Certified True Copy
For Tata Power Solar Systems Limited

Company Secretary

TATA POWER SOLAR SYSTEMS LIMITED

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Power Solar Systems Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Tata Power Solar Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report, but does not include Ind AS financial statements and our auditor's report thereon.

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

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

Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 20 and 22 to the Ind AS financial statements;

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

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Adarsh Ranka
Partner
Membership Number: 209567
UDIN: 20209567AAAABH4635
Place: Bengaluru
Date: May 01, 2020

Annexure 1 referred to in clause 1 of paragraph on the report on other legal and regulatory requirements of our report of even date

Re: Tata Power Solar System Limited

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

b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us by the management, the title deeds of the immovable properties included in property plant and equipment are held in the name of the Company.

ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii) According to the information and explanation given to us by the management, the Company has granted loans to two Companies covered in the register maintained under section 189 of the Companies Act, 2013.

a) In our opinion and according to information and explanations given to us by the management, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

b) In the case of loans granted to the companies listed in the register maintained under section 189 of the Act, the borrowers have been regular in the repayment of the principal and payment of interest wherever required.

c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

v) The Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi)We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii) a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, value added tax, goods and services tax, cess and other statutory dues applicable to it.

b) According to the information and explanations given to us by the management, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of custom, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax and cess on account of any dispute, are as follows:

Name of the statue	Nature of dues	Amount of Demand (Rs. In Lakhs)	Period for which amounts relates to	Forum where dispute is pending	Amount paid (Rs. In Lakhs)	Amount unpaid (Rs. In Lakhs)
Income Tax Act, 1961	Income Tax	1,629.70	FY 2003-04	Income Tax Appellate Tribunal	1,629.70	-
Income Tax Act, 1961	Income Tax	580.60	FY 2007-08	Commissioner Income Tax (Appeals)	580.60	-
Income Tax Act, 1961	Income Tax	719.91	FY 2010-11	Income Tax Appellate Tribunal	719.91	-
Income Tax Act, 1961	Income Tax	140.63	FY 2011-12	Commissioner Income Tax (Appeals)	78.61	62.02
Karnataka VAT Act, 2003	Karnataka VAT	130.27	FY 2009-10	Joint Commissioner	-	130.27
Rajasthan VAT Act, 2003	Rajasthan VAT	7,351.69	FY 2013-14, FY 2014-15 and FY 2015-16	Rajasthan Tax Board	208.74	7,142.95

viii) In our opinion and according to the information and explanations given to us by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

ix) According to the information and explanations given to us by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management, we report that no material fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided by the company to its directors in accordance with provisions of section 197 read with Schedule V of the Act.

xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R.Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/E300004

Per Adarsh Ranka
Partner
Membership number: 209567
UDIN: 20209567AAAABH4635
Place: Bengaluru
Date: May 01, 2020

Bengaluru

Annexure 2 to the Independent auditor's report of even date on the Ind AS financial statements of Tata Power Solar System Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Tata Power Solar System Limited ('the Company') as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W/E300004
Chartered Accountants

per Adarsh Ranka
Partner
Membership Number: 209567
UDIN: 20209567AAAABH4635
Place: Bengaluru
Date: May 01, 2020

Tata Power Solar Systems Limited
Balance Sheet as at March 31, 2020
CIN: U40106MH1989PLC330738

₹ in Lakhs

		Particulars	Note	As at March 31, 2020	As at March 31, 2019
A		**ASSETS**			
	1	**Non-current assets**			
		(a) Property, plant and equipment	4	17,301.58	17,971.26
		(b) Capital work-in-progress		98.22	11.85
		(c) Intangible assets	5	164.41	287.82
		(d) Financial assets			
		(i) Investment in subsidiary	6	100.00	100.00
		(ii) Trade receivables	9	3,027.64	722.52
		(iii) Loans	12	377.39	370.67
		(e) Non-current tax assets (net)	14	2,703.28	3,084.18
		(d) Other non-current assets	15	1.80	13.84
		Total non-current assets		**23,774.32**	**22,562.14**
	2	**Current assets**			
		(a) Inventories	7	29,501.70	24,391.30
		(b) Financial assets			
		(i) Investments	8	3,621.28	-
		(ii) Trade receivables	9	95,947.32	184,124.00
		(iii) Unbilled Revenue		1,423.26	2,552.04
		(iv) Cash and cash equivalents	10	4,160.65	595.42
		(v) Balances with bank other than (iv) above	11	4,000.00	-
		(vi) Loans	12	324.34	278.31
		(vii) Other financial assets	13	16,064.98	3.31
		(c) Current income tax assets (net)	14	-	-
		(d) Other current assets	15	21,124.41	18,604.75
		Total current assets		**176,167.94**	**230,549.13**
		Total assets (1+2)		**199,942.26**	**253,111.27**
B		**EQUITY AND LIABILITIES**			
	1	**Equity**			
		(a) Equity share capital	16	22,977.57	22,977.57
		(b) Other equity	17	46,201.77	24,405.26
		Total equity		**69,179.34**	**47,382.83**
		Liabilities			
	2	**Non-current liabilities**			
		(a) Provisions	22	7,985.99	5,659.15
		(b) Non-current tax liabilities (net)	21	302.66	373.55
		(c) Deferred tax liabilities (net)		3,242.58	-
		(d) Other non-current liabilities	23	1,214.75	1,126.21
		Total non-current liabilities		**12,745.98**	**7,158.91**
	3	**Current liabilities**			
		(a) Financial liabilities			
		(i) Borrowings	18	4.01	79,108.87
		(ii) Trade payables			
		(a) Total outstanding dues of micro enterprises and small enterprises	19	2,298.31	102.75
		(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	61,753.77	85,506.70
		(iii) Other financial liabilities	20	1,016.34	2,525.84
		(b) Current tax liabilities (net)	21	-	42.62
		(c) Provisions	22	1,970.92	4,565.45
		(d) Other current liabilities	23	50,973.59	26,717.30
		Total current liabilities		**118,016.94**	**198,569.53**
		Total equity and liabilities (1+2+3)		**199,942.26**	**253,111.27**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.Batliboi & Associates LLP
ICAI Firm Registration Number: 101049W/ E300004
Chartered Accountants

per Adarsh Ranka
Partner
Membership Number:209567

Place : Bengaluru
Date: May 01, 2020

For and on behalf of the Board of Directors of
Tata Power Solar Systems Limited

Ashish Khanna
Managing Director &Chief Executive Officer
DIN: 06699527

Place : Mumbai
Date: May 01, 2020

M.D Paranjpe
03530639
Director
DIN:

Amey Naik
Company Secretary

Tata Power Solar Systems Limited
Statement of Profit and Loss for the year ended March 31, 2020
CIN: U40106MH1989PLC330738

₹ in Lakhs

	Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from operations	24	214,070.09	317,530.98
II	Other income	25	2,540.21	2,257.42
III	**Total income (I + II)**		**216,610.30**	**319,788.40**
IV	**Expenses**			
	Cost of materials consumed (Including sub-contracting cost of Rs.17,151.81 Lakhs (March 31,2019 : Rs.23,590.50 Lakhs)		156,222.89	259,185.24
	(Increase)/ decrease in inventories of finished goods and work-in-progress		(1,300.66)	2,338.69
	Employee benefits expenses	26	12,844.66	11,004.98
	Finance costs	27	3,954.48	3,436.35
	Depreciation and amortisation expenses	28	1,764.87	7,716.60
	Other expenses	29	27,429.15	23,758.51
V	**Total expenses**		**200,915.39**	**307,440.37**
VI	**Profit before tax (III- V)**		**15,694.91**	**12,348.03**
VII	**Tax expenses**			
	Current tax (including MAT)		3,427.26	3,304.06
	Deferred tax		-	-
	Total tax expenses		**3,427.26**	**3,304.06**
VIII	**Profit for the period (VI-VII)**		**12,267.65**	**9,043.97**
IX	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit liabilities / (asset)		(172.59)	(398.24)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(60.31)	(85.82)
	Items that may be reclassified to profit or loss			
	(i) Net movement on cash flow hedges		12,883.72	-
	(ii) Income tax relating to items that will may be reclassified to profit or loss		3,242.58	-
	Total other comprehensive income ((i) - (ii))		9,528.86	(312.42)
X	**Total comprehensive income for the period (VIII + IX)**		**21,796.51**	**8,731.55**
XI	**Earnings per equity share (₹) :**	35		
	Basic		53.39	39.36
	Diluted		53.39	39.36

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.Batliboi & Associates LLP
ICAI Firm Registration Number: 101049W/ E300004
Chartered Accountants

per Adarsh Ranka
Partner

S.R. Batliboi & Associates LLP Bengaluru

Place : Bengaluru
Date: May 01, 2020

For and on behalf of the Board of Directors of
Tata Power Solar Systems Limited

Ashish Khanna
Managing Director &Chief Executive Officer
DIN: 06699527

M.D. Paranjpe
Director
DIN: 03530639

Amey Naik
Company Secretary

Place : Mumbai
Date: May 01, 2020

Tata Power Solar Systems

Tata Power Solar Systems Limited
Statement of changes in equity for the year ended March 31, 2020
CIN: U40106MH1989PLC330738

a. Equity share capital	₹ in Lakhs
As at April 1, 2018	22,977.57
As at March 31, 2019	**22,977.57**
As at April 1, 2019	22,977.57
As at March 31, 2020	**22,977.57**

b. Other Equity

₹ in Lakhs

	Reserves and Surplus					Item of Other Comprehensive Income	Total other equity
Particulars	**Securities premium (1)**	**General reserve (2)**	**Capital redemption Reserve (3)**	**Deemed equity (4)**	**Retained earnings (5)**	**Effective portion of cash flow hedge Reserve (6)**	
As at April 1, 2018	14,587.09	4,735.00	2,295.00	1,261.87	(3,050.14)	-	19,828.82
Profit / (Loss) for the period	-	-	-		9,043.97		9,043.97
Other comprehensive Income / (expense) arising from remeasurements of the defined benefit liabilities / (asset) (net of tax)	-	-	-	-	(312.42)	-	(312.42)
Final cash dividend paid for the year ended March 31, 2018 (₹ 15 per share)	-	-	-	-	(3,446.64)	-	(3,446.64)
Dividend distribution tax on final dividend	-	-	-	-	(708.47)	-	(708.47)
As at March 31, 2019	**14,587.09**	**4,735.00**	**2,295.00**	**1,261.87**	**1,526.30**	**-**	**24,405.26**
As at April 1, 2019	14,587.09	4,735.00	2,295.00	1,261.87	1,526.30	-	24,405.26
Profit / (Loss) for the Period	-	-	-	-	12,267.65	-	12,267.65
Other comprehensive Income / (expense) (net of tax)	-	-	-	-	(112.28)	9,641.14	9,528.86
As at March 31, 2020	**14,587.09**	**4,735.00**	**2,295.00**	**1,261.87**	**13,681.67**	**9,641.14**	**46,201.77**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For and on behalf of the Board of Directors of Tata Power Solar Systems Limited

For S.R.Batliboi & Associates LLP
ICAI Firm Registration Number: 101049W/ E300004
Chartered Accountants

per Adarsh Ranka
Partner
Membership Number: 209567

Place : Bengaluru
Date: May 01, 2020

For and on behalf of the Board of Directors of
Tata Power Solar Systems Limited

Ashish Khanna
Managing Director & Chief Executive Officer
DIN: 06699527

Place : Mumbai
Date: May 01, 2020

M.D Paranjpe
03530639
Director
DIN:

Amey Naik
Company Secretary

Tata Power Solar Systems Limited
Statement of Cash flow for the year ended March 31, 2020
CIN: U40106MH1989PLC330738

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities		
Profit / (loss) before tax	15,694.91	12,348.03
Adjustments for:		
Finance costs recognised in profit or loss	3,954.48	3,436.35
Interest income recognised in profit or loss	(336.38)	(32.38)
Loss/ (Gain) on disposal of property, plant and equipment	0.63	2.18
Impairment of financial assets	1,289.83	2,928.32
Bad debts	27.43	-
Depreciation and amortisation expense	1,764.87	7,716.60
Provision for warranty	1,044.62	1,487.65
(Gain)/loss on sale of current investments	(498.15)	(56.36)
	22,942.24	**27,830.39**
Movements in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(5,110.40)	(1,002.31)
Trade receivables	84,554.30	(105,291.53)
Current Loans	(46.03)	276.90
Other current assets	(2,519.66)	(8,319.56)
Non-current loans	(6.72)	(6.58)
Other non-current assets	12.04	-
Unbilled revenue	1,128.78	(1,185.01)
Other financial assets - Current	-	8.15
Other financial assets - Non current	-	-
Movement in operating assets	78,012.31	(115,519.94)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(21,557.36)	26,656.48
Other current liabilities	24,256.29	10,998.32
Short-term provisions	(3,811.74)	(3,928.86)
Long-term provisions	2,326.84	1,467.97
Other financial liabilities - Current	24.57	(21.49)
Movement in operating liabilities	1,238.60	35,172.42
Cash generated from operations	**102,193.15**	**(52,517.13)**
Income taxes paid	(3,099.56)	(3,602.73)
Net cash (used in)/ generated from operating activities	**99,093.59**	**(56,119.86)**
Cash flows from investing activities		
Purchase of current investments	(51,000.00)	(3,500.00)
Proceeds from sale of current investments	47,876.87	15,211.68
Interest received	308.71	32.85
Payments for property, plant and equipment (including capital advances)	(1,084.56)	(1,286.51)
Payments for intangible assets	(40.74)	(28.83)
Proceeds from disposal of property, plant and equipment	2.78	7.21
Loan given to related parties	(10,507.28)	(1,998.65)
Loan repaid by related parties	10,507.28	2,098.65
Investments in bank deposits (net)	(4,000.00)	-
Net cash (used in)/ generated from investing activities	**(7,936.94)**	**10,536.40**
Cash flows from financing activities		
Proceeds from borrowings (short-term)- net	(46,150.10)	16,547.32
Loan taken from related parties	47,446.46	30,894.00
Loan repaid to related parties	(55,947.46)	(22,393.00)
Interest paid	(8,486.55)	(2,366.49)
Dividend paid	-	(3,446.64)
Dividend distribution tax paid	-	(708.47)
Net cash (used in)/ generated from financing activities	**(63,137.65)**	**18,526.72**
Net increase in cash and cash equivalents	**28,019.00**	**(27,056.74)**
Cash and cash equivalents at the beginning of the year	(23,858.35)	3,198.39
Cash and cash equivalents at the end of the year	**4,160.65**	**(23,858.35)**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batliboi & Associates LLP
ICAI Firm Registration Number: 101049W/ E300004
Chartered Accountants

per Adarsh Ranka
Partner
Membership Number: 209567

Place : Bengaluru
Date: May 01, 2020

For and on behalf of the Board of Directors of
Tata Power Solar Systems Limited

M D Parrapte

Ashish Khanna
Managing Director &
Chief Executive Officer
DIN: 06699527

Director
DIN: 03530639

Amey Naik
Company Secretary

Place : Mumbai
Date: May 01, 2020

1 Corporate information

Tata Power Solar Systems Limited ('the Company' or "TPSSL") is a manufacturer of solar photo-voltaic cells and modules as well as in the Engineering, Procurement and Construction (EPC) in the solar energy market, wherein the manufactured cells/modules are utilised. The Company is a wholly owned subsidiary of The Tata Power Company Limited.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 (the Act) (as amended from time to time).

2.2 Basis of preparation and presentation

This financial statements has been reported in Rs. Lakhs, except for information pertaining to number of shares and earnings per share information.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

The functional and presentation currency of the Company is Indian Rupee ("Rs") which is the currency of the primary economic environment in which the Company operates.

2.3 Other Significant Accounting Policies

2.3.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3.2 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. The management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

2.3.3 Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised 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 retranslated 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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

2.3.5 Fair value measurement of financial instruments

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.3.6 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

Investment in preference shares/ debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Impairment loss on investments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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a. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

b. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.3.7 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

3.1 Changes in accounting policies and disclosures

The Company has applied Ind AS 116 'Leases' (Ind AS 116) with a date of initial application of 1st April, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at 1st April, 2019.

(a) Ind AS 116 – Leases

As a lessee, the Company previously classified leases as operating or finance lease based on its assessment of whether the lessee transferred significantly all of the risk and rewards incidental to the ownership of the underlying asset of the Company. Under Ind AS 116, the Company recognizes the right-of-use of assets as stated in the accounting policy above. The accounting policies applicable to the Company as a lessor in the comparative period is not different from Ind AS 116.

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assessed whether:

- the contract involves the use of identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

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At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimate of costs to dismantle.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortized cost method using the effective interest method. In case of remeasurement of lease liability, corresponding adjustment is made to the carrying amount of right-to-use asset.

As a lessor

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards ownership to the lessee. All other leases are classified as operating lease. The Company recognizes lease payments received under operating leases as a lessee.

Transition to Ind AS 116

The Company has applied Ind AS 116 only to the contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease.

The Company has used the following practical expedients when applying Ind AS 116 to leases:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognize right-of-use asset and liabilities for leases with remaining lease term of 12 months
- Excluded initial direct costs from measuring the right-of-use asset at the date of application
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impact on financial statements

On adoption of Ind AS 116, the Company has recognized 'Right-of-use' assets amounting to Rs. Nil and 'Lease liabilities' amounting to Rs. Nil as at April 1, 2019. Further, there is no impact on retained earnings as at April 1, 2019.

3.2 Hedge Accounting:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, options, cross currency swaps and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges as described below.

At the inception of a hedge relationship, the company formally designates and documents the hedge relationship to which the company wishes to apply hedge accounting, the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for cash flow hedge accounting are accounted for as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of Profit or Loss for the year.

The Company has recognised gain of 12,883.72 Lakhs and deferred tax liability of Rs. 3,242.58 Lakhs under Other Comprehensive Income pursuant to the above change in its policy. Had the Company not designated financial instruments for hedging), the profit before tax of the Company would have been higher by 12,883.72 Lakhs and other comprehensive income would have been lesser by 9,641.14 Lakhs (net of tax)

3.3 Critical accounting estimates and judgements

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

3.3.1 Useful lives of Property, Plant and Equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

3.3.2 Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The cross functional team of the Company works closely with the valuer to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the finding to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

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3.3.3 Determination of percentage of completion

The Company uses the proportionate completion method for recognition of revenue, accounting for unbilled revenue / unearned revenue and contract cost thereon for its turnkey contracts. The percentage of completion is measured by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the proportionate completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

3.3.4 Refer note 39 as regards management judgements with regard to COVID – 19 pandemic.

Note - 4 : Property, plant and equipment

Accounting Policy

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with Ind AS 23. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress. When significant parts of plant and equipment are acquired to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losse

Freehold land is not depreciated.

Fixtures and equipment (including vehicles) are stated at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes indirect costs and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as and when incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

• Property, plant and equipment - The useful life is as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

(i) Plant and Machinery: Useful life ranging from 3 to 14 years
(ii) In case of low value assets, i.e. assets individually costing less than Rs. 5,000/-, they are depreciated in full in the year of capitalisation.

• Lease-hold improvements are amortised over the primary period of the lease.

Pro-rata depreciation is charged on assets purchased and / or sold during the year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Refer Note 5 as regards accounting policy on impairment of property, plant and equipment.

₹ in Lakhs

Particulars	Land	Building	Plant and machinery	Leasehold Improvements	Office equipment	Furniture and fixtures	Motor vehicles	Total
Gross carrying value								
As at April 1, 2018	7,456.80	7,049.79	23,857.49	20.84	1,288.63	795.38	56.70	40,525.63
Additions made during the year	-	225.67	569.50	-	425.99	39.29	0.97	1,261.42
Disposals/ adjustments during the year	-	-	(974.82)	-	(50.28)	(8.53)	-	(1,033.61)
As at March 31, 2019	7,456.80	7,275.46	23,452.17	20.84	1,664.36	826.14	57.67	40,753.44
Additions made during the period	-	129.18	542.71	-	253.88	7.88	0.80	934.45
Disposals/ adjustments during the period	-	-	(759.13)	-	(21.00)	(10.59)	-	(790.72)
As at March 31, 2020	7,456.80	7,404.64	23,235.75	20.84	1,897.24	823.43	58.47	40,897.17
Accumulated depreciation								
As at April 1, 2018	-	1,020.87	13,792.45	20.84	751.58	666.91	12.64	16,265.29
Depreciation expense for the year	-	412.90	6,866.47	-	205.98	40.52	15.23	7,541.11
Disposals/ adjustments for the year	-	-	(972.56)	-	(43.13)	(8.53)	-	(1,024.22)
As at March 31, 2019	-	1,433.77	19,686.36	20.84	914.44	698.90	27.87	22,782.18
Depreciation for the period	-	466.10	817.65	-	260.51	40.96	15.50	1,600.72
Disposals/ adjustments during the period	-	-	(758.80)	-	(18.30)	(10.21)	-	(787.31)
As at March 31, 2020	-	1,899.88	19,745.21	20.84	1,156.65	729.65	43.37	23,595.59
Net Block As at March 31, 2020	7,456.80	5,504.76	3,490.54	-	740.59	93.78	15.10	17,301.58
Net Block As at March 31, 2019	7,456.80	5,841.69	3,765.81	-	749.92	127.24	29.80	17,971.26

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TATA POWER SOLAR SYSTEMS LTD.

Tata Power Solar Systems Limited
Notes to the financial statements for the year ended March 31, 2020
CIN: U40106MH1989PLC330738
Note - 5 : Intangible assets

Accounting Policy

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

- Software purchased : 3 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Impairment of Property, plant and equipment and intangible assets
As at the end of each accounting year, the Company reviews the carrying amounts of its Property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss

Refer note 39 as regards management judgements with regard to COVID – 19 pandemic.

Rs. in Lakhs

Particulars	Software	Technical knowhow	Total
Gross carrying value			
As at April 1, 2018	817.34	907.39	1,724.73
Additions made during the year	28.83	-	28.83
Disposals/ adjustments during the year	-	-	-
As at March 31, 2019	846.17	907.39	1,753.56
Additions made during the period	40.74	-	40.74
Disposals/ adjustments during the period	-	(907.39)	(907.39)
As at March 31, 2020	886.91	-	886.91
Accumulated amortisation			
As at April 1, 2018	382.86	907.39	1,290.25
Amortisation expense for the year	175.49	-	175.49
Disposals/ adjustments for the year	-	-	-
As at March 31, 2019	558.35	907.39	1,465.74
Amortisation expense	164.15	-	164.15
Disposals/ adjustments during the year	-	(907.39)	(907.39)
As at March 31, 2020	722.50	-	722.50
Net Block As at March 31, 2020	164.41	-	164.41
Net Block As at March 31, 2019	287.82	-	287.82

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Note - 6 Non-current Investments

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Investments in equity instruments at cost		
Unquoted investments (all fully paid)		
- Chirasthaayee Saurya Limited (wholly owned subsidiary) (1,000,000 shares of Rs. 10 each)	100.00	100.00
Total	100.00	100.00
Aggregate value of unquoted investments	100.00	100.00

Note - 6.1: Investment in equity instrument

The Company has incorporated a subsidiary Chirasthaayee Saurya Limited registered in Karnataka on June 14, 2016. The Company has made total investment of Rs. 100 Lakhs in the form of equity as at March 31, 2020.

Note - 7: Inventories

Accounting Policy

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

► Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition

► Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

► Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(Lower of cost and net realisable value)		
Raw materials	19,780.41	15,689.08
Work-in-progress	398.74	292.69
Finished goods	8,646.75	7,452.14
Stores and spares	675.80	957.39
Total	29,501.70	24,391.30
Included above, goods-in-transit:		
Raw materials	2,850.71	3,108.11
Finished goods	3,091.11	3,188.98
Total	5,941.82	6,297.09

The cost of materials consumed include inventories and project related materials delivered at site recognised as an expense during the year was Rs. 139,071.08 Lakhs (for the year ended March 31, 2019: Rs. 235,594.74 Lakhs)

The cost of inventories recognised as an expense, referred above, includes Rs 1,248.64 Lakhs (for the year ended March 31, 2019: Rs 438.96 Lakhs) in respect of write-downs of inventory to net realisable value.

The Mode of valuation of inventories has been stated above.

Note - 8: Current Investments

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Units	Amount	No. of Units	Amount
Unquoted Investments in Mutual Funds				
Baroda Liquid Fund Direct Growth	26,322	602.57	-	-
Tata Liquid Fund Direct Plan- Growth	19,230	602.30	-	-
BNP Paribas Liquid Fund Direct Growth	36,158	1,105.55		
LIC Mutual Fund Liquid Fund- Direct Growth	36,374	1,310.86	-	-
Total		3,621.28		-
Aggregate value of unquoted current investments		3,621.28		-
Aggregate value provision for diminution in the value of current investments		-		-

Note - 9: Trade receivables

₹ In Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Considered Good- Secured	-	-	-	-
Considered Good- Unsecured	96,898.09	3,027.64	185,721.21	722.52
Doubtful	10,696.67	455.10	8,792.27	455.10
Less: Allowance for doubtful debts (including expected credit loss allowance)	(11,647.44)	(455.10)	(10,389.48)	(455.10)
Total	95,947.32	3,027.64	184,124.00	722.52

Note - 9.1 :
The average credit period on sale of goods and services ranges between 60 to 90 days. No interest is normally charged on the trade receivable outstanding balances. Before accepting any new customer, the Company does a credit evaluation either through internal evaluations or through external analysts reports except in the case of Government funded projects and large Public Sector Undertakings (PSUs) which are considered to have high credit quality, to assess the potential customer's credit quality.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix for different categories of customers. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing

Particulars	Average Expected credit loss (%)
Within the credit period	0.31%
1-30 days past due	0.79%
31-60 days past due	1.01%
61-90 days past due	1.19%
91-120 days past due	1.47%
121-150 days past due	1.77%
151-180 days past due	2.08%
More than 180 days past due	2.92%

Age of receivables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Within the credit period	72,738.11	140,301.78
1-30 days past due	8,045.72	18,393.23
31-60 days past due	3,869.48	11,790.87
61-90 days past due	2,437.50	3,085.92
91-120 days past due	3,212.37	1,043.78
121-150 days past due	1,526.39	3,993.50
151-180 days past due	1,575.68	697.22
More than 180 days past due	17,672.25	16,384.80

Movement in the allowance for doubtful receivables (including expected credit loss allowance)

(a) Expected credit loss allowance

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	1,597.21	2,781.45
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(646.43)	(1,184.24)
Balance at end of the year	950.78	1,597.21

(b) Specific allowance for doubtful receivables

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	9,247.37	5,178.19
Add: Specific allowance on trade receivables	5,602.95	5,529.18
Less: Reversal of allowance on collection	(3,698.56)	(1,460.00)
Balance at end of the year	11,151.76	9,247.37

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Refer note 39 as regards management judgements with regard to COVID – 19 pandemic.

Note - 10: Cash and bank balances

Accounting Policy

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks	1,875.65	595.42
Others		
- Deposits with original maturity of less than three months	2,285.00	-
Cash and cash equivalents as per balance sheet	**4,160.65**	**595.42**
Bank overdrafts	-	(24,453.77)
Cash and cash equivalents as per statement of cashflows	**4,160.65**	**(23,858.35)**

Reconciliation of Liabilities from Financing Activities

₹ in Lakhs

Particulars	As at 1st April 30, 2019	Cash Flows		Non-cash Transactions	As at March 31, 2020
		Proceeds	Repayment		
Current Borrowings (excluding Bank Overdraft)	54,655.10	197,305.79	(251,956.88)	-	4.01
Total	**54,655.10**	**197,305.79**	**(251,956.88)**	**-**	**4.01**

₹ in Lakhs

Particulars	As at 1st April 30, 2018	Cash Flows		Non-cash Transactions	As at March 31, 2019
		Proceeds	Repayment		
Current Borrowings (excluding Bank Overdraft)	29,606.78	143,709.93	(118,661.61)	-	54,655.10
Total	**29,606.78**	**143,709.93**	**(118,661.61)**	**-**	**54,655.10**

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TATA POWER SOLAR SYSTEMS LTD.

Note - 11: Other balances with banks

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Other Balances with Bank		
- Deposits with remaining maturity for less than 12 months	4,000.00	-
Total	**4,000.00**	**-**

Note - 12: Loans

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
- At Amortised Cost				
Security Deposits				
Considered Good- Unsecured	296.11	377.39	237.95	370.67
Considered Doubtful- Unsecured	471.92	37.84	440.06	37.84
	768.03	415.23	678.01	408.51
Less: Impairment loss on security deposits (Refer Note 12.1 below)	(471.92)	(37.84)	(440.06)	(37.84)
	296.11	377.39	237.95	370.67
Loans to related parties				
Considered Good- Secured	-	-	-	-
Considered Good- Unsecured	-	-	-	-
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	-	-
Other Loans				
Considered Good- Secured	-	-	-	-
Considered Good- Unsecured	28.23	-	40.36	-
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	-	-
Total	**324.34**	**377.39**	**278.31**	**370.67**

Note -12.1: Movement of Impairment loss on security deposits

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at beginning of the year	477.90	434.52
Movement in impairment loss allowance on security deposits	33.50	43.38
Less: Reversal of allowance on collection	(1.64)	-
Balance at end of the year	509.76	477.90

Note - 12.2:

Loans and advances in the nature of loans given to Holding Company, Subsidiaries, Joint Ventures and Associates:

₹ in Lakhs

Name of the Company	Relationship	Amount outstanding as at the year end		Maximum Principal Amount Outstanding during the year (excluding interest accrued)	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
The Tata Power Company Limited	Holding Company	-	-	10,000.00	-
Chirasthaayee Saurya Limited	Subsidiary Company	-	-	300.00	1,632.98

The Inter- Corporate Deposit were provided to its holding company The Tata Power Company Limited and its subsidiary company Chirasthaayee Saurya Limited. The tenure of the loan was 90 days and it carries interest rate ranging from 6.56% to 8% p.a.

Note - 13: Other financial assets

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Interest accrued on bank deposits	30.98	-	3.31	-
Other receivables	-	-	-	-
Other financial assets measured at fair value				
Derivative financial instruments carried at fair value	16,034.00	-	-	-
Total	**16,064.98**	**-**	**3.31**	**-**

TATA POWER SOLAR SYSTEMS LTD.

Note - 14: Current and non-current tax assets (net)

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Tax assets	-	2,703.28	-	3,084.18
Total	**-**	**2,703.28**	**-**	**3,084.18**

Note - 15: Other current and non-current assets

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Capital advances	-	-	-	-
Advances other than capital advances				
Advances to suppliers	5,002.24	-	2,959.12	-
Advance to employee	9.22	-	25.94	-
Others				
Balances with government authorities (other than income taxes)	15,905.97	1.80	15,340.89	1.80
Prepaid expenses	131.51	-	112.69	12.04
Other receivables	75.47	-	166.11	-
Total	**21,124.41**	**1.80**	**18,604.75**	**13.84**

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TATA POWER SOLAR SYSTEMS LTD.

Note - 16: Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
Authorised share capital: Equity shares of Rs. 100/- each with voting rights	25,000,000	25,000.00	25,000,000	25,000.00
Issued, subscribed and fully paid: Equity shares of Rs. 100/- each with voting rights	22,977,567	22,977.57	22,977,567	22,977.57
Total	22,977,567	22,977.57	22,977,567	22,977.57

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	No. of shares	Rs. in Lakhs
At April 1, 2018	22,977,567	22,977.57
Changes during the year	-	-
At March 31, 2019	22,977,567	22,977.57
Changes during the year	-	-
At March 31, 2020	22,977,567	22,977.57

(ii) Detail of the rights, preferences and restrictions attached to equity shares

Equity Shares :

The Company has only one class of Equity Share, having a par value of Rs.100/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders. The equity shares issued on conversion of the preference shares have pari-passu rights to the earlier issued equity shares.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
The Tata Power Company Limited, the Holding Company and its nominees	22,977,567	100%	22,977,567	100%

Note - 17: Other equity

₹ in Lakhs

Particulars	Securities premium	General reserve	Capital redemption Reserve	Deemed equity	Effective portion of cash flow hedge Reserve (Refer Note 3.2)	Retained earnings	Total
As at April 1, 2018	14,587.09	4,735.00	2,295.00	1,261.87	-	(3,050.14)	19,828.82
Profit for the year	-	-	-	-	-	9,043.97	9,043.97
Other comprehensive Income / (expense) arising from remeasurements of the defined benefit liabilities / (asset) (net of tax)	-	-	-	-	-	(312.42)	(312.42)
Final cash dividend paid for the year ended March 31, 2018 (Rs.15 per share)	-	-	-	-	-	(3,446.64)	(3,446.64)
Dividend distribution tax on final dividend	-	-	-	-	-	(708.47)	(708.47)
As at March 31, 2019	14,587.09	4,735.00	2,295.00	1,261.87	-	1,526.30	24,405.26
Profit for the year	-	-	-	-	-	12,267.65	12,267.65
Other comprehensive Income / (expense) arising from remeasurements of the defined benefit liabilities / (asset) (net of tax)	-	-	-	-	9,641.14	(112.28)	9,528.86
As at March 31, 2020	14,587.09	4,735.00	2,295.00	1,261.87	9,641.14	13,681.67	46,201.77

Note - 17.1 : Securities Premium
Amounts received on issue of shares in excess of the par value has been classified as securities premium.

Note - 17.2 : General reserve
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Note - 17.3 : Capital redemption Reserve
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital redemption reserve.

Note - 17.4 : Deemed equity
The deemed equity pertains to the accrued interest on the preference shares waived by the preference shareholders

Note - 17.5 : Retained earnings
The amount can be distributed by the Company as dividend to its equity shareholders.

Note - 17.6 : Item of Other Comprehensive Income
The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss.

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TATA POWER SOLAR SYSTEMS LTD.

Note - 18: Short Term Borrowings

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
A. Secured borrowings		
(a) Loans repayable on demand from banks		
Bank overdraft (Refer Note 18.1 below)	-	24,453.77
Short-term Loans (Refer Note 18.2 below)	4.01	-
Total secured borrowings	**4.01**	**24,453.77**
B. Unsecured borrowings		
(a) Loans repayable on demand from banks		
Commercial paper (Refer Note 18.3 below)	-	29,592.19
(b) Other loans		
Buyers credit (Refer Note 18.4 below)	-	16,561.91
(c) From Related Parties (Refer Note 18.5 below and Note 36)	-	8,501.00
Total unsecured borrowings	**-**	**54,655.10**
Total	**4.01**	**79,108.87**

Note - 18.1: Bank overdraft
Secured through a pari passu charge by hypothecation of stores, raw materials, work-in-progress, finished goods and book debts.

Note - 18.2: Working Capital Demand Loan
Short term loan is the working capital demand loan facility provided by the banks secured through a pari passu charge on current assets of the company. This short term facility is provided for 7 to 90 days. The interests charges on such facilities ranges between 7.8% to 11.55%.

Note - 18.3: Commercial paper
The commercial paper has a maturity period of 60-90 days and is secured by Corporate Guarantee from Tata Power Company Limited. The interest charge on the commercial paper ranges between 7.10% to 8.00%.

Note - 18.4: Buyers credit
Buyers credit are short term facilities provided for 30 to 180 days. The interest charge on the buyers credit ranges between 2.84% to 3.04%.

Note - 18.5: Loans from Related parties
Interest on short term loans from related ranges between 6% to 8.15%.

Note - 19: Trade payables

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Trade payable for goods and services				
- Total outstanding dues of micro enterprise and small enterprise (Refer Note 33)	2,298.31	-	102.75	-
- Total outstanding dues of creditors other than micro enterprise and small enterprise	61,753.77	-	85,506.70	-
Total	**64,052.08**	**-**	**85,609.45**	**-**

The average credit period for purchase of certain goods from is 30 to 90 days. No interest is charged on trade payables.

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Note - 20: Other Financial Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Other financial liabilities measured at amortised cost				
(a) Interest accrued (Refer Note 20.1 below)	0.01	-	91.08	-
(b) Interest on MSME (Refer Note 33)	68.54	-	0.47	-
(c) Creditors for capital supplies/services	859.47	-	1,011.75	-
(d) Trade / security deposits received	88.32	-	63.75	-
	1,016.34	-	1,167.05	-
Other financial liabilities measured at fair value				
Derivative financial instruments carried at fair value	-	-	1,358.79	-
	-	-	1,358.79	-
Total	1,016.34	-	2,525.84	-

Note - 20.1: Interest accrued
The interest accrued includes interest accrued but not due on borrowings amounting to Rs. 0.01 Lakhs (As at March 31, 2019 - Rs. 91.08 Lakhs). Refer Note 18.2, Note 18.3, Note 18.4 and Note 18.5 for the terms of the interest rate on the borrowings.

Note - 21: Current and non-current tax liabilities (net)

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Income tax payable	-	302.66	42.62	373.55
Total	-	302.66	42.62	373.55

Note - 22: Provisions

Accounting Policy

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

Provision for warranty
Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

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₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
(a) Provision for employee benefits				
Compensated absences (Refer Note 22.2)	212.04	1,312.84	29.16	1,084.78
Gratuity (Refer Note 22.2)	58.64	2,430.36	9.00	1,927.95
Post Employee Benefits (Refer Note 22.2)	-	-	-	3.31
Other defined benefit plan (Refer Note 22.2)	40.48	355.68	40.72	357.30
Other employee benefits (Refer Note 22.2)	24.51	197.48	18.90	195.92
(b) Other Provisions				
Warranty (Refer Note 22.1 below)	859.81	3,689.63	1,774.75	2,089.89
Rectification work (Refer Note 22.1 below)	449.80	-	1,339.63	-
Provision for foreseeable losses (Refer Note 22.1 below)	325.64	-	1,353.29	-
Total	1,970.92	7,985.99	4,565.45	5,659.15

Note - 22.1: Provision for warranty and rectification work

Particulars	As at March 31, 2020 (₹ in Lakhs)		As at March 31, 2019 (₹ in Lakhs)	
	Warranty Provision	Rectification work	Warranty Provision	Rectification work
Balance as at beginning of the year	3,864.64	1,339.63	3,080.27	2,432.25
Provision made during the year	1,044.62	-	1,487.65	-
Amounts incurred/utilized during the year	(359.82)	(889.83)	(703.28)	(1,092.62)
Balance as at the end of the year	4,549.44	449.80	3,864.64	1,339.63

Of the above the amounts expected to be incurred within a year amounts to Rs. 859.81 Lakhs (March 31, 2019 : Rs. 1,744.75 Lakhs). The warranty expenditure is expected to be incurred over the warranty life of the products as contracted, which varies from 10 to 25 years.

The provision for warranty claims represents the present value of the management's best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties under sales of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

The provision for rectification work relates to the estimated cost of work agreed to be carried out for the rectification of goods supplied to the customers. The amount is anticipated to be spent in the year 2020-21. These amounts have not been discounted for the purposes of measuring the provision for rectification work, because the effect is not material.

Provision for foreseeable loss represents loss provided for onerous contracts.

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Note - 22.2: Employee benefit plan
Refer note 26 as regards policy on employee benefits

(i) Defined Contribution plan
The Company makes provident fund and superannuation fund contribution which are defined contribubon plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.530.41 Lakhs (for the year ended March 31, 2019 - Rs.515.99 Lakhs) for Provident Fund contributions, Rs. 72.84 Lakhs (year ended March 31, 2019 - Rs. 68.06 Lakhs) for Superannuation Fund contributions, included as a part of contribution to provident fund and other funds in Note 26 Employees Benefit Expenses. The Company recognised Rs. 0.79 Lakhs (for the year ended March 31, 2019 - Rs.0.47 Lakhs) for Employee State Insurance Scheme contributions, included as a part of staff welfare in Note 26 Employees Benefit Expenses. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined benefit plans
The Company offers the following employee defined benefit schemes to its employees/ex-employees:
i. Gratuity (included as a part of contribution to provident fund and other fund in Note 26 Employees Benefits Expense)
ii. Pension (post retirement benefits, to the erstwhile managing director (included as a part of Salary and Wages in Note 26 Employees Benefits Expense)
iii. Post-Employment Medical Benefits (post-employment health care benefits to superannuated employees in Note 26 Employees Benefits Expense)
iv. Ex-Gratia Death Benefit (granting ex-gratia in case of death during service in Note 26 Employees Benefits Expense)
v. Retirement Gift (granting a pre-determined sum as retirement gift on superannuation of an employee in Note 26 Employees Benefits Expense)

Investment Risk:
The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Interest Risk:
A decrease in the yield of Indian government securities will increase the plan liability

Longevity Risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk:
The present value of the defined benefit plan liability is calculated by reference to the future salaries. In particular, there is a risk for the Company that any adverse salary growth can result in an increase in cost of providing these benefits to employees in future.

In respect of the plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2020 by professional actuary. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	March 31, 2020	March 31, 2019
Gratuity, compensated leave absences and pension:		
Discount rate (p.a.)	6.50%	7.40%
Expected rate of salary increase (p.a.)	Management - 7% Non Management - 5%	Management - 7% Non Management - 5%
Attrition (p.a.)	Management: 21-44 years - 6% 45 years and above - 2% Non Management: 0.5%	Management: 21-44 years - 2.5% 45 years and above - 1% Non Management: 0.5%
Expected return on plan assets (p.a.)	6.50%	7.40%
Pension increase rate (p.a.)	5%	5%
Mortality tables	Indian Assured Lives Mortality (06-08) Ult Table	Indian Assured Lives Mortality (06-08) Ult Table

1. The discount rate is based on the prevailing market yields of Indian Government securities as at balance sheet date for the estimated term of the obligation.
2. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
3. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are maintained with an insurer managed fund and is well diversed.

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:

₹ in Lakhs

Particulars	Gratuity		Pension		Others benefits	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	175.59	145.61	0.03	0.03	1.17	1.01
Past Service Cost	-	-	-	-	0.90	-
Past Service Cost - plan amendments	-	-	-	-	-	-
Net Interest expense	140.83	96.83	27.41	29.22	0.78	0.63
Immediate recognition of (gains)/losses - other long term employee benefit plans	-	-	-	-	-	-
Components of defined benefit costs recognised in profit or loss	316.42	242.44	27.44	29.25	2.85	1.64

Remeasurement on the net defined benefit liability :

₹ in Lakhs

Particulars	Gratuity		Pension		Others benefits	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Return on the net defined benefit liability						
Return on plan assets excluding amounts included in interest cost/(income)		11.85	-	-	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	255.06	73.37	21.47	7.27	-	0.48
Actuarial (gains)/losses arising from experience	(97.27)	301.51	(1.75)	(3.25)	(4.93)	7.01
Components of defined benefit costs recognised in other comprehensive income	157.79	386.73	19.72	4.02	-4.93	7.49
Total	474.21	629.17	47.16	33.27	-2.08	9.13

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ in Lakhs

Particulars	Gratuity		Pension		Others benefits	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Present value of funded defined benefit obligation	2,505.14	1,957.57	396.16	391.65	-	9.69
Fair value of plan assets	(16.14)	-20.62	-	-	-	-
Funded status	2,489.00	1,936.95	(396.16)	(391.65)	-	(9.69)
Net (liability) recognised in balance sheet	(2,489.00)	(1,936.95)	(396.16)	(391.65)	-	(9.69)
Current (liability)	(58.64)	(9.00)	(40.48)	(40.38)	-	(0.34)
Non-current (liability)	(2,430.36)	(1,927.95)	(355.68)	(351.27)	-	(9.35)
Estimated amount of contribution in the immediate next year	58.64	9.00	-	-	-	-

Movements in the present value of the defined benefit obligations are as

₹ in Lakhs

Particulars	Gratuity		Pension		Others benefits	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening defined benefit obligations	1,957.56	1,322.06	391.65	401.01	9.70	8.19
Current service cost	175.58	145.61	0.03	0.03	1.17	1.01
Interest Cost	142.14	99.16	27.41	29.24	0.78	0.63
Acquisitions (credit)/cost	145.57	84.36	(0.10)	(0.10)	(7.62)	(7.62)
Actuarial (Gains)/losses arising from changes in demographic assumptions	3.33	301.51	-	-	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	251.73		21.47	(3.31)	-	0.48
Actuarial (Gains)/losses arising from experience assumptions	(97.27)	73.37	(1.75)	7.33	(4.93)	7.01
Past Service Cost , including losses /(gains) on curtailment	-	-	-	-	0.90	-
Benefits paid directly by the Company	(9.49)	(6.03)	(42.55)	(42.55)	-	-
Benefits paid from plan assets	(64.01)	(62.48)	-	-	-	-
Closing defined benefit obligation	2,505.14	1,957.56	396.16	391.65	-	9.70

Movements in the fair value of the plan assets are as follows:

₹ in Lakhs

Particulars	Gratuity		Pension		Others benefits	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening fair value of plan assets	20.62	30.54	-	-	-	-
Interest income	1.31	2.34	-	-	-	-
Remeasurement gains/(losses)	-	-	-	-	-	-
Actual return on plan assets less interest on plan assets	-	(11.85)	-	-	-	-
Contribution from the employer	58.22	62.07	-	-	-	-
Contribution from plan participant	-	-	-	-	-	-
Benefits paid	(64.01)	(62.48)	-	-	-	-
Closing fair value of plan assets	16.14	20.62	-	-	-	-

The weighted average duration of the benefit obligation as at March 31, 2020 is 7.4 years.

Sensitivity Analysis

The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters

Particulars	March 31, 2020	March 31, 2019
Discount rate		
Effect on DBO due to 0.5% increase in Discount Rate	(156.57)	(134.84)
Effect on DBO due to 0.5% decrease in Discount Rate	169.65	144.65
Pension/Salary increase rate		
Effect on DBO due to 0.5% increase in Pension Escalation Rate	169.42	145.04
Effect on DBO due to 0.5% decrease in Pension Escalation Rate	(157.72)	(134.51)
Medical Inflation Rate		
Effect on DBO due to 0.5% increase in Medical Inflation Rate	-	0.51
Effect on DBO due to 0.5% decrease in Medical Inflation Rate	-	(0.43)
Life expectancy		
Effect on DBO due to 1 year increase in longevity	27.73	25.07
Effect on DBO due to 1 year decrease in longevity	(27.40)	(25.00)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date.
There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses

The expected maturity analysis of undiscounted defined benefit obligation is as follows:

₹ in Lakhs

Particulars	Gratuity		Pension		Others benefits	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Within 1 year	77.17	30.69	41.78	41.85	-	0.35
Between 1 - 2 years	73.22	63.54	42.02	42.28	-	0.38
Between 2 - 3 years	122.03	86.20	42.02	42.45	-	0.41
Between 3 - 4 years	112.50	98.94	41.76	42.41	-	0.44
Between 4 - 5 years	168.68	87.81	41.22	42.10	-	0.46
Beyond 5 years	1,333.05	1,000.01	187.93	195.90	-	2.59

Movement of Provision of Compensated Leave Absences

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
Opening balance	1,113.94	1,091.83
Add: Expenses for the year	570.49	214.61
Less: Payment made during the year	(159.55)	(192.50)
Closing Balance	1,524.88	1,113.94
Expense recognised in Statement of Profit and Loss	570.49	214.61
Current portion of provision balance	212.04	29.16
Non- current portion of provision balance	1,312.84	1,084.78

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Note - 23: Other current and non-current liabilities

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
(a) Advances received from customers	28,028.37	-	4,816.24	-
(b) Government grant (Refer Note 23.1 below)	-	1,214.75	-	1,126.21
(c) Statutory dues (other than income taxes)	479.25	-	468.99	-
(d) Income received in advance (unearned revenue)	22,461.60	-	21,425.28	-
(e) Other liabilities	4.37	-	6.79	-
Total	**50,973.59**	**1,214.75**	**26,717.30**	**1,126.21**

Note - 23.1: Government grant

Accounting Policy

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Movement in Government Grant

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	1,126.21	1,102.54
Add: Received during the year	88.54	23.67
Less: Released to the statement of profit and loss	-	-
Balance at end of the year	1,214.75	1,126.21

The Company has received government grants in the form of import duty exemption on purchase of capital goods, to be used for production of items for exports, based on the terms of the Export Promotion Capital Goods (EPCG) scheme. The Company recognises an income from such grants based on meeting the export obligations as specified under the EPCG scheme.

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Note - 24: Revenue from operations

Accounting Policy

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Delayed payment charges and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

Revenue on installation and commissioning contracts are recognized as per the terms of contract.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Refer Note 23.1 as regards policy on government grant.

Rs. in Lakhs

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Revenue from sale of goods and services	207,878.08	311,281.90
(b)	Revenue from rendering of maintenance services	5,222.31	5,001.16
(c)	Other operating revenue		
	- Sale of scrap	361.26	357.46
	- Sale of scrips for duty exemption	226.83	232.77
	- Miscellaneous Revenue	381.61	657.69
Total		**214,070.09**	**317,530.98**

The following table provides information about the company's revenue from contracts with customers:

Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Timing of revenue recognition (excluding other operating revenue)		
Goods transferred at a point in time	28,535.62	19,671.64
Services transferred over time	184,564.77	296,611.42
Total	**213,100.39**	**316,283.06**
India	202,414.72	305,908.81
Outside India	10,685.67	10,374.25
Total	**213,100.39**	**316,283.06**

The following table provides information about contract assets and contract liabilities from contract with customers:

Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contract Assets		
Recoverable from Customers		
Non-current	-	-
Current	1,423.26	2,552.04
Total Contract Assets	1,423.26	2,552.04
Contract Liabilities		
Advance from Customers		
Non-current	-	-
Current	28,028.37	4,816.24
Liabilities towards Customers		
Non-current	-	-
Current	22,461.60	21,425.28
Total Contract Liabilities	50,489.97	26,241.52
Receivables		
Trade Receivables (Gross)		
Non-current	3,482.74	1,177.62
Current	107,594.76	194,513.48
Unbilled Revenue		
Non-current	-	-
Current	1,423.26	2,552.04
(Less): Allowances for Doubtful Debts		
Non-current	(455.10)	(455.10)
Current	(11,647.44)	(10,389.48)
Net Receivables	**100,398.22**	**187,398.56**

Note: Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Balance (excluding trade receivables and trade payables)		
Recoverable from Customers	2,552.04	1,367.03
Liabilities towards Customers	26,241.52	15,344.72
Revenue recognsied during the year from contracts	179,145.30	291,736.94
Revenue recognsied during the year that was included in the opening contract liability	21,425.28	10,476.69
Closing Balance (excluding trade receivables and trade payables)		
Recoverable from Customers	1,423.26	2,552.04
Liabilities towards Customers	50,489.97	26,241.52

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Note -25 Other income

Accounting Policy

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Refer note 2.3.5 as regards policy on fair valuation measurement with regard to Financial instruments.

₹ in Lakhs

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Interest income (Refer Note (i) below)	336.38	32.38
(b)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	2.74	5.30
(c)	Profit from Sale of Investments (Net)	498.15	56.36
(d)	Net loss / (gain) on foreign currency transactions	1,702.94	2,163.38
Total		**2,540.21**	**2,257.42**
Notes			
(i)	**Interest income comprises :**		
	Interest on Inter Corporate Deposits (Refer Note 36)	14.26	15.09
	Interest from banks on deposits	149.84	0.95
	Interest on delays in customer payments	0.00	0.85
	Interest on electricity deposits	16.05	15.32
	Interest Income from Income-Tax Refund	155.53	-
	Other Interest	0.70	0.17
Total		**336.38**	**32.38**
(ii)	**Other non-operating income (net of expenses directly attributable to such income) :**		
	Miscellaneous Income	2.74	5.30
Total		**2.74**	**5.30**
(iii)	**Profit from sale/ fair valuation of investments (Net)**		
	Current Investments	498.15	56.36
Total		**498.15**	**56.36**

Note -26 Employee benefits expenses

Accounting Policy

Retirement and other employee benefits

Retirement benefit in the form of provident fund, pension fund and superannuation fund are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to provident fund, pension fund and superannuation fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in

Past service costs are recognised in profit or loss on the earlier of:
a. The date of the plan amendment or curtailment, and
b. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b. Net interest expense or income.

₹ in Lakhs

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Salaries and wages	10,041.78	9,083.27
(b)	Contribution to Provident Fund	427.00	411.02
(c)	Contribution to Superannuation Fund	72.84	68.06
(d)	Retiring Gratuities	337.96	242.43
(e)	Compensated Absences	570.49	214.61
(f)	Pension Scheme	130.85	134.24
(g)	Staff welfare expenses	1,263.74	851.35
Total		**12,844.66**	**11,004.98**

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Note -27 Finance costs

Accounting Policy

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

₹ in Lakhs

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Interest expense		
	Interest on bank overdraft, related party borrowings and other borrowings	3,862.64	3,382.22
	Interest on delayed payment of MSME vendor	68.54	0.47
	Interest on delayed remittance of income taxes	-	15.29
(b)	Other borrowing costs		
	Bank charges	23.30	38.37
Total		**3,954.48**	**3,436.35**

Note -28: Depreciation and amortisation expenses

Refer Note 4 and Note 5 as regards policy on property, plant and equipment and intangible assets.

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of Property, Plant and equipment (Refer Note 4)	1,600.72	7,541.11
Amortisation of intangible assets (Refer Note 5)	164.15	175.49
Total	**1,764.87**	**7,716.60**

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Tata Power Solar Systems Limited
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Note -29 Other expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Stores and spares consumed	928.83	688.69
Effluent processing charges	314.78	209.96
Power, fuel, water & oil consumed	1,744.87	1,581.50
Freight and handling charges	1,611.56	2,116.69
Rent including lease rentals	1,835.71	1,392.86
Repairs and maintenance - Buildings	22.62	37.87
Repairs and maintenance - Machinery	997.76	708.47
Repairs and maintenance - Others	251.81	171.42
Rates and taxes	325.53	265.33
Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013.	247.13	137.72
Insurance charges	316.54	263.55
Commission, discounts and rebates	170.29	388.04
Bad Debts	27.43	
Impairment of financial assets (Refer Note 29.3 below)	1,289.83	2,928.32
Net loss / (gain) on foreign currency transactions	1,704.30	-
Loss on fixed assets written off	0.63	2.18
Provision for warranty	1,044.62	1,487.65
Legal and other professional costs (Refer Note 29.1 below)	1,636.12	1,306.26
Advertisement, promotion and selling expenses	855.78	214.68
Travelling expenses	1,243.68	1,078.54
Cost of service-outsourced	7,536.86	5,750.23
Director fees	2.00	3.90
Tata brand equity	535.24	659.60
Other general expenses	2,785.23	2,365.05
Total	**27,429.15**	**23,758.51**

Note-29.1:Payment to auditors included in legal and other professional costs (excluding applicable taxes)

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) For Statutory Audit	21.80	21.80
(b) For Taxation Matters	3.00	3.00
(c) For Other Services	5.00	5.00
(d) For reimbursement of expenses	4.72	4.77
Total	**34.52**	**34.57**

Note-29.2: Corporate Social Responsibility Expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Amount required to be spent by the Company during the year	247.13	138.44
Total	**247.13**	**138.44**

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Amount spent during the year on:	In cash/bank	In cash/bank
(i) Construction / Acquisition of any asset	-	-
(ii) On purposes other than (i) above	247.13	138.44

Includes Rs. 247.13 lakhs contributed to Tata Power Community Development Trust.

Note - 29.3: Impairment losses on financial assets and reversal of impairment on financial assets

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Impairment loss allowance on trade receivables (Refer Note 9.1)	4,956.52	4,344.94
Impairment loss allowance on deposits (Refer Note 12.1)	33.50	43.38
	4,990.02	**4,388.32**
Reversal of impairment losses on deposits (Refer Note 12.1)	(1.64)	-
Reversal of impairment losses on trade receivables (Refer Note 9.1)	(3,698.56)	(1,460.00)
Total	**1,289.82**	**2,928.32**

TATA POWER SOLAR SYSTEMS LTD.

Note -30 Income Tax

Accounting Policy

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Note- 30.1: Income Tax Expenses

Note- 30.1.1: Income taxes recognised in the statement of profit and loss

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
In respect of the current year	3,411.34	3,304.06
In respect of the earlier years	15.92	-
Deferred tax		
In respect of the current year	-	-
Total income tax expense recognised in the current year	**3,427.26**	**3,304.06**

Note- 30.1.2: The income tax expense for the year can be reconciled to the accounting profit as follows:

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	15,694.91	12,348.03
Income tax expense calculated at 34.944% (2018-19: 34.944%)	5,484.43	4,314.90
Effect of income that is exempt from taxation	-	-
Effect of expenses that are not deductible in determining taxable profit	2,088.87	4,603.98
Effect of concessions (other allowances)	(1,183.73)	(1,458.50)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	-	(604.73)
Unrecognized tax credit (MAT) utilised during the current year	(2,978.23)	(3,551.59)
Others (Income tax pertaining to earlier years)	15.92	-
Income tax expense recognised in profit or loss	**3,427.26**	**3,304.06**

The tax rate used for the 2019-2020 and 2018-2019 reconciliations above is the corporate tax rate of 34.944% (as turnover more than Rs 25,000 lakhs) and 34.944% payable by corporate entities in India on taxable profits under the Indian tax law. However in the previous year 2018-19 the Company had significant brought forward tax losses and unabsorbed depreciation.

Note- 30.1.3: Income tax recognised directly in other comprehensive income

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
Remeasurement of defined benefit obligation	(60.31)	(85.82)
Deferred tax		
Derivative financial instruments designated and effective as hedging instruments carried at fair value	3,242.58	-
Total income tax recognised in other comprehensive income	**3,182.27**	**(85.82)**

Bifurcation of the income tax recognised in other comprehensive income into:	For the year ended March 31, 2020	For the year ended March 31, 2019
Items that will not be reclassified to profit or loss	(60.31)	(85.82)
Items that may be reclassified to profit or loss	3,242.58	-
	3,182.27	**(85.82)**

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Note - 31: Deferred tax balance

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	-	-
Deferred tax liabilities	(3,242.58)	-
Net Deferred Tax Asset/(Liability)	(3,242.58)	-

₹ in Lakhs

2019-20	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance	Restated closing Balance (note 2)
Deferred tax assets/ (liabilities) in relation to:						
Difference in the written down value of fixed assets	(1,154.06)	(661.98)	-	-	(1,816.04)	(1,308.13)
Provisions for Employee benefits	1,258.21	520.08	60.31	-	1,838.60	1,324.38
Provisions for doubtful debts and advances	3,617.07	789.68	-	-	4,406.75	3,174.27
Provision for Warranty	1,225.89	363.68	-	-	1,589.57	1,145.00
Derivative financial instruments designated for hedging	-	-	(3,242.57)	-	(3,242.57)	(3,242.57)
Other disallowances	380.65	(266.87)		-	113.78	81.96
Sub-Total	**5,327.76**	**744.59**	**(3,182.26)**	-	**2,890.09**	**1,174.91**
Unabsorbed tax loss and depreciation	-	-	-	-	-	-
Minimum Alternate Tax Credit	3,155.84	(3,155.84)	-	-	-	-
Less: Adjustments (Refer Note below)	(8,483.60)	2,411.25	(60.31)	-	(6,132.66)	(4,417.48)
Net Deferred Tax Asset / (Liability)	-	-	**(3,242.57)**	-	**(3,242.57)**	**(3,242.57)**

₹ in Lakhs

2018-19	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing Balance
Deferred tax assets/ (liabilities) in relation to:					
Difference in the written down value of fixed assets	(3,299.17)	2,145.11	-	-	(1,154.06)
Provisions for Employee benefits	1,029.19	368.16	(139.15)	-	1,258.21
Provisions for doubtful debts and advances	2,593.80	1,023.27	-	-	3,617.07
Provision for Warranty	951.80	274.09	-	-	1,225.89
Other disallowances	704.88	(324.23)	-	-	380.65
Sub-Total	**1,980.50**	**3,486.41**	**(139.15)**	-	**5,327.76**
Unabsorbed tax loss and depreciation	1,211.26	(1,211.26)	-	-	-
Minimum Alternate Tax Credit	6,707.43	(3,551.59)	-	-	3,155.84
Less: Adjustments (Refer Note below)	(9,899.19)	1,276.45	139.15	-	(8,483.60)
Net Deferred Tax Asset / (Liability)	-	-	-	-	-

Notes

1. The Company has deferred tax assets relating to provision for doubtful debts and advances, employee benefits and certain other temporary differences which is partially offset by difference in the written down value of property, plant and equipment. In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible. As the Company is in the process of establishing a trend of taxable profits and considering the absence of certainty of future taxable profits, the Company has not recognised deferred tax asset of Rs.4,417.47 Lakhs and Rs. 8,483.60 Lakhs as of March 31, 2020 and March 31, 2019 and had recognised deferred tax liability of Rs 3,242.57 Lakhs against the other comprehensive income on items that may be reclassified to profit or loss.

2. The Company intends to elect to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during 2020-2021. Accordingly, the Deferred Tax as at March 31, 2020 has been computed using the rates prescribed by Ordinance 2019.

Note -32: Commitments and Contingent Liabilities (to the extent not provided for)

(i) Commitments

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Estimated amounts of contracts remaining to be executed on capital account and not provided		
Property, plant and equipment	390.60	168.25
(b) Other commitments:		
(i) Vendor purchase commitments	1,52,821.43	23,767.86
(ii) Export Commitments pertaining to EPCG benefits, considered as Government Grants that are required to be met by 2023 to 2026.	7,666.35	7,016.73
(ii) The Company has committed to provide future post sale services for periods extending from 1 to 25 years	18,020.71	18,665.20

(ii) Contingent Liabilities

Refer Note 22 as regards policy on provision and contingent liabilities.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Claims against the Company not acknowledged as debts, in the nature of :		
(i) Income Tax demands, including penalty and interest due up to date of the order. These claims relate to demands made significantly pertaining to transfer pricing and other adjustments, which are being contested by the Company. These cases are pending at various forums with the respective authorities. Outflows, if any, arising out of the claims would depend upon the outcome of the decision of the appellate authority and the Company's right for future appeals before judiciary. No reimbursements are expected.	729.26	2,677.28
(ii) Sales tax and VAT demands, including penalty and interest due up to the date of the order.		
- These claims relate to demands arising from the instances of non-filing of returns by vendors and Non payments of Karnataka VAT by the Local vendors to the Govt. Treasury.	130.27	130.27
- These claims relates to demands arising from sale of Solar PV Module, Module Structure, Cable, Battery, Submersible Pumps, Motor Controller, Hardware etc. as 'Solar Pumping System' as an exempt goods. As per Authority in the schedules appended to Rajasthan VAT Act, there is no entry for 'Solar Pumping System' and hence the same is subjected to item-wise duty structure.	7,351.69	7,351.69

(b) "The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. There were many interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) as regards definition of PF wages and inclusion of certain allowances for the purpose of PF contribution, as well as effective date of its applicability. Having consulted and evaluated impact on its financial statement, the company has implemented the changes as per clarifications vide the Apex Court judgement dated 28 February 2019, with effect from 1st March 2019 i.e., immediate after pronouncement of the judgement, as part of statutory compliance. The company will evaluate its position and act, in case there is any other interpretation of the same issued in future either in form of Social Security Code or by authorities concerned under the Employees' Provident Funds and Miscellaneous Provisions Act.

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Note -33: Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of accounting year	2,298.31	102.75
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	68.54	0.47
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond appointed day during each accounting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	68.54	0.47
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	68.54	0.47
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note -34: Capital management

The Company manages it's capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through equity and internal accumulations.

The capital structure of the Company consists of working capital debt (borrowings as detailed in notes 18 and 20 offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's management reviews the capital structure of the Company on a need basis when planning any expansions and growth strategies.

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Note - 35: Earnings/ (Loss) Per Share

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e.the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

in ₹

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Basic earnings/ (loss) per share	53.39	39.36
Diluted earnings/ (loss) per share	53.39	39.36

Note - 35.1: Basic Earnings/ (Loss) Per Share

The earnings/(loss) and weighted average number of equity shares used in the calculation of basic earnings/ (loss) per share are as follows:

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/ (loss) for the period attributable to Shareholders of the Company (₹ in Lakhs)	12,267.65	9,043.97
Earnings/ (loss) used in the calculation of basic earnings per share (₹ in Lakhs)	12,267.65	9,043.97
Weighted average number of equity shares for the purposes of basic earnings/ (loss) per share	22,977,567	22,977,567

Note - 35.2 Diluted Earnings/ (Loss) Per Share

The earnings/ (loss) and weighted average number of equity shares used in the calculation of diluted earnings/ (loss) per share are as follows:

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/ (Loss) for the period attributable to Shareholders of the Company (₹ in Lakhs)	12,267.65	9,043.97
Earnings/ (Loss) used in the calculation of diluted earnings per share (₹ in Lakhs)	12,267.65	9,043.97
Weighted average number of equity shares for the purposes of diluted earnings/ (loss) per share	22,977,567	22,977,567

The Company does not have any outstanding equity instruments which are dilutive.

TATA POWER SOLAR SYSTEMS LTD.

Note - 36: Related Party Disclosure

Note -36.1: Names of Related parties and relationships:

Holding Company	The Tata Power Company Limited
Wholly Owned Subsidiary	Chirasthaayee Saurya Limited
Fellow Subsidiaries	Tata Power Renewable Energy Limited Tata Power Delhi Distribution Limited Tata Power Trading Company Limited TP Renewable Microgrid Limited Poolavadi Windfarm Limited Maithon Power Limited Walwhan Renewable Energy Limited Coastal Gujarat Power Limited
Associates of Holding Company	Tata Projects Limited
Joint Ventures of Holding Company	Powerlinks Transmission Limited Industrial Energy Limited
Promoters holding more than 20% in the Holding Company	Tata Sons Limited
Subsidiaries of Promoters holding more than 20% in the Holding Company	Tata Business Support Services Limited (Ceased to be a subsidiary and is an associate of Promoter w.e.f. 27.11.2017) Tata Advanced Materials Limited Tata Consulting Engineers Limited Tata Capital Financial Services Limited Tata Consultancy Services Limited Tata Communications Limited Tata Housing Development Company Limited Tata International Limited Tata Teleservices Limited
Joint Ventures of Promoters holding more than 20% in the Holding Company	Tata AIA Life Insurance Company Limited Tata Sky Limited
Key Management Personnel	Mr. Anil Sardana- Chairman (upto 30.04.2018) Mr. Praveer Sinha- Chairman (w.e.f. 04.05.2018) Mr. Ashish Khanna- Managing Director and Chief Executive Officer Mr. Sowmyan Ramakrishnan- Director (upto 11.07.2018) Mr. Ramesh Subramanyam- Director (upto 11.07.2018) Ms. Suparna Mitra- Director (upto 28.06.2018) Ms. Anjali Bansal - Director (w.e.f. 20.07.2018) Mr. Mahesh D Paranjpe - Director (w.e.f. 10.07.2018) Mr. Anand Agarwal - Director (w.e.f. 10.07.2018) Mr. Seethpathy Chander - Director (w.e.f. 27.03.2020) Mr. Satish Gupta - Chief Financial Officer Miss Neha Malik - Company Secretary (upto 31.07.2018) Mr. Amey S. Naik - Company Secretary (w.e.f 01.08.2018)

Note -36.2: Transactions during the period

₹ in Lakhs

	Particulars	Holding Company		Wholly Owned Subsidiary		Fellow Subsidiaries		Associates and Joint Ventures of Holding Company		Promoters holding more than 20% in the Holding Company		Subsidiaries & Joint Ventures of Promoters holding more than 20% in the Holding Company	
		For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
1	**Sale of Materials**												
	Tata Power Renewable Energy Limited	-	-	-	-	43,134.29	188,524.02	-	-	-	-	-	-
	Poolavadi Windfarm Limited	-	-	-	-	21,259.23	-	-	-	-	-	-	
	Tata Power Delhi Distribution Limited	-	-	-	-	5.88	-	-	-	-	-	-	-
	Tata Consultancy Services Limited	-	-	-	-	-	-	-	-	-	-	470.13	288.64
	Walwhan Renewable Energy Limited	-	-	-	-	978.26	1,325.70	-	-	-	-	-	-
	The Tata Power Company Limited	-	-	-	-	-	-	-	-	-	-	-	-
	Tata Projects Limited	-	-	-	-	-	-	310.77	-	-	-	-	-
	TP Renewable Microgrid Limited	-	-	-	-	672.66	-	-	-	-	-	-	-
	Tata Capital Financial Services Limited	-	-	-	-	-	-	-	-	-	-		30.77
2	**Services Rendered**												
	The Tata Power Company Limited	40.33	38.56	-	-	-	-	-	-	-	-	-	-
	Chirasthaayee Saurya Limited	-	-	261.05	289.91	-	-	-	-	-	-	-	-
	Tata Power Renewable Energy Limited	-	-	-	-	1,972.78	1,924.33	-	-	-	-	-	-
	Tata Power Trading Company Limited	-	-	-	-	30.59	51.95	-	-	-	-	-	-
	Tata Power Delhi Distribution Limited	-	-	-	-	8.37	8.27	-	-	-	-	-	-
	Tata Consultancy Services Limited	-	-	-	-	-	-	-	-	-	-	9.15	5.27
	TP Renewable Microgrid Limited					18.24							
3	**Services Received**												
	The Tata Power Company Limited	262.99	294.64	-	-	-	-	-	-	-	-	-	-
	Tata Power Trading Company Limited	-	-	-	-	491.52	439.33	-	-	-	-	-	-
	Tata Projects Limited	-	-	-	-	-	-	465.97	511.76	-	-	-	-
	Tata Sons Limited	-	-	-	-	-	-	-	-	536.44	659.60	-	-
	Tata Consultancy Services Limited	-	-	-	-	-	-	-	-	-	-	-	7.09
	Maithon Power Limited	-	-	-	-	-	0.37	-	-	-	-	-	-
	Tata Teleservices Limited	-	-	-	-	-	-	-	-	-	-	10.28	17.93
	Tata Consulting Engineers Limited	-	-	-	-	-	-	-	-	-	-	108.42	216.70
	Tata Business Support Services Limited	-	-		-	-	-	-	-	-	-		2.10
	Tata Capital Financial Services Limited	-	-	-	-	-	-	-	-	-	-	66.61	40.44
	Tata Communications Limited	-	-	-	-	-	-	-	-	-	-	46.47	27.71
	TATA AIA Life Insurance Company Limited											24.50	10.72
4	**Dividend Paid**												
	The Tata Power Company Limited	-	3,446.64	-	-	-	-	-	-	-	-	-	-

₹ in Lakhs

Particulars	Holding Company		Wholly Owned Subsidiary		Fellow Subsidiaries		Associates and Joint Ventures of Holding Company		Promoters holding more than 20% in the Holding Company		Subsidiaries & Joint Ventures of Promoters holding more than 20% in the Holding Company	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
5 Interest Paid												
The Tata Power Company Limited	6.58	-	-	-	-	-	-	-	-	-	-	-
Coastal Gujarat Power Limited	-	-	-	-	9.84	-	-	-	-	-	-	-
Walwhan Renewable Energy Limited	-	-	-	-	113.17	81.74	-	-	-	-	-	-
6 Interest Received												
Chirasthaayee Saurya Limited	-	-	1.71	15.09	-	-	-	-	-	-	-	-
The Tata Power Company Limited	12.55	-	-	-	-	-	-	-	-	-	-	-
7 Loan given during the year												
Chirasthaayee Saurya Limited	-	-	507.28	1,998.65	-	-	-	-	-	-	-	-
The Tata Power Company Limited	10,000.00	-	-	-	-	-	-	-	-	-	-	-
8 Loan taken during the year												
The Tata Power Company Limited	23,148.00	-	-	-	-	-	-	-	-	-	-	-
Coastal Gujarat Power Limited	-	-	-	-	20,000.00	-	-	-	-	-	-	-
Walwhan Renewable Energy Limited	-	-	-	-	4,298.46	30,894.00	-	-	-	-	-	-
9 Loan Repaid by the company												
The Tata Power Company Limited	23,148.00	-	-	-	-	-	-	-	-	-	-	-
Coastal Gujarat Power Limited	-	-	-	-	20,000.00	-	-	-	-	-	-	-
Walwhan Renewable Energy Limited	-	-	-	-	12,799.46	22,393.00	-	-	-	-	-	-
10 Loan Repaid to the company												
The Tata Power Company Limited	10,000.00	-	-	-	-	-	-	-	-	-	-	-
Chirasthaayee Saurya Limited	-	-	507.28	2,098.65	-	-	-	-	-	-	-	-

Sale of goods and services to related parties were made at the Company's usual list prices. Purchases were made and services were received at market price.

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Note - 36.3: Compensation of key management personnel

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term benefits (Refer Note below)	2.00	3.90

Note:
The Directors were paid only director's sitting fees during the year ended March 31, 2020 and March 31, 2019. The remuneration payable to key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends. For amounts incurred by the Company for the provision of key management personnel services that are provided by the Parent Company is disclosed in Note 36.2.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balance Outstanding	1.00	2.00

Note -36.4: Balances outstanding as at year end

₹ in Lakhs

		As at March 31, 2020	As at March 31, 2019
1	**Balance Receivable/(Payable) (net)**		
	The Tata Power Company Limited	25.04	(52.37)
	Tata Power Renewable Energy Limited	19,876.31	141,236.01
	Poolavadi Windfarm Ltd	7,078.47	-
	Tata Power Delhi Distribution Limited	25.62	17.86
	Tata Power Trading Company Limited	28.67	57.48
	TP Renewable Microgrid Limited	722.95	
	Chirasthaayee Saurya Limited	25.27	24.02
	Coastal Gujarat Power Limited	(0.01)	-
	Walwhan Renewables Energy Limited	926.61	396.91
	Industiral Energy Limited	1.53	-
	Tata Projects Limited	341.37	(491.66)
	Tata Sons Limited	534.73	(649.36)
	Tata AIA Life Insurance Company Limited	-	(0.02)
	Tata Capital Financial Services Limited	4.82	4.82
	Tata Communications Limited	(8.49)	0.13
	Tata Consulting Engineers Limited	(33.37)	(63.61)
	Tata International Limited	2.15	2.15
	Tata Consultancy Services Limited	617.19	214.00
	Tata Advanced Materials Limited	3.48	3.48
	Tata Teleservices Limited	(0.28)	-
	Tata Sky Limited	0.11	0.11
2	**Advances Received/(Paid)**		
	Tata Power Renewable Energy Limited	9,536.55	478.74
	Tata International Limited	4.11	4.11
	Tata Consultancy Services Limited	23.46	45.80
	Tata Housing Development Company Limited	2.60	2.60
	TATA AIA Life Insurance Company Limited	0.77	-
	Tata Projects Limited	6.93	-
	Tata Communications Limited	-	(1.72)
3	**Loan Balance outstanding (payable)/ receivable**		
	Walwhan Renewables Energy Limited	-	8,501.00
4	**Interest accrued outstanding (payable)/ receivable**		
	Walwhan Renewables Energy Limited	-	(51.64)
5	**Unbilled Revenue**		
	Tata Power Trading Company Limited	-	2.43
	Tata Power Renewable Energy Limited	-	303.33

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

Note - 36.5: Other transactions and balance outstanding

The Company had received an open Corporate Guarantee from The Tata Power Company Limited, the Parent Company, for a maximum borrowing of Rs. 60,000 Lakhs (as at March 31, 2019- Rs. 60,000 Lakhs) at any point in time. The Company has utilised the Corporate Guarantee given against various borrowings during the period with a maximum outstanding amounting to Rs. 35,000 Lakhs (as at March 31, 2019- Rs. 30,000 Lakhs) at any point in time. The Corporate Guarantee utilized and outstanding as at March 31, 2020 is Rs. Nil (as at March 31, 2019- Rs. 30,000 Lakhs).

Note -37: Financial Instruments

(i) Categories of financial instruments

The carrying value of financial instruments by categories as at March 31, 2020 and March 31, 2019 are as follows:

₹ in Lakhs

Particulars	Carrying Value		Fair Value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial Assets				
Measured at amortised cost				
Trade receivables	98,974.96	184,846.52	98,974.96	184,546.52
Cash and cash equivalents	4,160.55	595.42	4,160.65	595.42
Other bank balances	4,000.00	-	4,000.00	-
Unbilled revenue	1,423.26	2,552.04	1,423.26	2,552.04
Loans	701.73	648.98	701.73	648.98
Other financial assets	30.98	3.31	30.98	3.31
Measured at fair value through other comprehensive income (FVTOCI)				
Derivative assets in hedging relationship	12,883.72		12,883.72	
Measured at fair value through profit or loss (FVTPL)				
Investments in mutual funds	3,621.28	-	3,621.28	-
Derivative assets not in hedging relationship	3,150.28	-	3,150.28	-
Total assets	**128,946.86**	**188,646.27**	**128,946.86**	**188,646.27**
Financial Liabilities				
Measured at amortised cost				
Borrowings	4.01	79,108.87	4.01	79,108.87
Trade payables	64,052.08	85,609.45	64,052.08	85,609.45
Other financial liabilities	1,016.34	1,167.05	1,016.34	1,167.05
Measured at fair value through profit or loss (FVTPL)				
Derivative liabilities not in hedging relationship	-	1,358.79	-	1,358.79
Total liabilities	**65,072.43**	**167,244.16**	**65,072.43**	**167,244.16**

The Management assessed that the fair value of cash and cash equivalents, trade receivables, loans, borrowings, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value/ amortised cost:

a) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

b) Fair values of the Company's interest-bearing borrowings and loans are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at March 31, 2020 was assessed to be insignificant.

c) The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts and options are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at March 31, 2020, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financials instruments recognised at fair value.

(ii) Fair value hierarchy

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period.
The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Quoted prices in active market (Level 1): Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities and quoted borrowings (fixed rate) that have quoted price.
Valuation techniques with observable inputs (Level 2): Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This includes derivative financial instruments and unquoted floating and fixed rate borrowings.

Valuation techniques with significant unobservable inputs (Level 3): Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares and redeemable non-cumulative preference shares.

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique (s) and inputs used).

Financial assets/(financial liabilities)	Fair Value as at (₹ in Lakhs)		Fair Value Hierarchy	Valuation Technique(s) and key inputs used
	March 31, 2020	March 31, 2019		
Investments in Mutual funds	3,621.28	-	Level 2	Valued based on market value of the fund after deducting its liabilities. The value of all units of a mutual fund portfolio are calculated on a daily basis, from this all expenses are then subtracted. The result is then divided by the total number of units the resultant value is the NAV.
Derivative financial instruments (Foreign currency forward contracts and Options)	16,034.00	(1,358.79)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparts.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values, hence no further disclosure have been made.

(iii) Capital Management and Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations as detailed in the notes below.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Debt (i)	4.01	79,108.87
Less: Cash and Bank balances (including cash and bank balances in a disposal Company held for sale)	8,160.65	595.42
Net debt	**-8,156.64**	**78,513.45**
Total Capital (ii)	69,179.34	47,382.83
Capital and net debt	**61,022.70**	**125,896.28**
Net debt to Total Capital plus net debt ratio (%)	-13%	62%

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding derivative, financial guarantee contracts and contingent considerations).

(ii) Equity is defined as Equity share capital, Unsecured perpetual securities and other equity including reserves and surplus.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

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(iv) Financial risk management objectives and policies
The Company's treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Company through internal meetings with the key stakeholders to analyse exposures by degree of magnitude of risks. These risks include market risk (including currency risk), credit risk and liquidity risk.

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by a team that has the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes maybe undertaken. The Management reviews and agrees policies for managing each of these risks.

(v) Market Risk
The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note (vi) below). The company enters into a derivative financial instruments to manage its exposure to foreign currency risk, including:

- Forward foreign exchange contracts to hedge the exchange rate risk arising on the export of modules and import of cells/modules and capital goods.

Market risk exposures are measured using sensitivity analysis.
There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

(vi) Foreign Currency risk management
The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

Currency	Liabilities at		Assets as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
JPY	1.49	1.34	-	-
USD	7,819.82	42,100.74	106.85	3,592.47
EURO	221.06	158.46	-	45.63
GBP	6.32	-	-	-

Note: Assets includes trade receivables and Liabilities include trade payable and Creditors for capital supplies/services.

(vi)(a) Foreign Currency sensitivity analysis
The Company is mainly exposed to the USD, Euro, GBP and JPY currencies.
Sensitivity analysis is computed based on the changes in income and expenditure in foreign currency upon conversion in the functional currency, due to exchange rate fluctuation between previous reporting period and the current reporting period.
The following table details the Company's sensitivity to a Re. 1 increase and decrease against the relevant foreign currencies. A positive number below indicates an increase in profit or equity where the Re. strengthens against the relevant currency and vice versa.

Particulars	Currency JPY Impact (Rs. in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Impact on profit or loss for the year	(3.73)	(4.23)
Impact on total equity as at the end of the reporting period	(3.73)	(4.23)

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Particulars	Currency USD Impact (Rs. in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Impact on profit or loss for the year	102.10	556.79
Impact on total equity as at the end of the reporting period	102.10	556.79

Particulars	Currency Euro Impact (Rs. in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Impact on profit or loss for the year	2.67	1.45
Impact on total equity as at the end of the reporting period	2.67	1.45

Particulars	Currency GBP Impact (Rs. in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Impact on profit or loss for the year	0.07	-
Impact on total equity as at the end of the reporting period	0.07	-

(vi)(b) Derivative financial instruments

It is the policy of the Company to enter into forward foreign exchange contracts to cover specific foreign currency payments within 90% to 100% of the exposure generated. The Company also enters into forward foreign exchange contracts to manage the risk associated with anticipated purchase transactions. Adjustments are made to the initial carrying amounts of non-financial hedged items when anticipated sale or purchase transaction takes place.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

31st March, 2020

Category	Currency	Buy/ Sell	Foreign Currency (Rs. in Lakhs)	Nominal Value (Rs. in Lakhs)	Fair Value assets (liabilities) (Rs. in Lakhs)
Forward contracts	USD	Buy	3,824.77	288,932.61	10,503.66
Option contracts	USD	Buy	2,297.90	173,588.84	5,530.34

31st March, 2019

Category	Currency	Buy/ Sell	Foreign Currency (Rs. in Lakhs)	Nominal Value (Rs. in Lakhs)	Fair Value assets (liabilities) (Rs. in Lakhs)
Forward contracts	USD	Buy	528.28	36,536.53	(1,017.55)
Option contracts	USD	Buy	535.40	37,028.91	(341.23)

(vii) Interest rate risk management

Interest rate risk is the risk that the future cash flows of warranty provisions will fluctuate because of changes in market interest rates.

The Company's borrowings are primarily short-term, which do not expose it to significant interest rate risk.

(viii) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans and other financial instruments.

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Particulars	31st March, 2020	31st March, 2019
Trade Receivables	98,974.96	184,846.52
Loans	701.73	648.98
Other Financial assets	30.98	3.31
Unbilled Revenue	1,423.26	2,552.04
Total	101,130.93	188,050.85

Trade and other receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from top customer	75,851.05	190,145.02
Revenue from second top customer	23,908.72	31,886.10
Revenue from top 5 customers	144,185.08	283,037.08

Two customers accounted for 47% of the revenue for the year ended March 31, 2020 and two customer accounted for more than 70% of the revenue for the year ended March 31, 2019

The following table gives details in respect of receivables due from top customer and top 5 customers:

Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Receivable from top customer	19,876.31	139,644.57
Receivable from second top customer	14,481.63	11,134.68
Receivable from top 5 customers	62,127.05	165,761.48

Two customers accounted for 30% of the receivables as at March 31, 2020 and two customer accounted for more than 75% of the receivables as at March 31, 2019.

(ix) Liquidity risk management
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's principal sources of liquidity are cash and cash equivalents, working capital borrowings, the cash flow that is generated from operations and proceeds of maturing financial assets. The Company believes that the working capital, including the available unutilised borrowing limits is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The following table details the Company's expected maturity for its non-derivative financial assets.

Rs. in Lakhs

Particulars	As at March 31, 2020			As at March 31, 2019		
	Less than 1 year	1-5 years	More than 5 years	Less than 1 year	1-5 years	More than 5 years
Cash and cash equivalents	4,160.65	-	-	595.42	-	-
Other bank balances	4,000.00			-		
Trade receivables (non-interest bearing)	95,947.32	3,027.64		184,124.00	722.52	-
Unbilled revenue	1,423.26			2,552.04		
Investments	3,621.28	-	100.00	-	-	100.00
Loans	324.34	377.39		278.31	370.67	
Other financial assets	30.98	-	-	3.31	-	-
Derivative assets	16,034.00	-	-	-	-	-
Total	125,541.83	3,405.03	100.00	187,553.08	1,093.19	100.00

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2020:

Rs. in Lakhs

Particulars	Upto 1 year	1 to 5 years	5+ years	Total	Carrying Amount
Financial Liabilities					
Accounts payable and acceptances (non-interest bearing)	64,052.08	-	-	64,052.08	64,052.08
Borrowings and interest thereon	4.02	-	-	4.02	4.02
Other financial liabilities	1,016.33	-	-	1,016.33	1,016.33
Derivative liabilities	-	-	-	-	-

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2019:

Rs. in Lakhs

Particulars	Upto 1 year	1 to 5 years	5+ years	Total	Carrying Amount
Financial Liabilities					
Accounts payable and acceptances (non-interest bearing)	85,609.45	-	-	85,609.45	85,609.45
Borrowings and interest thereon	79,199.95	-	-	79,199.95	79,199.95
Other financial liabilities	1,075.97	-	-	1,075.97	1,075.97
Derivative liabilities	1,358.79	-	-	1,358.79	1,358.79

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Note -38: Segment Information

The Company is a manufacturer of solar photo-voltaic cells and modules as well as in the Engineering, Procurement and Construction (EPC) in the solar energy market, wherein the manufactured cells/modules are utilised. The Company is currently predominantly operating in a single geography i.e. India, with the total of exports being less than 10% of total revenues.
Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Marker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overall business segment, i.e. the performance of the EPC projects.

As the allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly no additional disclosure has been made for the segmental revenue, segmental results and the segmental assets and liabilities.

Note -39: Impact of Covid-19
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables, on effectiveness of hedging and on estimation of contract costs (refer 3.3.3). In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information and consensus estimates from market sources on the expected future performance of the Company. Based on the said available information and estimates, the Company believes that the carrying amount of these assets as at March 31, 2020 and the current estimates made by the management are appropriate. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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Note -40: As at March 31, 2020, the Company has Good and Service tax recoverable recorded under balances with government authorities (Note 15) amounting to Rs. 13,638.99 Lakhs (As at March 31, 2019 - Rs. 10,706.69 Lakhs). The Company based on its assessment believes that the aforesaid is fully recoverable and accordingly no provision is required.

Note -41: Significant Events after the Reporting Period
There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Note -42: Approval of financial statements
The financial statements were approved for issue by the Board of Directors on May 1, 2020.

Note -43: The Company is a wholly owned subsidiary of Tata Power Company Limited and accordingly is exempted from the preparation of consolidated financial statements in term of Ministry of Corporate Affair Notification dated October 18, 2011.

Note -44: The previous year's figures have been regrouped/ reclassified, wherever necessary to conform to current year's classification.

As per our report of even date

For S.R.Batliboi & Associates LLP
ICAI Firm Registration Number: 101049W/ E300004
Chartered Accountants

per Adarsh Ranka
Partner
Membership Number: 209567

S.R. Batliboi & Associates LLP
Bengaluru

Place : Bengaluru
Date: May 01, 2020

For and on behalf of the Board of Directors of
Tata Power Solar Systems Limited

Ashish Khanna
Managing Director &
Chief Executive Officer
DIN: 06699527

M.D.Paranjpe
Director
DIN: 03530639

Amey Naik
Company Secretary

Place: Mumbai
Date: May 01, 2020

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