capital work-in-progress	0.09	30.32	-
(f) Intangible assets under development	-	0.56	2.14
(g) Intangible assets	2.15	2.52	2.17
(h) Other non-financial assets	17,833.25	17,565.54	14,567.92
Total Non-Financial Assets	23,401.60	22,992.98	20,126.73
Total Assets	245,347.95	203,939.70	187,969.26

Financial assets

Our financial assets comprise (a) cash and cash equivalents, (b) bank balances other than (a), (c) derivative financial instruments, (d) receivables, (e) loans, (f) investments and (g) other financial assets.

Our financial assets increased by 22.66% to ₹221,946.35 million as at March 31, 2019 from ₹180,946.72 million as at March 31, 2018. Our financial assets increased by 7.81% to ₹180,946.72 million as at March 31, 2018 from ₹167,842.53 million as at March 31, 2017.

Cash and cash equivalents: Our cash and cash equivalents decreased by 70.14% to ₹5,563.75 million as at March 31, 2019 from ₹18,631.95 million as at March 31, 2018 primarily due to decrease in short term deposits as at March 31, 2019. Our cash and cash equivalents decreased by 9.61% to ₹18,631.95 million as at March 31, 2018 from ₹20,613.89 million as at March 31, 2017 primarily due to a decrease in our balances available with banks as at March 31, 2018.

Bank balances: Our bank balances decreased by 7.17% to ₹4,955.78 million as at March 31, 2019 from ₹5,338.81 million as at March 31, 2018 primarily due to increase in MNRE GBI Bank balance. Our bank balances decreased by 54.74% to ₹5,338.81 million as at March 31, 2018 from ₹11,796.30 million as at March 31, 2017 primarily due to decline in our MNRE GBI Bank balance.

Derivative financial instruments: Our derivative financial instruments increased by 73.81% to ₹1,543.26 million as at March 31, 2019 from ₹887.90 million as at March 31, 2018 an increase in the mark-to-market value of our derivatives as at March 31, 2019. Our derivative financial instruments increased by 76.14% to ₹887.90 million as at March 31, 2018 from ₹504.10 million as at March 31, 2017 an increase in the mark-to-market value of our derivatives as at March 31, 2018.

Loans: Our loans increased by 35.03% to ₹208,337.85 million as at March 31, 2019 from ₹1,54,290.33 million as at March 31, 2018 primarily due to increase in our lending operations as at March 31, 2019. Our loans increased by 15.92% to ₹154,290.33 million as at March 31, 2018 from ₹133,099.71 million as at March 31, 2017 primarily due to an increase in our lending operations as at March 31, 2018.

Other financial assets: Our financial assets decreased by 3.60% to ₹1,521.75 million as at March 31, 2019 from ₹1,578.57 million as at March 31, 2018 primarily due to liquidated damages accrued to us and interest accrued but not due on loans. Our other financial assets decreased by 12.52% to ₹1,578.57 million as at March 31, 2018 from ₹1,804.57 million as at March 31, 2017 primarily due to primarily due to liquidated damages accrued to us and interest accrued but not due on loans.

Non-financial assets

Our non-financial assets comprise (a) current tax assets (net), (b) deferred tax assets (net), (c) investment property, (d) plant, property and equipment, (e) capital work-in-progress, (f) intangible assets under development, (g) intangible assets and (h) other non-financial assets.

Our non-financial assets increased by 1.78% to ₹23,401.61 million as at March 31, 2019 from ₹22,992.98 million as at March 31, 2018 primarily due to increase in deferred tax assets (net) and other non-financial assets as at March 31, 2019 which was partly offset by a decrease in current tax assets(net). Our non-financial assets increased by 14.24% to ₹22,992.98 million as at March 31, 2018 from ₹20,126.73 million as at March 31, 2017 primarily due increase in current tax assets (net) and other non-financial assets as at March 31, 2019 which was partly offset by a decrease in deferred tax assets(net).

Liabilities and Shareholders' Equity

The table below sets forth details in relation to the principal components of our liabilities and shareholders' equity as at the dates indicated below.

(amounts in ₹ millions)

Liabilities and Equity	As at March 31,		
	2019	2018	2017

Liabilities and Equity	As at March 31,		
	2019	2018	2017
Liabilities			
Financial liabilities			
(a) Derivative financial instruments	2,659.24	2,037.54	4,688.28
(b) Payables	1,261.66	1,389.04	1,377.68
(c) Debt securities	76,050.85	68,380.05	48,996.22
(d) Borrowings (other than debt securities)	109,907.69	81,472.03	78,774.87
(e) Subordinated liabilities	1,496.79	-	-
(f) Other financial liabilities	8,963.94	8,235.90	12,167.02
Total financial liabilities	200,340.17	161,514.56	146,004.07
Non-Financial Liabilities			
(a) Provisions	1,692.17	1,261.54	1,071.15
(b) Deferred tax liability (net)	-	-	-
(c) Other non-financial liabilities	17,551.62	16,708.50	16,616.23
Total non-financial liabilities	19,243.79	17,970.04	17,687.38
Equity			
(a) Equity Share Capital	7,846.00	7,846.00	7,846.00
(b) Other Equity	17,917.99	16,609.10	16,431.81
Total Equity	25,763.99	24,455.10	24,277.81
Total liabilities and equity	245,347.95	203,939.70	187,969.26

Financial liabilities

Our financial liabilities comprise (a) derivative financial instruments, (b) payables, (c) debt securities, (d) borrowings (other than debt securities), (e) subordinated liabilities and (f) other financial liabilities.

Our financial liabilities increased by 24.04% to ₹200,340.17 million as at March 31, 2019 from ₹161,514.56 million as at March 31, 2018. Our financial liabilities increased by 10.62% to ₹(161,514.56 million) as at March 31, 2018 from ₹146,004.07 million as at March 31, 2017.

Derivative financial instruments: Our derivative financial instruments increased by 30.51% to ₹2,659.24 million as at March 31, 2019 from ₹2,037.54 million as at March 31, 2018 primarily due to an increase in the mark-to-market value of our derivatives as at March 31, 2019. Our derivative financial instruments decreased by 56.54% to ₹2,037.54 million as at March 31, 2018 from ₹4,688.28 million as at March 31, 2017 primarily due an increase in the mark-to-market value of our derivatives as at March 31, 2019.

Payables: Our payables include trade payables outstanding from (i) micro enterprises and small enterprises and (ii) from creditors other than micro enterprises and small enterprises. Our payables decreased by 9.17% to ₹1,261.66 million as at March 31, 2019 from ₹1,389.04 million as at March 31, 2018 primarily due to our Company implementing better internal controls. Our payables increased nominally by 0.82% to ₹1,389.04 million as at March 31, 2018 from ₹1,377.68 million as at March 31, 2017.

Debt securities: Our debt securities increased by 11.22% to ₹76,050.85 million as at March 31, 2019 from ₹68,380.05 million as at March 31, 2018 primarily due to issuance of Green Bonds for ₹ 8,650 million and Tier-II Bonds for ₹1,500 million during Fiscal 2019. Our debt securities increased by 39.56% to ₹68,380.05 million as at March 31, 2018 from ₹48,996.22 million as at March 31, 2017 primarily due to our issue of Masala Bonds in Fiscal 2018.

Borrowings: Our borrowings (other than debt securities) increased by 34.90% to ₹109,907.69 million as at March 31, 2019 from ₹81,472.03 million as at March 31, 2018. Our borrowings (other than debt securities) increased by 3.42% to ₹81,472.03 million as at March 31, 2018 from ₹78,774.87 million as at March 31, 2017.

Subordinated liabilities: As at March 31, 2019, we had ₹1,496.79 million of subordinated liabilities as we raised our first subordinated debt of ₹1,500 million (transaction value) in Fiscal 2019.

Other financial liabilities: Our other financial liabilities increased by 8.84% to ₹8,963.94 million as at March 31, 2019 from ₹8,235.90 million as at March 31, 2018 primarily due to more infusion of funds from MNRE. Our other financial liabilities decreased by 32.31% to ₹8,235.90 million as at March 31, 2018 from ₹12,167.02 million as at March 31, 2017 primarily due to repayment to the MNRE fund.

Non-financial liabilities

Our non-financial liabilities includes (a) provisions, (b) deferred tax liability (net) and (b) other non-financial liabilities.

Our non-financial liabilities increased by 7.09% to ₹19,243.79 million as at March 31, 2019 from ₹17,970.04 million as at March 31, 2018. Our non-financial liabilities increased by 1.60% to ₹17,970.04 million as at March 31, 2018 from ₹17,687.38 million as at March 31, 2017.

Provisions: Our provisions increased by 34.14% to ₹1,692.17 million as at March 31, 2019 from ₹1,261.54 million as at March 31, 2018 primarily due to increase in provisioning of standard assets including floating provision. Our provisions increased by 17.77% to ₹1,261.54 million as at March 31, 2018 from ₹1,071.15 million as at March 31, 2017 primarily due to amortisation of front end fees and implementation of Ind AS.

Other non-financial liabilities: Our other non-financial liabilities increased by 5.05% to ₹17,551.62 million as at March 31, 2019 from ₹16,708.50 million as at March 31, 2018 primarily due to retained earnings. Our other non-financial liabilities increased nominally by 0.56% to ₹16,708.50 million as at March 31, 2018 from ₹16,616.23 million as at March 31, 2017 primarily due to retained earnings.

Equity

Our equity includes (a) equity share capital and (b) other equity.

Our equity increased by 5.35% to ₹25,763.99 million as at March 31, 2019 from ₹24,455.10 million as at March 31, 2018 primarily due to retained earnings. Our equity increased nominally by 0.73% to ₹24,455.10 million as at March 31, 2018 from ₹24,277.81 million as at March 31, 2017.

Quantitative Disclosure

Market risk is the potential loss arising from changes in market rates and market prices. Our primary market risk is interest rate risk and to a lesser extent, exchange rate risk. For further details, see “*Our Business–Risk Management–Market Risk*” beginning on page 113.

Interest Rate Risk

Changes in interest rates could affect the interest we charge on our loans differently from the interest we pay on our borrowings because of different maturity periods applicable to our loans and borrowings and also because interest-earning assets tend to re-price more quickly than interest-bearing liabilities. We borrow funds on both fixed and floating rates. Our loan products comprise fixed and floating interest rate loans. As at March 31, 2019, our borrowing ₹187,455.33 million, of which ₹117,838.02 million (62.86%) of our total borrowing) had a fixed rate of interest. If we are unable to match our lending portfolio with our borrowings, we would be exposed to interest rate and liquidity risks as a result of lending to customers at interest rates and in amounts and for periods that may differ from our funding sources. For further details, see above “*Management’s Discussion and Analysis of Financial Condition and Results Of Operations Factors our Financial Results - Interest Rate Volatility*” on page 297.

Exchange Rate Risk

As at March 31, 2019, we had foreign currency borrowings of ₹99,104.94 million. We may seek to obtain additional foreign currency borrowings in the future. We are therefore affected by adverse movements in foreign exchange rates. In recent times, the rupee has depreciated against US\$, Euro and Japanese Yen and such depreciation has been significantly volatile. As at March 31, 2019, ₹33,429.70 million or approximately 17.84% of our total indebtedness was denominated in U.S. dollars, ₹30,327.19 million or approximately 16.19% of our total indebtedness was denominated in Euros and ₹35,348.05 million or approximately 18.87% of our total outstanding indebtedness was denominated in Japanese Yen.

We mitigate exchange and interest rate risks in foreign currency liabilities by lending in foreign currency and entering into hedging transactions such as plain vanilla swap transaction, currency and interest rate swap, principal only swap, and forward rate agreements.

See also “*Financial Information - Restated Financial Statements– Note 7 - Disclosure in respect of Indian Accounting Standard (Ind AS)-21 “The Effects of changes in Foreign Exchange Rates*” on page 206.

Capital Commitments

Our capital commitments as at March 31, 2019, 2018 and 2017 are set forth below.

(amounts in ₹ millions)

Capital Commitments:	As at March 31,		
	2019	2018	2017
Estimated value of contract to be executed on Capital Account for 50MW Solar Project	-	-	150.00
Estimated value of capital contract in reference to the acquisition of new office space at NBCC Plaza (inclusive of residential, commercial and parking space) *.	9.29	349.62	614.25
Total	9.29	349.62	764.25

*The matter relating to Service Tax / GST / VAT on the value for the NBCC property is sub-judice and NBCC has not raised any demand for the same. Hence, the amount of the Taxes involved is not quantifiable at present.

Contingent Liabilities

The total of our contingent liabilities that have not been provided for as at March 31, 2019, 2018 and 2017 were ₹12,178.58 million, ₹7,853.47 million and ₹7,682.97 million, respectively, details of which are as follows:

(amounts in ₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Income Tax cases	1,319.60	1,043.48	744.45
Bank Guarantee issued in favour of BSE Ltd. as a security for receiving subscription of public issue of Tax Free Bonds by IndusInd Bank and secured by way of lien on Fixed Deposit Receipts (FDR)	-	-	141.60
Guarantee issued under IREDA's Guarantee Assistance to RE Suppliers / Manufacturers / EPC Contractors "Scheme for Bid Security.	667.60	100.00	-
Guarantee- Unconditional and recoverable partial credit guarantee under IREDA's Credit Enhancement Scheme.	900.00	900.00	-
Guarantee issued towards creation of Payment Security Fund.	1,440.00	-	-
Letter of comfort issued and outstanding	7,851.38	5,809.99	6,796.92
Total	12,178.58	7,853.47	7,682.97

For further details of our contingent liabilities as at March 31, 2019, 2018 and 2017, see "Note 38 Para 4 – Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets" in "Financial Information –Notes to Restated Financial Statements for the years ended March 31, 2019, 2018 and 2017" on page 205.

Related Party Transactions

Except as described in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations - Related Party Transactions" on page 315. Our Group Company does not have any business with or other interests in our Company.

Seasonality

Our business is not seasonal. Notwithstanding, generally, the renewable energy projects we finance are seasonal in nature, wherein the projects witness peak seasons and lean seasons across all segments of the renewable energy sector. As a result of these factors, our business may be subject to fluctuations in operating results and cash flows during any quarter or interim financial period, and consequently, such results cannot be used as an indication of our annual results, and they cannot be relied upon as an indicator of our future performance.

Significant Developments after March 31, 2019

According to our Directors, other than otherwise disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstances since March 31, 2019 which materially and adversely affect or are likely to affect the trading of our Company's Equity Shares, our profitability, the value of our assets, or our ability to pay our liabilities within the next 12 months.

Off-Balance Sheet Arrangements

As at March 31, 2019, 2018 and 2017, we had no off-balance sheet arrangements.

Known Trends or Uncertainties

Our business has been impacted, and we expect will continue to be impacted, by the trends identified above in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Factors affecting our Financial Results*” on page 297 and the uncertainties described in the section “*Risk Factors*” beginning on page 21.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge that may be described as “unusual” or “infrequent”, or any unusual changes of income, changes in accounting policies and discretionary reduction of expenses that have taken place in the last three fiscal years.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Except as described in this Draft Red Herring Prospectus, there have been no significant economic changes that have taken place in the last three fiscal years that have materially affected or are likely to affect income from operations.

Summary of Audit Matters and Emphasis of Matters and Observations in our Statutory Auditor’s Reports

Set forth below are copies of the matters of emphasis in the statutory auditors’ reports on our audited consolidated financial statements as at and for the years ended March 31, 2019, 2018 and 2017, and our Company’s responses thereto.

Audit Matters for Fiscal 2019	Steps taken or to be taken by our Corporation to address the Matter
<p><i>Income tax Case</i></p> <p>Refer to Note 38(4)(a) of the Restated Financial Statements.</p> <p>We have a material uncertain tax position in respect of matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>The Income Tax cases for assessment year (“AY”) 1998-99 – AY 2009-10 were referred back on the direction of Honorable High Court to Honorable Income Tax Appellate Tribunal (“TAT”) and Honorable ITAT to the Assessing Officer (the “AO”) over and above the tax payable as per return filed became refundable. Accordingly, during the year, Writ has been filled with Honorable High Court to issue the necessary order to the department to grant the refund for the aforementioned years. The High Court had passed the following interim order –</p> <p>“In the meanwhile, the respondents are permitted to proceed and complete the assessment orders and not give effect to it or take any coercive action.”</p> <p>Auditor’s Response :</p> <p>Obtained details of income tax cases under dispute from management. We undertook procedures to evaluate management’s position on these uncertain tax positions.</p>	<p>The Income Tax cases for AY 1998-99 – AY 2009-10 were referred back on the direction of Honorable High Court to Hon’ble ITAT and Honorable ITAT to the AO.</p> <p>The AO had not passed the order on these cases within the statutory time limit, and we had deposited the taxes on the basis of demand raised for the aforementioned assessment years. A Writ petition has been filed with Honorable High Court praying to direct the AO to accept the returned income of our Company for these assessment years and consequently determine and process the tax payable and/or refund due, if any to us.</p> <p>The matter is yet to be finally decided by the Honorable High Court.</p>
<p><i>Impact on constituents being subsidiaries of the company as Corporate Guarantor, under National Company Law Tribunal (“NCLT”).</i></p>	<p>Wind World (India) Limited, the parent company, has been referred to NCLT. The parent company has floated three subsidiaries to which we sanctioned and disbursed loans, of which ₹1,500.51 million is</p>

Audit Matters for Fiscal 2019	Steps taken or to be taken by our Corporation to address the Matter
<p>Refer Note No 38 (48) of the Restated Financial Statements.</p> <p>Wind World India Limited was a corporate guarantor to loans amounting to ₹1,500.51 million provided by us to the entities, which are subsidiaries of Wind World India, that has been referred to NCLT. Further loans amounting to ₹1,163.01 million to one of such entities had been classified Non-Performing Asset in Fiscal 2018. The effect of such action on other loans cannot be stated.</p> <p>Auditor's Response:</p> <p>Obtained details from the management and undertook procedure to verify the same.</p>	<p>outstanding. Out of the three subsidiaries the loans to two subsidiary companies were provided for setting up of an evacuation facility and the repayment of these loans was on the basis of the charges to be paid by the parent company for utilization of facilities set up by the subsidiaries. Although the parent company is receiving the operation and maintenance charges paid by the project developers for which the amount could have been paid to the subsidiaries, due to case being referred in NCLT, the Committee of Creditors has not permitted the Insolvency Resolution Professional ("IRP") to pay the amount to the subsidiaries. Due to non-payment of the amount due by the two subsidiaries having loan amount of ₹1,163.01 million were classified as NPA in Fiscal 2018. IRP has submitted the Resolution Plan before NCLT which is awaiting an order by the NCLT.</p> <p>The third subsidiary has set up a wind power project and generates revenue from the project. We have been paying the requisite dues and the account was classified as a standard asset in Fiscal 2019 and Fiscal 2018.</p>

Emphasis Matters for Fiscal 2019, Fiscal 2018 and Fiscal 2017	Steps taken or to be taken by our Corporation to address the Matter
<p>We have changed our accounting policy on the recognition of foreign exchange profit/loss on translation of unhedged foreign exchange long term monetary items. We were hitherto charging all such profits/losses to the statement of profit & loss. We have now started amortizing such foreign exchange gains/losses over the residual period of respective maturities of such foreign exchange items by taking the option available in Accounting Standard 11 on 'The Effects of changes in Foreign Exchange Rates'. Consequently, our profit before tax and after tax for the year is higher by ₹2,139.19 million and ₹1,514.51 million respectively. (For the year ending March 31, 2018)</p>	<p>During Fiscal 2018, we changed our accounting policy with regard to recognition of foreign exchange profit/loss on translation of unhedged foreign exchange long term monetary items. As per the changed policy such profit/loss is amortized over the balance repayment of the foreign currency loans availed from various multilateral and bilateral institutions in terms of para 46A of Accounting Standard 11. As a result of this accounting policy, the unamortized gain or loss is accounted as 'Foreign currency monetary item translation difference account' in Note no. 3 'Reserves and Surplus' and amortized amount is charged to the Statement of Profit and Loss every fiscal year.</p>
<p>Wind World (India) Limited has been as Corporate Guarantor to loans amounting to ₹1,792.40 million given by our Company to subsidiaries of the Company, which has been referred to the NCLT. Further loans amounting to ₹1,163.01 million to one of such entities has become a NPA during the fiscal year. The effect of such action on other loans cannot be stated. (For the year ending March 31, 2018)</p>	<p>Wind World (India) Limited, the parent company, has been referred to NCLT. The parent company has floated three subsidiaries to which we have sanctioned and disbursed loans and the loan outstanding for an aggregate amount of ₹1,792.40 million. Out of the three subsidiaries, the loans to two subsidiary companies were provided for setting up of evacuation facility and the repayment of the loans was on the basis of the charges to be paid by the parent company for utilization of facilities set up by the subsidiaries. Although the parent company is receiving the operation and maintenance charges paid by the project developers on the basis of which the amount could have been paid to the subsidiaries, due to case being referred in NCLT, the Committee</p>

Emphasis Matters for Fiscal 2019, Fiscal 2018 and Fiscal 2017	Steps taken or to be taken by our Corporation to address the Matter
	<p>of Creditors has not permitted the IRP to pay the amount to the subsidiaries. Due to non-payment of the requisite due amount the two subsidiaries with loans outstanding of ₹1,163.01 million were classified as an NPA in Fiscal 2018. IRP has submitted a Resolution Plan before NCLT which is awaiting an order by the NCLT.</p> <p>The third subsidiary has set up wind power project and generating revenue from the project. We have been paying the requisite dues and the account was classified as a standard asset in Fiscal 2019 and Fiscal 2018</p>
<p>The obligation of our Company under section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) was discharged during the fiscal year.(For the year ending March 31, 2018 and 2017)</p>	<p>Our Company follows practice of creating CSR Funds with required amount of CSR expenditure under Section 135 of the Companies Act, 2013. An expense is incurred for a CSR project based on physical performance of the project. The treatment is adequately disclosed in the notes to accounts. During Fiscal 2018 and Fiscal 2017, ₹103.30 million and ₹75.07 million has been provided for CSR, respectively.</p>
<p>Specific audit of accounts of generation based incentive funds has not been done. (For the year ending March 31, 2018 and 2017)</p>	<p>The MNRE has assigned us with the activity of examining and processing GBI claims for wind and solar project under the scheme approved by it. We act as fund administrator for the purpose of examining the GBI claim, and a chartered accounting firm is engaged to do a due diligence report on claim. Based on the due diligence report, the claims are released to the GBI applicant. The audit of GBI claims is part of scope of activity covered by our internal auditors.</p>
<p>General Provision for Standard Assets amounting to ₹175.96 million made in the accounts includes ₹71.92 million for restructured account (For the year ending March 31, 2018)</p>	<p>The provisions were made in accordance with the board approved policy for income recognition, asset classification and provisioning.</p>
<p>Provisions relating to asset classification/provisioning of restructured/rescheduled accounts are not in conformity with our Articles of Association. (For the year ended March 31, 2017)</p>	<p>The Articles of Association have been amended to suitably incorporate the treatment of rescheduled/restructured loans. Further, RBI has provided exemptions which were available to all Government NBFCs from the prudential norms. Accordingly, the treatment of rescheduled accounts henceforth shall be given in accordance with RBI norms.</p>
<p>Capitalization of solar plant on the basis of information provided by the consultant. The necessary adjustments and compliances need to be carried out at the time of receipt of final bills of the contractor. Further bills have yet to be raised for power transmitted from the solar plant and income has been recognized on an estimate basis. (For the year</p>	<p>The observation made by Auditor was on the basis of the status of the solar plat as on March 31, 2017. As on March 31, 2019, the project now has been fully commissioned and operationalized. The project is generating power and supplying the same to the grid.</p>

Emphasis Matters for Fiscal 2019, Fiscal 2018 and Fiscal 2017	Steps taken or to be taken by our Corporation to address the Matter
ended March 31, 2017)	Power bills have been raised in Fiscal 2019 and accounted for in our Statement of Profit Loss.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes in a consolidated manner, (iv) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“Materiality Policy”), in each case involving our Company; and (v) dues to small scale undertakings and other creditors by our Company.

For the purpose of (iv) above, our Board, in its meeting held on July 29, 2019 adopted a policy on identification of material litigation involving our Company.

In terms of the Materiality Policy, all pending litigation involving the Company, other than criminal proceedings and actions by regulatory authorities and statutory authorities, would be considered ‘material’ if (i) the monetary amount of claim by or against our Company in any such pending proceeding is in excess of ₹ 23.11 million, being 1% of the profit after tax of our Company as per the restated consolidated financial statements of our Company for the last full Fiscal of our Company, or (ii) monetary liability is not quantifiable, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company.

As per the Materiality Policy, in relation to litigation involving our Directors, no material threshold has been taken into consideration and all such litigations involving our Directors, if any, would be considered ‘material’ (irrespective of threshold limit).

There is no other litigation involving our Group Company which has a material adverse effect on our Company.

Except as stated in this section, there are no outstanding dues to creditors of our Company. For this purpose, our Board in its meeting held on July 29, 2019, has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having monetary value which exceeds ₹ 12.62 million being 1% of the total consolidated trade payables of our Company as per the Restated Financial Statements of our Company as disclosed in the Issue Documents, shall be considered material. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”), the disclosure is based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by our Statutory Auditors.

Litigation involving our Company

Litigation against our Company

A. Criminal Proceedings

There are no pending criminal proceedings against our Company.

B. Civil Proceedings

1. Rayalseema Green Energy Limited (“RGEL”) has filed a civil suit bearing no. 329 of 2018 before the High Court of Delhi against our Company seeking damages amounting to ₹ 79.23 million with interest at the rate of 24% p.a., on account of operational losses suffered by RGEL due to *inter alia*: (i) our Company’s refusal to issue a No Objection Certificate required to be obtained by RGEL for securing a working capital loan from Canara Bank Limited; and (ii) our Company’s refusal to the request for restructuring the terms of the loan agreement dated October 22, 1999 (entered into between RGEL and our Company for a term loan of ₹ 150 million) by reducing interest rates and revising the repayment schedule. The matter is currently pending.

C. Actions initiated by regulatory and statutory authorities

There are no actions initiated by regulatory and statutory authorities against our Company.

D. Tax Proceedings

We have disclosed claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims in the following table:

Particulars	Number of cases	Aggregate amount involved* (in ₹ million)
Indirect Tax	<i>Nil</i>	<i>Nil</i>
Direct Tax		
CIT (Appeal)	7	1,319.60
Writ petition before the High Court of Delhi	1	Not quantifiable
Total	8	1,319.60*

* To the extent quantifiable

Litigation filed by our Company

A. Criminal Proceedings

1. Our Company, in the ordinary course of business, has initiated 168 recovery proceedings against our borrowers, for the dishonour of cheques under Section 138 of the Negotiable Instrument Act, 1881. These proceedings are pending before various courts. The aggregate amount involved in these proceedings is ₹ 5510.36 million, to the extent ascertainable.

B. Civil Proceedings

1. Our Company has filed an original application before the DRT at New Delhi against M/s. Sri Satyanarayana Power (P) Limited (“**SSPL**”) and others (collectively referred herein as “**Defendants-1**”) for recovery of ₹ 99.65 million (“**Recovery Amount**”) including interest from Defendants-1, and sale of hypothecated assets created as security in favour of our Company on account of default in repayment of loan availed by SSPL. The Presiding Officer of the Debts Recovery Tribunal-I, Delhi *vide* its order dated April 4, 2018 directed SSPL and Defendants-1 (“**Certificate Debtors**”) to pay the Recovery Amount along with interest. Subsequently, a demand notice was issued by the Office of the Recovery Officer to the Certificate Debtors for payment of the Recovery Amount along with interest and appearance before the Recovery Officer, DRT-II. The Certificate Debtors failed to make an appearance before the Recovery Officer, DRT-II and consequently, the Recovery Officer, DRT-II through order dated June 22, 2018 restrained the Certificate Debtors or their representatives to transfer or charge their share or interest in any property or asset and further directed to issue a default notice. The matter is currently pending.
2. Our Company has filed an original application before the DRT at New Delhi against M/s. Nido Energy Systems Private Limited (“**NIDO**”) and others (collectively referred herein as “**Defendants-2**”) for recovery of ₹ 159.46 million due as on December 31, 2014 with further interest as liquidated damages and other charges from Defendants-2, and sale of movable and immovable properties of NIDO charged in favour of our Company towards the pro tanto satisfaction of dues from Defendants – 2 in relation to repayment of loan availed by the NIDO. The matter is currently pending.
3. Our Company has filed an original application before the DRT at New Delhi against M/s. Shree Kedarnath Sugar and Agro Products Limited (“**SKSA**”) and others (collectively referred herein as “**Defendants-3**”) for recovery of ₹ 366.64 million due as on September 30, 2014 with further interest from Defendants-3, and sale of movable and immovable properties of SKSA charged in favour of our Company on account of default in repayment of loan availed by SKSA. The matter is currently pending.
4. Our Company has filed an original application before the DRT at New Delhi against M/s. Bhagyanagar Solvent Extractions Private Limited (“**BSEP**”) and others (collectively referred herein as “**Defendants-4**”) for recovery of ₹ 493.78 million due as on March 31, 2014 with further interest and liquidated damages from Defendants-4, and sale of movable and immovable properties of BSEP charged in favour of our Company on account of default in repayment of loan availed by BSEP. The matter is currently pending.
5. Our Company has filed an original application before the DRT at New Delhi against M/s. Noble Ispat & Energies Limited (“**NIEL**”) and others (collectively referred herein as “**Defendants-5**”) for recovery of ₹ 283.09 million due as on June 30, 2014 with further interest and liquidated damages from Defendants-5, and sale of movable and immovable properties of NIEL charged in favour of our Company on account of default in repayment of loan availed by it. The matter is currently pending.
6. Our Company has filed an original application before the DRT at New Delhi against M/s. Vamshi Industries Limited (“**Vamshi**”) and others (collectively referred herein as “**Defendants-6**”) for recovery of ₹ 280.91 million due as on September 30, 2016 with further interest and liquidated damages from Defendants-6, and sale of movable and immovable properties of Vamshi charged in favour of our Company on account of default in repayment of loan availed by the Vamshi. The matter is currently pending for adjudication.

7. Our Company has filed an original application before the DRT at New Delhi against M/s. GSL India Limited (“**GSL**”) and others for recovery of ₹ 229.01 million. Final order has been passed in favour of our Company and the matter is pending for execution of recovery certificate before the Ld. Recovery Officer, Delhi (“**RO**”). Our Company had attached the insurance claim amount awarded to the borrower and the assets of GSL have been charged to our Company. An appeal has been filed before the RO by GSL and the matter is currently pending.
8. Our Company has filed an original application before the DRT at New Delhi against M/s. Arunachalam Sugar Mills Limited (“**ASML**”) and others for recovery of ₹ 91.67 million. Final order has been passed in favour of our Company and the recovery certificate has been issued by the DRT against ASML. ASML is in liquidation and our Company has taken permission from the High Court of Madras to sell the assets through DRT. The matter is currently pending.
9. Our Company has filed an original application before the DRT at New Delhi against M/s. Arunachalam Sugar Mills Limited (“**ASML**”) and others for recovery of ₹ 628.79 million. Final order has been passed in favour of our Company and the recovery certificate has been issued by the DRT against ASML. ASML is in liquidation and our Company has taken permission from High Court of Madras to sell the assets through DRT. The matter is currently pending.
10. Our Company has filed an original application before the DRT at New Delhi against M/s. New Horizon Sugar Mills Limited for recovery of ₹ 200.31 million. Final order has been passed in favour of our Company and the matter is pending for execution of recovery certificate before the RO. The matter is currently pending.
11. Our Company has filed an original application before the DRT at New Delhi against M/s. Vijay Shree Chemicals (India) Limited (“**VCL**”) and others for recovery of ₹ 46.79 million. Final order has been passed in favour of our Company and the charged assets have been sold through DRT. VCL was in liquidation and our Company received ₹ 1.79 million from official liquidator as claim. Our Company is locating other assets of the guarantors. The matter is currently pending.
12. Our Company has filed an original application before the DRT at New Delhi against M/s. Andhra Pradesh Power Projects Limited and others for recovery of ₹ 70.33 million. Final order has been passed in favour of our Company and the matter was referred for execution of recovery certificate before the RO. DRT issued a notice for settling sale proclamation and actions are being taken for sale of assets. The matter is currently pending.
13. Our Company has filed an original application before the DRT at New Delhi against M/s. Silical Metallurgic Limited (“**SML**”) and others for recovery of ₹ 152.03 million. Final order has been passed in favour of our Company. SML was in liquidation and official liquidator has to file a report on the status of the assets. The matter is currently pending.
14. Our Company has filed an original application before the DRT at New Delhi against M/s. Sree Suryachandra Synergetics India (P) Limited for recovery of ₹ 112.55 million. Final order has been passed in favour of our Company and the matter is pending for execution of recovery certificate before the RO. A notice for settling sale proclamation has been issued and our Company has filed valuation report. The matter is currently pending.
15. Our Company has filed an original application before the DRT at New Delhi against M/s. Sree Suryachandra Synergetics India (P) Limited for recovery of ₹ 113.84 million. Final order has been passed in favour of our Company and the matter is pending for execution of recovery certificate before the RO. A notice for settling sale proclamation has been issued and our Company has filed valuation report. The matter is currently pending.
16. Our Company has filed an original application before the DRT at New Delhi against M/s. Ramsarup Industries Limited (“**RIL**”) and others for recovery of ₹ 49.77 million due as on June 30, 2017 with further interest and liquidated damages, and sale of movable and immovable properties of RIL charged in favour of our Company on account of default in repayment of loan availed by it. The matter is currently pending.
17. Our Company has filed an original application before the DRT at New Delhi against M/s. Ind Bharath Energies (Thoothukkudi) Limited (“**IBEL**”) and others for recovery of ₹ 29.18 million due as on March 31, 2016 with further interest and liquidated damages, and sale of movable and immovable properties of IBEL charged in favour of our Company on account of default in repayment of loan availed by it. The matter is currently pending.

18. Our Company has filed an original application before the DRT at New Delhi against M/s. Shriram Energy Systems Limited (“**SESL**”) and others for recovery of ₹ 426.35 million due as on September 30, 2017 with further interest and liquidated damages, and sale of movable and immovable properties of SESL charged in favour of our Company on account of default in repayment of loan availed by it. The matter is currently pending.
19. Our Company filed an original application before the DRT at New Delhi against M/s. Raunaq Finance Limited and others for the recovery of ₹ 26.66 million with further interest and liquidated damages. Final order has been passed in favour of our Company. The matter is currently pending.
20. Our Company filed an original application before the DRT at New Delhi against M/s. NEPC Agro Foods Limited and others for the recovery of ₹ 34.79 million with further interest and liquidated damages. Final order has been passed in favour of our Company and the matter is pending for execution of recovery certificate before the RO. The matter is currently pending.
21. A petition was filed by the Central Bank of India against M/s. NCML Industries Limited (“**NCML**”) before the National Company Law Tribunal, New Delhi (“**NCLT**”) for liquidation of NCML and recovery of the money. NCLT passed an order in the favour of creditors and a committee of creditors was constituted under the Insolvency and Bankruptcy Code, 2016 for liquidation of NCML. Our Company has made a claim of ₹ 59.43 million for the amount owed to us and has been admitted as a financial creditor in the Committee. The custody of the assets of NCML has been taken over by the insolvency resolution professional. The matter is currently pending.
22. A petition was filed by Ramsarup Industries Limited (“**RIL**”) before the National Company Law Tribunal, Kolkata (“**NCLT**”) for initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016. Our Company has made a claim of ₹ 51.88 million for the amount owed to us with the resolution professional (“**RP**”) appointed in the insolvency resolution process. This amount was arrived at after receiving ₹ 51.50 million from the sale of certain assets of RIL, charged in favour of our Company (“**Charged Assets**”), to M/s. Suzlon Global Services Limited. However, the RP included the Charged Assets within the list of assets to be sold to prospective bidders. Our Company has accordingly filed an interim application before NCLT objecting to the inclusion of these assets by the RP. The matter is currently pending.
23. A petition was filed by P. Krishan against M/s. Konark Power Project Limited (“**KPPL**”) before the National Company Law Tribunal, Hyderabad (“**NCLT**”) for initiation of corporate insolvency resolution process (“**CIRP**”) under the Insolvency and Bankruptcy Code, 2016. NCLT passed an order initiating the CIRP and declared a moratorium on all proceedings against KPPL. Our Company has made a claim of ₹ 204.59 million for the amount owed to us with resolution professional (“**RP**”) appointed in the insolvency resolution process. The RP has received resolution plans from appropriate resolution applicants. The matter is currently pending.
24. A petition was filed by various creditors against M/s. Wind World (India) Limited (“**WWIL**”) before the National Company Law Tribunal, Ahmedabad (“**NCLT**”) for initiation of corporate insolvency resolution process (“**CIRP**”) under the Insolvency and Bankruptcy Code, 2016. NCLT passed an order initiating the CIRP and declared a moratorium on all proceedings against WWIL. Our Company has made a claim of ₹ 2076.90 million for the amount owed to us out of which a claim of ₹ 1801.41 million has been admitted by the resolution professional (“**RP**”) appointed in the insolvency resolution process. Our Company has also been admitted as a financial creditor in the committee of creditors (“**Committee**”). While the RP has finalized the resolution plan, our Company has filed an application challenging the same, *inter alia*, on the following grounds: (i) the resolution plan does not treat all financial creditors equally; and (ii) the resolution plan, which was rejected earlier, was reapproved without following proper procedure. The matter is currently pending.
25. Our Company filed an application before the National Company Law Tribunal, Mumbai against M/s. Saikrupa Sugars and Allied Industries Limited for initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 for the recovery of ₹ 1657.30 million due as on December 31, 2017 with further interest owed to our Company. The matter is currently pending.
26. Our Company filed an application before the National Company Law Tribunal, Kolkata against M/s. JHV Sugars Limited for initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 for the recovery of ₹ 264.16 million due as on December 31, 2017 with further interest owed to our Company. The matter is currently pending.
27. Our Company filed an application before the National Company Law Tribunal, Mumbai against M/s. Shree Kedarnath Sugar and Agro Products Limited for initiation of corporate insolvency resolution process under

the Insolvency and Bankruptcy Code, 2016 for the recovery of ₹ 573.89 million due as on March 31, 2018 with further interest owed to our Company. The matter is currently pending.

28. Our Company filed an application before the National Company Law Tribunal, Bangalore against M/s. Noble Ispat & Energies Limited for initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 for the recovery of ₹ 438.44 million due as on April 30, 2018 with further interest owed to our Company. The matter is currently pending.
29. Our Company filed an application before the National Company Law Tribunal, Hyderabad against M/s. Turbo Machinery Engineering Industries Limited for initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 for the recovery of ₹ 163.01 million due as on September 30, 2018 with further interest owed to our Company. The matter is currently pending.

Outstanding dues to Creditors

As of March 31, 2019, we had 110 creditors on a consolidated basis. The aggregate amount outstanding to such creditors as on March 31, 2019 was ₹ 1,261.66 million, on a consolidated basis.

As per the materiality policy with respect to outstanding dues to creditors, outstanding dues to any creditor of our Company having monetary value which exceed ₹ 12.62 million, which is 1% of the total trade payables of our Company as per the Restated Financial Statements included in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, in this regard, the creditors to whom an amount exceeding ₹ 12.62 million was owed as on March 31, 2019, were considered 'material' creditors. Based on the above, there are two material creditors of our Company as on March 31, 2019, to whom an aggregate amount of ₹ 945.46 million was outstanding on such date.

Details of outstanding dues owed as at March 31, 2019 to MSMEs and other creditors are set out below.

Creditors	Number of Cases	Amount due (in ₹ million)
MSMEs	7	6.05
Other creditors	103	1,255.61

The details pertaining to amounts due towards the material creditors are available on the website of our Company at <https://www.ireda.in/forms/list.aspx?lid=2149&Id=2>.

Material Developments

There have not arisen since March 31, 2019, the date of the last Restated Financial Statements included in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our profitability or operations taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein and in “Risk Factors” beginning on page 21, we have obtained all material consents, licenses, permissions and approvals from various governmental, statutory and regulatory authorities in India which are necessary for undertaking our business. The list below is indicative and does not include Issue related approvals, which are set out in the sections entitled “Other Regulatory and Statutory Disclosures” and “History and Certain Corporate Matters” beginning on pages 328 and 122, respectively. In view of these approvals, our Company can undertake its current business activities. Unless stated otherwise, we have obtained necessary approvals from the relevant government authorities with respect to our manufacturing facilities and warehouses and such approvals are valid as on the date of this Draft Red Herring Prospectus.

A. Corporate approvals

1. Initial certificate of incorporation dated March 11, 1987 issued by the then Registrar of Companies, Delhi and Haryana in the name of “Indian Renewable Energy Development Agency Limited”.
2. Certificate of Commencement of Business dated March 21, 1987 issued by the Registrar of Companies, Delhi and Haryana.
3. Notification dated October 17, 1995 issued by the Department of Company Affairs, Ministry of Finance, GoI, notified our Company as a public financial institution under Section 4A of the Companies Act, 1956.
4. Letter dated June 2, 2015 issued by the Ministry of New and Renewable Energy, GoI conferred Mini-Ratna status (Category-I Public Sector Enterprise) to our Company.

B. Tax related approvals of our Company

1. Permanent Account Number AAACI1384C issued by the Income Tax Department under the Income tax Act, 1961.
2. Tax deduction account number DEL104162E issued by the Income Tax Department under the Income tax Act, 1961
3. GST Registration number of our corporate office for GST payments under the Delhi Goods and Service Tax Act, 2017 07AAACI1384C1ZZ; and
4. Certificate of Registration, dated January 23, 2008 granted by Reserve Bank of India, to commence/carry on the business of Non-Banking Financial Companies without accepting public deposits dated January 23, 2008

5. Material approvals in relation to our business operations

1. Pursuant to an order (No. S-35015/76/2009-SS-II) dated June 8, 2009, the Central Government has exempted our Company from operation of the Employees’ Provident Fund Scheme, 1952 with effect from March 1, 1994. The exemption has been given in accordance with section 17(1)(a) of the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.
2. Synchronization certificate issued on September 13, 2017 certifying synchronization of the entire capacity of the 50 MW solar photovoltaic power project by our Company in Village Ambalathara, District Kasaragod, Kerala to the grid.

C. Material approvals required for but not applied for

Nil

D. Renewals applied for in relation to material approvals but not yet received

Nil

E. Material approvals required, yet to be applied for

Nil

F. Approvals applied for but not received

Nil

G. Intellectual Property

For details in relation to the intellectual property which are registered to our Company, see “*Our Business – Intellectual Property*” on page 116.

OUR GROUP COMPANY

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of group companies, our Company has considered (i) the companies with which there are related party transactions, as disclosed in the Restated Financial Statements; and (ii) related parties with which there were transactions for the period are included in this Draft Red Herring Prospectus.

Accordingly, in terms of the policy adopted by our Board for determining group companies, our Board has identified M.P. Windfarms Limited (“MPWL”) as a group company.

Details of our Group Company

M. P. Windfarms Limited

Corporate Information

MPWL was incorporated on October 20, 1994 under the Companies Act, 1956 at Gwalior. MPWL was established pursuant to a memorandum of understanding, dated July 14, 1994 with Consolidated Energy Consultants (P) Limited, our Company and M.P. Urja Vikas Nigam Limited for establishment of wind power estates in the state of Madhya Pradesh. The corporate identity number of MPWL is U40107MP1994PLC008737.

Nature of Activities

MPWL is involved in the business of promoting, developing, and maintaining infrastructure facilities for generation, supply and distribution of electricity through wind farms projects and procuring and running wind electric generators.

Litigation

There are no outstanding litigation involving our Group Company which have a material impact on our Company.

Group Company which is a sick industrial company

Our Group Company has not become a sick company under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985.

Group Company under winding up/ insolvency proceedings

Our Group Company is not under winding up/ insolvency proceedings.

Loss making Group Company

MPWL is not a loss making Group Company.

Defunct Group Company

During the five years immediately preceding the date of this Draft Red Herring Prospectus, our Group Company has not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of our Group Company.

Common pursuits

There are no common pursuits amongst our Group Company and our Company. We will adopt the necessary procedures and practices as permitted by law to address any conflict situation, if and when they arise.

Business interests or other interests

Except as disclosed in “*Financial Information*” beginning on page 144, our Group Company do not have any business interest in our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has approved the Issue pursuant to the resolution passed at their meeting held on July 29, 2019 and our Shareholders have approved the Issue pursuant to a shareholders' resolution passed at the meeting held on September 22, 2017 under Section 62(1)(c) of the Companies Act, 2013. Pursuant to a letter dated June 20, 2017, Company has received MNRE approval for the Issue.

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●], 2019 and [●], 2019, respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, and the persons in control of our Company have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

We are a Government Company and our Promoter is the President of India acting through the Ministry of New and Renewable Energy. Our Promoter, along with its nominees, currently holds 100% of the pre-Issue paid-up equity share capital of our Company. Accordingly, the Companies (Significant Beneficial Ownership) Rules, 2018 ("SBO Rules") are not applicable to us in terms of Rule 8 of the SBO Rules.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which more than 50 % are held in monetary assets in Fiscals 2017 and Fiscals 2018;

While the Company held monetary assets which were more than 50% of net tangible assets as on March 31, 2018 and March 31, 2017, the Company has made firm commitments for utilization of the excess monetary assets in its business;

- Our Company has an average pre-tax operating profit of at least ₹ 150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with pre-tax operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, pre-tax operating profits and net worth, derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last three Fiscals ended March 31, 2019, 2018 and 2017 are set forth below:

(in ₹ million, unless otherwise stated)

	Consolidated		
	Fiscal 2019	Fiscal 2018	Fiscal 2017
Restated Net Tangible Assets ⁽¹⁾	25,753.38	24,452.58	24,275.64
Restated Monetary assets ⁽²⁾	5,567.16	18,635.14	20,616.87
% of Restated Monetary Assets to Restated Net Tangible Assets	21.62	76.21	84.93
Restated consolidated pre-tax operating profit ⁽³⁾	3,192.03	5,425.34	3,096.27
Restated Net worth for equity shareholders ⁽⁴⁾	27,712.69	25,477.61	25,225.67

Notes:

- (1) *“Net Tangible Assets” mean the sum of all net assets of the issuer, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38: Intangible Assets.*
- (2) *“Monetary Assets” comprise of cash and bank balances which exclude the fund kept by our Company on behalf of others.*
- (3) *“Restated Consolidated Pre-Tax Operating Profit” is defined as the restated profit before tax but after adjusting other income, loss on sale of investments, lease rentals written off, interest income written off and finance costs. The average restated consolidated pre-tax operating profit of our Company for the preceding three fiscals is ₹ 3,904.55 million.*
- (4) *“Net worth” means the aggregate value of Equity capital and Other Equity excluding Other Comprehensive Income.*

Our Company has operating profits in each of Fiscal 2017, 2018 and 2019 in terms of our restated consolidated summary statements.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoter or Directors is a wilful defaulter.
- (d) None of our Promoter or Directors is a fugitive economic offender.
- (e) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMs, YES SECURITIES (INDIA) LIMITED, ELARA CAPITAL (INDIA) PRIVATE LIMITED, IDBI CAPITAL MARKETS & SECURITIES LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 29, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors and the BRLMs

Our Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.ireda.in or the website of our Group Company, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.**

Each purchaser of the Equity Shares in the Issue in India shall be deemed to:

- Represent and warrant to our Company, the BRLMs and the Syndicate Members that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.
- Represent and warrant to our Company, the BRLMs and the Syndicate Members that it did not purchase the Equity Shares as result of any "directed selling efforts" (as defined in Regulation S).
- Represent and warrant to our Company, the BRLMs and the Syndicate Members that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in

a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.

- Represent and warrant to our Company, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- Represents and warrant to our Company, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- Agree to indemnify and hold the Company, the BRLMs and the Syndicate Members harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Acknowledge that our Company, the BRLMs, the Syndicate Members and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

The Equity Shares have not been and will not be registered under the Securities Act or the laws of any state of the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Our Company is an “investment company” (as defined in the US Investment Company Act and the related rules and has not been and will not be registered under the US Investment Company Act. Accordingly, the Equity Shares are being offered and sold (a) to persons in the United States and to US Persons who are both (i) “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) and (ii) “qualified purchasers” (as defined in Section 2(a)(51) of the US Investment Company Act and referred to herein as “Qualified Purchasers”) pursuant to Rule 144A under the Securities Act and Section 3(c)(7) of the US Investment Company and (b) to persons who are not US Persons outside the United States pursuant to Regulation S under the Securities Act.

NO PERSON OUTSIDE INDIA IS ELIGIBLE TO BID FOR EQUITY SHARES UNLESS THAT PERSON HAS RECEIVED A PRELIMINARY OFFERING MEMORANDUM FOR THE OFFER, WHICH COMPRISED OF THE RED HERRING PROSPECTUS AND AN “INTERNATIONAL WRAP” THAT CONTAINS, AMONG OTHER THINGS, THE SELLING RESTRICTIONS APPLICABLE TO THE OFFER OUTSIDE INDIA (THE “PRELIMINARY OFFERING MEMORANDUM”).

Bidders who do not receive a Preliminary Offering Memorandum shall be deemed to represent, warrant and agree with the Company and the BRLMs as follows:

1. It is not a “U.S. Person” (as defined in Regulation S).
2. It was in India at the time the offer of the Equity Shares was made to it and it was in India when its buy order for the Equity Shares was originated and if it is a broker-dealer in India acting on behalf of its customers, each of its customers has confirmed to it that such customer is not a “US Person” (as defined in Regulation S) and was in India at the time the offer of the Equity Shares was made to it and such customer was in India when such customer’s buy order for the Equity Shares was originated.
3. It did not Bid for the Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S).
4. It is buying the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act or pursuant to any other available exemption from registration under the Securities Act.
5. It understands that our Company will be deemed to be a “covered fund” for purposes of Section 13 of the U.S. Bank Holding Company Act of 1956, commonly known as the “Volcker Rule,” as we are relying on the exemption provided by Section 3(c)(7) of the US Investment Company Act and we are unable to rely on any exemptions from the definition of a “covered fund”; and, accordingly, the Equity Shares may constitute “ownership interests” under the Volcker Rule and certain banking entity (including U.S. banking entities) would generally be prohibited from acquiring or retaining the Equity Shares, unless such a banking entity could rely on an exclusion or exemption from the Volcker Rule’s prohibitions.

6. Where it is subscribing to the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.
7. Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
8. If it is an Affiliate, agent or intermediary of our Company or any of the BRLMs, it agrees not to issue, and to instruct its affiliates to not issue, “participatory notes”, “overseas derivative instruments” or similar instruments relating to the Equity Shares or the economic interest therein (collectively, “**P-Notes**”) to persons in the United States or US Persons except to persons (a) who are Qualified Purchasers (who are also not U.S. Retirement Funds subject to ERISA or Section 4975 of the US Internal Revenue Code) in transactions complying with Rule 903 or Rule 904 of Regulation S under the Securities Act or pursuant to any other available exemption from registration under the Securities Act and in compliance with Section 3(c)(7) of the US Investment Company Act and (b) who have executed and delivered an agreement or letter containing representations, warranties, agreements to the following effect:
 - The purchaser understands that the P-Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or the laws of any U.S. state and that the offer and sale of the P-Notes to it is made in reliance on an exemption from the registration requirements of the Securities Act and applicable state securities laws.
 - The purchaser understands and acknowledges that the Company has not registered, and does not intend to register, as an “investment company” (as such term is defined under the U.S. Investment Company Act of 1940, as amended (the “US Investment Company Act”) and that the issuer of P-Notes has imposed the transfer and offering restrictions with respect to persons within the United States and US Persons (as defined in Regulation S) so that the Company will qualify for the exemption provided under Section 3(c)(7) of the US Investment Company Act and will have no obligation to register as an investment company.
 - The purchaser is a Qualified Purchaser acquiring the P-Notes for its own account or for the account of one or more Qualified Purchasers, each of which is acquiring beneficial interests in the P-Notes for its own account.
 - The purchaser is not and will not be (or deemed to be) a U.S. Retirement Fund subject to ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended.
 - The purchaser was not formed for the purpose of investing in the P-Notes (unless each beneficial owner of its securities is a Qualified Purchaser) and it is not an affiliate (as defined in Rule 501(b) under the Securities Act) of the Company or a person acting on behalf of an affiliate of our Company.
 - The purchaser represents and warrants that it is buying the P-Notes for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, sell, pledge or otherwise transfer any of the P-Notes, it agrees that it will only offer, sell, pledge or otherwise transfer such P-Notes outside the United States to a purchaser not known by it to be US Person in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India.
 - The purchaser agrees that if it decides to offer, sell, pledge or otherwise transfer any of the P-Notes in accordance with the restrictions set forth herein, it shall obtain from the transferee a representation letter in substantially the same form as the representations, warranties and agreements set forth herein.
 - The purchaser shall notify the executing broker and any other agent involved in any resale of the P-Notes of the forgoing restrictions applicable to the P-Notes and instruct such broker or agent to abide by such restrictions.
 - The purchaser agrees to indemnify and hold the Company and any issuer of P-Notes harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth hereon shall survive the resale of the P-Notes.

- Where the purchaser is subscribing to the P-Notes as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.
 - Where the purchaser is subscribing to the P-Notes for one or more managed accounts, it represents and warrants that it is authorised in writing by each such managed account to subscribe to the P-Notes for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
 - The purchaser acknowledges that the Company and the issuer of P-Notes and its respective affiliates, and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements.
9. It agrees to indemnify and hold the Company and the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares offered hereby.
10. It acknowledges that the Company and the BRLMs and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements and acknowledgements.

Any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognised by our Company.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

[●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications have been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares.

Consents

Consents in writing of our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, Indian Legal Counsel to our Company, Indian Legal Counsel to the BRLMs, Bankers to our Company, the BRLMs, International Legal Counsel to our Company, the Registrar to the Issue, Public Issue Account Bank, Sponsor Bank and consents in writing of the Syndicate Members to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Expert to the Issue

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, Jain Chopra & Company, Chartered Accountants, holding a valid peer review certificate from ICAI*, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in relation to the examination report dated July 29, 2019 forming a part of the Restated Financial Statements, and the statement of special tax benefits dated July 29, 2019 included in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

** The peer review certificate held by the Statutory Auditors is valid till June 29, 2019, and renewal of the same is in process. There is no refusal by the peer review board to renew the certificate, and the process to renew the peer review has been initiated by the Statutory Auditors.*

Particulars regarding public or rights issues by our Company during the last five years

Except as disclosed in “*Capital Structure – Equity Share Capital History of our Company*” on pages 59 to 63 of this Draft Red Herring Prospectus, Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our Company and the listed Group Company and the subsidiaries of our Company

Our Company has not undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Our Group Company is not listed on any stock exchange.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries of our Company

Our Company does not have any subsidiaries.

Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)

A. YES Securities (India) Limited

Price information of past issues handled by YES Securities (India) Limited

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Polycab India Limited	13,452.60	538.00	April 16, 2019	633.00	+15.36% [-5.35%]	+14.70% [-1.99%]	-
2	Rail Vikas Nigam Limited	4,768.61	19.00	April 11, 2019	19.00	+19.47% [-2.74%]	+40.26% [-0.35%]	-
3	Garden Reach Shipbuilders & Engineers Limited	3,435.89	118.00	October 10, 2018	102.50	-23.39% [+1.32%]	-19.11% [+2.98%]	-16.74% [+11.53%]
4	Lemon Tree Hotels Limited	10,386.85	56.00	April 9, 2018	61.60	+30.18% [+3.26%]	+29.91% [+3.79%]	+19.46% [-0.61%]
5	Bharat Dynamics Limited	9,609.44	428.00	March 23, 2018	370.00	-2.90% [+5.66%]	-9.78% [+7.43%]	-19.60% [+12.37%]
6	Aster DM Healthcare Limited	9,801.37	190.00	February 26, 2018	183.00	-13.66% [-3.77%]	-4.97% [+0.21%]	-8.16% [+9.21%]
7	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+3.50% [+3.00%]	+6.91% [-1.86%]	-5.20% [+4.13%]
8	The New India Assurance Company Limited	96,000.00	800.00	November 13, 2017	750.00	-27.91% [+0.15%]	-12.93% [+2.25%]	-13.06% [+5.69%]
9	Reliance Nippon Life Asset Management Company Limited	15,422.40	252.00	November 06, 2017	295.90	+3.61% [-3.19%]	+5.91% [+2.95%]	-4.21% [+1.59%]
10	Dixon Technologies (India) Limited	5,992.79	1,766	September 18, 2017	2,725.00	+50.12% [+0.80%]	+80.93% [+1.77%]	+95.22% [+0.41%]

Notes:

1. Benchmark Index taken as CNX NIFTY
2. Price on NSE is considered for the above calculations
3. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index on the day of the listing date.
4. If either of the 30th, 90th or 180th calendar day is a trading holiday, the previous trading day has been considered for the computation.
5. Restricted to last 10 issues

Summary statement of price information of past issues handled by YES Securities:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-2020	2	18,221.21	-	-	-	-	-	2	-	-	-	-	-	-
2018-2019	2	13,822.74	-	-	1	-	1	-	-	-	1	-	-	1
2017-2018	9	161,206.66	-	1	4	2	-	2	-	-	6	2	1	-

Notes:

1. Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date.
2. The information for the financial year is based on issue listed during such financial year.

B. Elara Capital (India) Private Limited

Price information of past issues during current financial year and two financial years preceding the current financial year handled by Elara Capital (India) Private Limited:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Rail Vikas Nigam Limited	4,771.12	19.00	April 11, 2019	19.00	+19.47% [-2.74%]	+40.26% [-0.35%]	-
2.	RITES Limited	4,604.40	185.00	July 02, 2018	190.00	+34.97% [6.56%]	+33.54 [3.29%]	+49.70% [+1.90%]

Notes:

1. The Designated Exchange for the Issue has been considered for the closing price, Benchmark index and other details
2. % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th / 90th / 180th calendar day from listing day.
3. 30th, 90th, 180th calendar day from listing day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day.
4. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for Rail Vikas Nigam Limited, data for same is not available.

Summary statement of disclosure - Price information of past issues during current financial year and two financial years preceding the current financial year handled by Elara Capital (India) Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹Million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2019-2020	1	4,771.12	-	-	-	-	-	1	-	-	-	-	-	-
2018-2019	1	4,604.40	-	-	-	-	1	-	-	-	-	-	1	-
2017-2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1. The information for each of the financial years is based on issues listed during such financial year.
2. 30th and 180th calendar day from listing day have been taken as listing day plus 29 and 179 calendar days respectively, except wherever 30th and 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day.

C. IDBI Capital Markets & Securities Limited

Price information of past issues handled by IDBI Capital Markets & Securities Limited

S. No.	Issue Name	Issue Size (in ₹ Million)	Issue Price (₹)	Listing Date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1	Rail Vikas Nigam Limited	4,768.61	19.00 ⁽⁷⁾	April 11, 2019	19.00	+19.47% (-2.74%)	+40.26% (-0.35%)	Not Available
2	Garden Reach Shipbuilders & Engineers Limited	3,435.89	118.00 ⁽⁶⁾	October 10, 2018	102.50	-23.05% (+1.20%)	-19.11% (+2.98%)	-16.82% (+10.94%)
3	IRCON International Limited	4,667.03	475.00 ⁽⁵⁾	September 28, 2018	412.00	-26.62% (-6.22%)	-6.60% (-1.84%)	-15.71% (+5.06%)
4	rites Limited	4,604.40	185.00 ⁽⁴⁾	July 02, 2018	190.00	+34.97% (+6.56%)	+33.54% (+3.29%)	+49.70% (+1.90%)
5	Mishra Dhatu Nigam Limited	4,328.96	90.00 ⁽³⁾	April 04, 2018	87.00	+67.89% (+5.44%)	+40.44% (+5.22%)	+26.39% (+8.69%)
6	Bharat Dynamics Limited	9,527.88	428.00 ⁽²⁾	March 23, 2018	370.00	-4.65% (+5.87%)	-9.78% (+7.74%)	-19.60% (+12.81%)
7	Security and Intelligence Services (India) Limited	7,795.30	815.00	August 10, 2017	879.00	-3.29% (+1.17%)	3.14% (5.40%)	+39.12% (+8.62%)
8	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.92% (+5.84%)	+128.86% (+2.26%)	+146.71% (+10.61%)
9	Housing and Urban Development Corporation Limited	12,095.70	60.00 ⁽¹⁾	May 19, 2017	73.00	+13.17% (+2.44%)	+34.67% (+4.98%)	+35.67% (+8.05%)

(1): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 58.00 per equity share.

(2): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 418.00 per equity share.

(3): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 87.00 per equity share.

(4): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 179.00 per equity share.

(5): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 465.00 per equity share.

(6): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 113.00 per equity share.

(7): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 18.50 per equity share.

Notes:

(a) Source: www.nseindia.com for the price information

(b) Wherever 30th/ 90th/ 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.

(c) The Nifty 50 index is considered as the benchmark index.

Summary statement of price information of past issues handled by IDBI Capital Markets & Securities Limited

Fiscal Year	Total no. of IPOs	Total amount of funds raised (₹ million.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019 - date of this date of DRHP*	1	4,768.61	-	-	-	-	-	1	-	-	-	-	-	-
2018 - 19	4	17,036.28	-	1	1	1	1	-	-	-	2	-	2	-
2017 - 18	4	34,658.79	-	-	2	1	-	1	-	-	1	1	2	-

* The information is as on the date of the DRHP

The information for each of the financial years is based on issues listed during such financial year.

D. SBI Capital Markets Limited

Price information of past issues handled by SBI Capital Markets Limited

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, +/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 180 th calendar days from listing
1	Ircon International Limited ⁴	4,667.03	475	September 28, 2018	412.00	-27.04% [8.24%]	-6.60% [-1.84]	-15.71% [5.06%]
2	RITES Limited ⁵	4,604.40	185	July 02, 2018	190.00	34.97% [+6.56%]	33.03% [+2.56%]	49.70% [+1.90%]
3	ICICI Securities Ltd	35,148.49	520	April 04, 2018	435.00	-27.93% [+5.44%]	-37.26% [+5.22%]	-44.39% [+7.92%]
4	Mishra Dhatu Nigam Limited ⁶	4,328.96	90	April 04, 2018	87.00	67.89% [+5.44]	40.44% [+5.22%]	29.50% [+7.92%]
5	Hindustan Aeronautics Ltd ⁷	41,131.33	1,215	March 28, 2018	1,152.00	-6.96% [+4.98%]	-25.84% [+6.41%]	-25.45% [+10.18%]
6	Bharat Dynamics Limited ⁸	9,527.88	428	March 23, 2018	370.00	-2.90% [+5.66%]	-9.78% [+7.74%]	-19.60% [+12.81%]
7	H. G. Infra Engineering Limited	4,620.00	270	March 9, 2018	270.00	19.19% [+1.02%]	8.35% [+4.48%]	-12.81% [+12.65%]
8	Amber Enterprises India Limited ⁹	5,995.99	859	January 30, 2018	1,175.00	27.15% [-5.04%]	24.98% [-3.23%]	6.73% [+2.07%]
9	Reliance Nippon Life Asset Management Limited	15,422.40	252	November 06, 2017	295.90	3.61% [-3.19%]	5.91% [+2.95%]	-4.21% [+1.59%]
10	SBI Life Insurance Company Limited ¹⁰	83,864.00	700	October 3, 2017	735.00	-7.56% [+5.89%]	-0.66% [+6.81%]	-3.11% [+2.58 %]

Source: www.nseindia.com

Notes:

* The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.

* The Nifty 50 index is considered as the Benchmark Index

* The number of Issues in Table-1 is restricted to 10

4. Retail Discount and Employee Discount of ₹ 10 per Equity Share to the Issue Price

5. Retail Discount and Employee Discount of ₹ 6 per Equity Share to the Issue Price
6. Retail Discount and Employee Discount of ₹ 3 per Equity Share to the Issue Price
7. Retail Discount and Employee Discount of ₹ 25 per Equity Share to the Issue Price
8. Retail Discount and Employee Discount of ₹ 10 per Equity Share to the Issue Price
9. Employee Discount of ₹ 85 per Equity Share to the Issue Price
10. Employee Discount of ₹ 68 per Equity Share to the Issue Price

Summary statement of disclosure - Price information of past issues during current financial year and two financial years preceding the current financial year handled by SBI Capital Markets Limited:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount – 30 th calendar days from listing			No. of IPOs trading at premium – 30 th calendar days from listing			No. of IPOs trading at discount – 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	2	9,271.43	-	1	-	-	1	-	-	-	-	-	1	1
2017-18	12	2,03,995.12	-	-	5	2	2	3	-	3	3	1	3	2

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs as set forth in the table below:

S. No.	Name of the BRLM	Website
1.	YES Securities (India) Limited	www.yesinvest.in
2.	Elara Capital (India) Private Limited	www.elaracapital.com
3.	IDBI Capital Market & Securities Limited	www.idbicapital.com
4.	SBI Capital Markets Limited	www.sbicaps.com

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the submission of ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular no.CIR/OIAE/1/2013 dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders' Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares.

Our Company has also appointed Surender Suyal, Company Secretary of our Company, as the Compliance Officer for the Issue. For details, see "*General Information*" beginning on page 52.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Our Group Company is not listed on any stock exchange.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of

the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, ASBA Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

The Equity Shares being Allotted shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “*Main Provisions of Articles of Association*” beginning on page 360.

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of Articles of Association*” beginning on pages 143 and 360, respectively.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company, in consultation with the BRLMs, and advertised in [●] editions of [●] an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of New Delhi, where our registered office is located), each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the ASBA Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Main Provisions of Articles of Association*” beginning on page 360.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated February 21, 2018 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated February 8, 2018 amongst CDSL, our Company and the Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in and multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 and the rules made thereunder, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserve the right not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company, in consultation with the Book Running Lead Managers, withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that they will proceed with public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/ Issue Programme

BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSES ON	[●]*

* Our Company may, in consultation with the BRLMs, consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable is indicative and does not constitute any obligation on our Company or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Submission of Bids:

Bid/ Issue Period (except the Bid/ Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/ Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/ Issue Closing Date, the Bids shall be uploaded until:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/ Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges and Eligible Employees.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked in the relevant ASBA Account, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any

member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/hardware system or otherwise; (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, *i.e.* the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue on the date of closure of the Issue; or if the subscription level falls below 90% after the closure of Issue on account of withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company and every Director who are officers in default, shall pay interest at the rate of 15% p.a. Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any, on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company and Promoters' Contribution as provided in "*Capital Structure*" beginning on page 59 and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/ debentures and on their consolidation/ splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of Articles of Association*" beginning on page 360.

ISSUE STRUCTURE

Issue of up to 139,000,000 Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million by our Company. The Issue includes a reservation of up to 695,000 Equity Shares aggregating to ₹ [●] million, for subscription by Eligible Employees. The Issue and the Net Issue will constitute up to 15.05% and 14.97%, respectively, of our post Issue paid-up Equity Share capital.

The face value of the Equity Shares is ₹10 each.

The Issue is being made through the Book Building Process.

Particulars	Eligible Employees**	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation* ⁽¹⁾	Up to 695,000 Equity Shares	Not more than 69,152,500 Equity Shares	Not less than 20,745,750 Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 48,406,750 Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for Allotment/ allocation	Approximately 0.5% of the Issue size	Not more than 50% of the Net Issue shall be allocated to QIB Bidders. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund portion will be available for allocation to QIBs.	Not less than 15% of the Issue, or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue, or the Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate [#]	Proportionate as follows : (a) 3,457,625 Equity Shares shall be made available for allocation on a proportionate basis to Mutual Funds only; and (b) 65,694,875 Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate	The Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For details, see “Issue Procedure” beginning on page 349
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares, that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares	Such number of Equity Shares, that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to	Such number of Equity Shares in multiples of [●] Equity Shares (excluding the QIB)	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000 (net of

Particulars	Eligible Employees**	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	does not exceed ₹ 500,000 (net of Employee Discount)	applicable limits		Retail Discount)
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of Allotment	Compulsorily in dematerialised form			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply ⁽²⁾	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs (other than Category III FPIs), VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), corporate bodies, scientific institutions societies and trusts, Category III FPIs	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Mode of Bidding	Only through the ASBA process	Only through the ASBA process	Only through the ASBA process	Only through the ASBA process
Terms of Payment	Full Bid Amount shall be blocked in the bank account of the Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form ⁽³⁾			

* Assuming full subscription in the Issue

** Our Company, in consultation with the BRLMs, may offer a discount of up to 5% (equivalent to up to ₹ [●]) on the Issue Price to the Retail Individual Bidders and the Eligible Employees Bidding under the Employee Reservation Portion, respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Issue Advertisement will be published. For further details, see "Issue Procedure" beginning on page 349.

Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹ 500,000 (excluding Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000 (excluding Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (excluding Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (excluding Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Issue and such Bids will not be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Issue. In case of under-subscription in the Net Issue, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

⁽¹⁾ Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b) of the SCRR and under the SEBI ICDR Regulations.

⁽²⁾ If the Bid is submitted in joint names, the ASBA Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the ASBA Form and such first Bidder

would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

⁽³⁾ The SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the ASBA Form.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

ISSUE PROCEDURE

*All Bidders should read the general information document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 (the “**General Information Document**”), which highlights the key rules, processes and procedures applicable to public issues in general, in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Bidders; (v) Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

*SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.*

*From July 1, 2019, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds has been discontinued. However, the time duration from public issue closure to listing continues to follow the existing timeline of T+6 days. (“**UPI Phase II**”).*

Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document which are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis. 5% of the net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The ASBA Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the IPO.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019 by SEBI by way of its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019, and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

ASBA Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Retail Individual Bidders submitting ASBA Forms with the Syndicate, sub-syndicate, Registered Brokers, RTAs or with CDPs are required to utilize the UPI Mechanism. It is clarified that Retail Individual Bidders may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism. The ASBA Forms that do not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms). ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with SCSBs. Further, QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs. Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which will be blocked by the SCSB.

The prescribed colour of the ASBA Form for the various categories is as follows:

Category	Colour of ASBA Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* Excluding electronic ASBA Form

The relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

Who can Bid?

In addition to the category of Bidders set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion
- Scientific and/or industrial research organisations in India, which are authorised to invest in equity shares; and
- Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Participation by the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the ASBA Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Employees under the Employee Reservation Portion

Bids by Eligible Employees under the Employee Reservation Portion shall be subject to the following:

- A. Such Bids must be made in the prescribed ASBA Form (*i.e.*, [●] in colour) and are required to be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The Allotment in the Employee Reservation Portion will be on a proportionate basis.
- B. Such Bidders should mention their employee identification number at the relevant place in the ASBA Form.
- C. The Bidder should be an Eligible Employee as defined above. In case of joint bids, the First Bidder shall be an Eligible Employee.
- D. Such Bidders must ensure that the Bid Amount does not exceed ₹ 500,000, net of discount. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, net of discount subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.
- E. Such Bidders have the option to bid at Cut-off Price indicating their agreement to Bid and purchase at the Issue Price.
- F. Such Bidders can place their Bids by only using the ASBA process.

- G. The Eligible Employee who Bids in the Employee Reservation Portion can also Bid in the Net Issue and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion for up to ₹ 500,000, net of discount can also Bid in the Net Issue and such Bids will not be treated as multiple Bids. Our Company, in consultation with the BRLMs reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.
- H. If the aggregate demand in this category is less than or equal to 695,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- I. If the aggregate demand in this category is greater than 695,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of ASBA Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts (including UPI ID, if activated), or Foreign Currency Non-Resident (“FCNR”) accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the ASBA Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the ASBA Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the ASBA Form meant for Non-Residents (blue in colour).

Participation of Eligible NRIs in the Issue shall be subjected to the FEMA Regulations.

Bids by HUFs

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the ASBA Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids by HUFs may be considered at par with Bids from individuals;

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits in our Company are 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

- (a) offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investable funds in one investee company. A category III AIF cannot invest more than 10% of the investable funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investable funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the ASBA Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the ASBA Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, and the Reserve Bank of India Master Direction (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the ASBA Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the ASBA Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the ASBA Form. Failing this, our Company in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the NBFC-SI, are required to be attached to the ASBA Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. NBFC-SI participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until Bid/Offer Closing Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders should submit their bids to the relevant Designated Intermediary through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the ASBA Form in the prescribed form;
4. If you are not an RII bidding using the UPI Mechanism, ensure that you have mentioned the correct ASBA Account number in the ASBA Form, and if you are an RII using the UPI Mechanism, ensure that you have mentioned the correct UPI ID in the ASBA Form;
5. Ensure that your ASBA Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

6. Ensure that you have funds equal to the full Bid Amount in the ASBA Account before submitting the ASBA Form to any of the Designated Intermediaries;
7. In case of joint bids, ensure that the first applicant is the ASBA Account holder, and also signs the ASBA Form (for all Bidders other than RIBs bidding using the UPI Mechanism);
8. Ensure that you have mentioned the correct ASBA Account number or the bank account linked UPI ID (with maximum length of 45 characters including the handle), as applicable, in the ASBA Form;
9. RIBs bidding shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the ASBA Forms;
11. Ensure that the name(s) given in the ASBA Form is/ are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the ASBA Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped acknowledgement counterfoil of the ASBA Form for all your Bid options from the concerned Designated Intermediary;
13. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
15. Ensure that you have correctly signed the authorisation/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form, as the case may be, at the time of submission of the Bid.
16. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
17. Except for Bids (i) on behalf of the central or state Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market, and (iii) by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempt from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the central or the state Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
20. Ensure that the category and the investor status is indicated;
21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
22. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
23. Ensure that the Bidder’s depository account is active (as Allotment of the Equity Shares will be in the dematerialised form only), the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their ASBA Form, and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

24. RIIs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIIs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RII's ASBA Account;
25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
26. While applying using the UPI Mechanism, ensure that the name of your bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, you should also ensure that the name of the application and the UPI handle being used for making the application is also appearing in the aforesaid list;
27. Ensure that while Bidding through a Designated Intermediary, the ASBA Form (other than for RIIs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);
28. Ensure that the ASBA Forms are delivered by the Bidders within the time prescribed as per the ASBA Form and the Red Herring Prospectus. The ASBA Form is liable to be rejected if the above instructions, as applicable, are not complied with;
29. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid; and
30. RIIs bidding using the UPI Mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000, net of discount (for Bids by Retail Individual Bidders) and ₹500,000, net of discount (for Bids by Eligible Employees);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send ASBA Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account;
8. Do not submit Bids on plain paper or on incomplete or illegible ASBA Forms or on ASBA Forms in a colour prescribed for another category of a Bidder;
9. If you are a RIB and are using UPI Mechanism, do not submit more than one ASBA Form for each UPI ID;
10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
11. Do not Bid on a ASBA Form that does not have the stamp of the relevant Designated Intermediary;
12. Do not submit the General Index Register (GIR) number instead of the PAN;
13. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

17. Do not submit a Bid using UPI ID, if you are not a RII;
18. Do not Bid on another ASBA Form, after you have submitted a Bid to any of the Designated Intermediaries;
19. Do not Bid for Equity Shares in excess of what is specified for each category;
20. Do not fill up the ASBA Form such that the Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
22. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centers; and
23. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID.

The ASBA Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-issue or post issue related issues regarding demat credit/refund orders/unblocking etc., investors shall reach out to the company secretary and compliance officer. For details of company secretary and compliance officer, see “General Information” beginning on page 52.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Issue through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], a English national daily newspaper; and (ii) [●] editions of [●], a Hindi national daily newspaper in New Delhi (Hindi also being the regional language of New Delhi, where our registered office is located) each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders. Our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue Price which shall be a date prior to the filing of the Prospectus.

- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all ASBA Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken in consultation with the BRLMs within such period as may be prescribed under applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;
- Promoters' contribution, if any, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees; and
- except for any allotment of Equity Shares to employees of our Company pursuant to exercise of options granted under the Employee Scheme, no further issue of the Equity Shares shall be made till the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Utilisation of Issue Proceeds

Our Board certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013; and
- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised, or form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, and FEMA. While the Industrial Policy, 1991 of the Government prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government (“**DPITT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPITT issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, with effect from August 28, 2017 (the “**FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPITT that were in force and effect prior to August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPITT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

As per the existing policy of the Government, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or the laws of any state of the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Our Company is an “investment company” (as defined in the US Investment Company Act and the related rules and has not been and will not be registered under the US Investment Company Act. Accordingly, the Equity Shares are being offered and sold (a) to persons in the United States and to US Persons who are both (i) “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) and (ii) “qualified purchasers” (as defined in Section 2(a)(51) of the US Investment Company Act and referred to herein as “**Qualified Purchasers**”) pursuant to Rule 144A under the Securities Act and Section 3(c)(7) of the US Investment Company and (b) to persons who are not US Persons outside the United States pursuant to Regulation S under the Securities Act.

For further details, see “*Issue Procedure*” beginning on page 349.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Authorised Share Capital

The authorized share capital of the Company shall be such as given in Clause V of the Memorandum of Association or as altered from time to time, payable in the manner as may be determined by the Board, with the power to increase, reduce, sub-divide or to repay the same or to divide the same into several classes and to attach thereto any rights and to consolidate or sub-divide or re-organize the shares and subject to the provisions of the Companies Act, to vary such rights as may be determined in accordance with the regulations of the Company.

Alteration of Capital

Power to sub- divide and consolidate

The Company may, by ordinary resolution, from time to time, subject to Section 61 of the Companies Act, alter the conditions of Memorandum of Association as follows:

- a. Increase the share capital by such amount to be divided into shares of such amount as may be specified in the resolution;
- b. Consolidate and divide all or any its share capital into shares of larger amount than its existing shares;
- c. Sub- divide its existing shares or any of them into shares of smaller amount than is fixed by Memorandum of Association;
- d. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person; and

Convert all or any one its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Allotment of Shares

Subject to the provisions of the Companies Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the general meeting to give to any person the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company for conducting of its business and any shares so allotted will be issued as fully paid up shares and if issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

Forfeiture and Lien

The Company shall have a first and paramount lien upon all the shares/ debentures registered in the name of such member. If a member fails to pay any call, or installment on or before the day appointed for the payment of the same, the Board may at any time thereafter, during such time as the call or installment remain unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses that may have been incurred by the Company by reasons of such non-payment.

Power to issue new certificate

Where any shares under the powers in that behalf herein contained are sold by the Board and the shares have been sub-divided or consolidated or the certificate has been defaced, torn or old, decrepit, worn out, or where the pages on reverse for recording transfers have been fully utilized then the Board shall issue a new certificate provided that the reverse for recording transfers have been fully utilized and the certificate in lieu of which it is issued is surrendered to the Company, upon the payment of a fee subject to the provisions of the Companies Act.

Transfer of shares

Shares/debentures in the Company shall be transferred in the form prescribed under Companies (Share Capital and

Debentures) Rules, 2014 and a common form of transfer shall be used. The instrument of transfer of any share/debenture in the Company shall be executed both by transferor and transferee and the transferor shall be deemed to remain holder of the share/debenture until the name of the transferee is entered in the register of members /debenture-holders in respect thereof. Every instrument of transfer shall be delivered within 60 (Sixty) days from the date of execution to the Company at the office for registration accompanied by respective certificate of the shares/debentures to be transferred and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares/debentures. If the Board refuses to register the transfer of any shares, the Company shall, within 15 (Fifteen) days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall on demand be returned to the person depositing the same.

Transmission of shares

The Company shall register as shareholder/debenture holder any person to whom the right to any share/debenture in the Company has been transmitted by operation of law.

Certificate

Every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery vis-à-vis all such holders. The Director(s) may, however, sign a share/debenture certificate by affixing his signature(s) thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director(s) shall be responsible for the safe custody of such machine equipment or other metal used for the purpose.

Every person whose name is entered as a Member in the Register of Members shall be entitled, in respect of their shareholding, to seek consolidation or sub-division of their certificates and the issue of one or several certificates in respect of such consolidation or sub-division, upon payment of such fee as the Board may deem fit, subject to applicable law. Provided that in case of securities held by the Member/Debenture holder in dematerialized form, no Share/Debenture Certificate(s) shall be issued.

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares/Debentures of each class or denomination registered in his name or if the Board so approve (upon paying such fees as the Board may from time to time determine) to several certificates each for one or more such Shares/Debentures.

Borrowing Powers

The Board may, from time to time and at its discretion, subject to the applicable provisions of the Companies Act and the Capital to Risk Assets Ratio (CRAR) prescribed by the Reserve Bank of India.

General Meetings

All general meetings of the Company other than the Annual General Meeting shall be called an extra ordinary general meeting.

Meetings of Directors

A meeting of the Board of Directors shall be held to conduct the business of the Company. Every year 4 (Four) meetings shall be held in such a manner that not more than 120 (One Hundred and Twenty Days) shall intervene between two consecutive meetings of the Board.

The quorum for a meeting of the Board of Directors of the Company shall be one-third of its total strength (total strength as determined by the Companies Act and any fraction in that one-third being rounded off as one) or 2 (Two) Directors, whichever is higher.

A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretion by or under the Articles of the Company for the time being vested in or exercisable by the Board of Directors generally.

Chairman-Cum-Managing Director

The President shall have powers to appoint, subject to the provisions of the Companies Act, the Chairman-cum-Managing Director of the Company who shall hold office until removed by the President or until his resignation, retirement, death or transfer from the respective office.

Extra-ordinary general meeting

The Board may, whenever they think fit, and shall on the requisition of the holders of not less than one tenth of the paid-up capital of the Company upon which all calls or other sums then due have been paid, as at the date carry the right of voting in regard to that matter or forthwith proceed to convene an extra-ordinary general meeting of the Company.

Votes of Members

On a show of hands every member present in person and being a holder of equity shares shall have one vote and every person present either as a Proxy on behalf of a holder of equity shares or as a duly authorized representative of a body corporate being a holder of equity shares, if he is not entitled to vote in his own right, shall have one vote.

A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend meeting and vote on show of hand for demanding poll or on a poll. No member shall appoint more than one proxy to attend on the same occasion. An instrument appointing proxy shall be in the form prescribed under Companies (Management and Administration) Rules, 2014 or as near thereto as circumstances admit. Further, such instrument shall also be in writing and be signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or to be signed by an officer or an attorney duly authorized by it.

No member shall be entitled to be present or to vote on any question either personally or by proxy at any general meeting or upon a poll, or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

Dividend

The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits but no dividend shall exceed the amount recommended by the Board of Directors.

Subject to rights of members entitled to shares (if any) with preferential or special rights attached to them, the profits of the Company, from time to time, determined to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on the shares in proportion to the amount of capital paid on the shares provided that unless the Board otherwise determines all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which dividend is paid.

No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits and no dividend shall carry interest as against the Company.

The Board may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

Unpaid or Unclaimed Dividend

Where the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account.

Any amount transferred to the Unpaid Dividend Account which remains unpaid or unclaimed for a period of 7 (Seven) years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under Section 125 of the Companies Act. No unclaimed or unpaid dividend shall be forfeited by the Board before such claim becomes barred by law.

Winding Up

If the Company be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on shares held by them respectively. Further, if in a winding up, assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up, the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up on the shares to be without prejudice to the rights of the holders of share issued upon special terms and conditions.

Indemnity

Subject to the provisions the Companies Act, the Company shall indemnify and defend its Directors, manager, Company Secretary and other officers or employees of the Company and it shall be the duty of the Company to pay out of the fund of

the Company all bonafide costs losses and expenses, (including traveling expenses) which any such Director, manager or Secretary or other officer or employee may incur or become liable to by reason of any contract entered into or any way in the discharge of his or their duties and in particular, and so as not to limit the generality of the foregoing provisions, against all bonafide liabilities incurred by him or by them as such Director, manager, Secretary, officer or employee in any proceeding whether civil or criminal in which judgment is given in his or their favour or he or they is or are acquitted, or in connection with any application under Section 463 of the Companies Act in which relief is granted by the court or tribunal and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.

Subject to the provisions of the Companies Act, no Director or other Officer of the Company shall be liable for the acts, receipts, neglect or defaults of any other Director or Officer of the Company or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by the order of the Board of Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any persons with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error or judgment or oversight on his part or for any other loss, damage or misfortune which shall happen in the execution of the duties of his office in relation thereto unless the same happens through his own negligence, default, misfeasance, breach of duty or breach of trust.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the above mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Issue

1. Issue agreement dated July 29, 2019 entered into between our Company and the BRLMs.
2. Registrar agreement dated July 29, 2019 entered into between our Company and the Registrar to the Issue.
3. Public Issue Account agreement dated [●] entered into between our Company, the Registrar to the Issue, the BRLMs, the Bankers to the Issue.
4. Syndicate agreement dated [●] entered into between our Company, the BRLMs and the Syndicate Members.
5. Underwriting agreement to be entered into between our Company and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time.
2. Certificate of incorporation dated March 11, 1987.
3. Certificate of commencement of business dated March 21, 1987.
4. Resolution of the Board of Directors dated July 29, 2019 in relation to the Issue and other related matters.
5. Resolution of the shareholders of our Company dated September 22, 2017 in relation to the Issue and other related matters.
6. Ministry of New and Renewable Energy Order Letter No. Letter No. 1/11/2013-IREDA dated March 8, 2019 for the appointment of Praveen Kumar as Chairman and Managing Director.
7. Ministry of New and Renewable Energy Order Letter No. 1/16/2011-IREDA dated December 24, 2012 for the appointment and prescribing the terms and conditions of employment of Satish Kumar Bhargava as Director (Finance).
8. Ministry of New and Renewable Energy Order Letter No. 1/13/2017-IREDA dated May 23, 2018 for the appointment and prescribing the terms and conditions of employment of Chintan Navinbhai Shah as Director (Technical).
9. Ministry of New and Renewable Energy Order Letter No. 1/18/2014 dated May 23, 2017 for the appointment of Bhanu Pratap Yadav as Director (Government Nominee).
10. Ministry of New and Renewable Energy Order Letter No. 1/19/1995-IREDA dated September 14, 2017 for the appointment of Indu Bala as part-time non-official director.
11. Ministry of New and Renewable Energy Order Letter No. 1/19/1995-IREDA dated March 19, 2018 for the appointment of Madhusri M. Swamy as part-time non-official director.
12. Ministry of New and Renewable Energy Order Letter No. 1/19/1995-IREDA dated March 19, 2018 for the appointment of Dr. Gangidi Manohar Reddy as part-time non-official director.

13. Ministry of New and Renewable Energy Order Letter No. 1/19/1995-IREDA dated March 19, 2018 for the appointment of Sanjay Kumar Jain as part-time non-official director.
14. Ministry of New and Renewable Energy Order Letter No. 1/19/1995-IREDA dated September 14, 2017 for the appointment of Abhishek Mahawar as part-time non-official director.
15. Memorandum of understanding between Ministry of New and Renewable Energy and Indian Renewable Energy Development Agency Limited for the year 2019-20.
16. The examination report dated July 29, 2019 of the Statutory Auditors, on our Company's Restated Financial Statements.
17. Consent letter from the Statutory Auditors for inclusion of their name as experts.
18. Copies of the annual reports of our Company for the Fiscals 2018 and 2017.
19. The Statement of Special Tax Benefits dated July 29, 2019 from the Statutory Auditors.
20. Notification (No. 10/37/94-CL.V) dated October 18, 1995 of the MCA notifying our Company as a 'Public Financial Institution'.
21. MNRE approval dated June 20, 2017 approving the Issue.
22. Consent of the Directors, BRLMs, Indian Legal Counsel to our Company, Indian Legal Counsel to the BRLMs, International Legal Counsel to our Company, Registrar to the Issue, Banker(s) to the Issue, Bankers to our Company, Chief Financial Officer, Company Secretary and Compliance Officer, as referred to in their specific capacities.
23. Due Diligence Certificate dated July 29, 2019 addressed to SEBI from the BRLMs.
24. In-principle listing approvals dated [●], 2019 and [●], 2019 issued by BSE and NSE, respectively.
25. Tripartite agreement dated February 21, 2018 among our Company, NSDL and the Registrar to the Issue.
26. Tripartite agreement dated February 8, 2018 among our Company, CDSL and the Registrar to the Issue.
27. SEBI observation letter no. [●] dated [●].

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Praveen Kumar

(Chairman and Managing Director)

Satish Kumar Bhargava

(Director (Finance) and Chief Financial Officer)

Chintan Navinbhai Shah

(Director (Technical))

Bhanu Pratap Yadav

(Director (Government Nominee))

Indu Bala

(Independent Director)

Abhishek Mahawar

(Independent Director)

Madhusri M. Swamy

(Independent Director)

Dr. Gangidi Manohar Reddy

(Independent Director)

Sanjay Kumar Jain

(Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER

Satish Kumar Bhargava

(Director (Finance) and Chief Financial Officer)

Place: New Delhi

Date: July 29, 2019