

TATA POWER RENEWABLE ENERGY LIMITED

Directors' Report

To The Members of
Tata Power Renewable Energy Limited

The Directors hereby present their Fifth Annual Report on the business of the Company and the statement of accounts for the period ended 31st March 2012.

1. OPERATIONS

The Company successfully commissioned the 25 MW solar power plant at Mithapur on 25th January 2012. The Mithapur plant is performing satisfactorily. The Company was compelled to take on the construction of the 66 kv line from Mithapur to Varwala on behalf of GETCO to enable timely evacuation of power from the solar power plant. This put an additional burden of approximately ₹ 2 crore on the project cost which was absorbed in the contingency provision of the project cost approved by the Board.

The Company is in the process of establishing a 49.5 MW Wind Power Plant at Pethshivpur, Maharashtra, and a 100.5 MW Wind Power Plant at Dalot, Rajasthan, which will be commissioned during FY13 and FY14. Orders have been placed on Regen Powertech Limited for turnkey solutions for engineering, procurement and construction of the plant.

The Company is evaluating both Greenfield and turnkey wind power projects in various states.

The Company is also in the process of identifying and acquiring land for solar power projects in Rajasthan, Maharashtra, Gujarat and Karnataka, in readiness for development when the cost of generation of solar power plants approaches grid parity.

2. RIGHTS ISSUE

During the year the Company came out with two Issues of Equity Shares on Rights basis as under:

- (a) 1,59,50,000 Equity Shares of ₹ 10 each in the ratio 145:1 for cash at par aggregating to ₹ 15,95,00,000.
- (b) 1,10,01,100 Equity Shares of ₹ 10 each in the ratio 137:200 for cash at par aggregating to ₹ 11,00,11,000.

3. DIRECTORS

Mr P K Ghose was appointed as an Additional Director with effect from 3rd August 2011, in accordance with Section 260 of the Companies Act, 1956 (the Act). Mr P K Ghose holds office only upto the date of the forthcoming Annual General Meeting and a Notice under Section 257 of the Act has been received from a member signifying its intention to propose Mr Ghose's appointment as a Director.

TATA POWER RENEWABLE ENERGY LIMITED

In accordance with the requirements of the Companies Act, 1956 (the Act) and the Articles of Association of the Company, Mr S Ramakrishnan and Mr Deepak Mahendra retire by rotation and are eligible for re-appointment.

4. AUDITORS

M/s Deloitte Haskins and Sells, Chartered Accountants, the existing Auditors of the company hold office till the conclusion of the Annual General Meeting. Members are requested to appoint Auditors for the current year and to fix their remuneration. M/s Deloitte Haskins and Sells, Chartered Accountants, the existing Auditors, have under Section 224 (1) of the Act, indicated their eligibility for re-appointment.

5. PARTICULARS OF EMPLOYEES

The Company had no employees of the category specified under Section 217(2A) of the Act.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy: The disclosures required in Form A of Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 pertaining to conservation of energy are not applicable to the Company.

Technology Absorption : Nil

Foreign exchange earnings and outgo : Nil

7. DIRECTORS RESPONSIBILITY STATEMENT

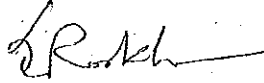
Pursuant to Section 217(2AA) of the Act, the Directors, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have, in the selection of the accounting policies consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the period;
- (iii) they have taken proper and sufficient care, to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;

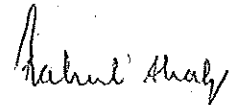
TATA POWER RENEWABLE ENERGY LIMITED

(iv) they have prepared the annual accounts on a going concern basis.

On behalf of the Board of Directors



Director



Director

Place: Mumbai

Date : 10th May 2012

**AUDITORS' REPORT
TO THE MEMBERS OF
TATA POWER RENEWABLE ENERGY LIMITED (formerly INDUSTRIAL POWER
INFRASTRUCTURE LIMITED)**

1. We have audited the attached Balance Sheet of **TATA POWER RENEWABLE ENERGY LIMITED (formerly INDUSTRIAL POWER INFRASTRUCTURE LIMITED)** ("the company") as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

Deloitte Haskins & Sells

- (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

R. K. Banga

R. A. BANGA
Partner
(Membership No. 37915)

MUMBAI, 10th May, 2012

Deloitte Haskins & Sells

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 3 of our report of even date)

Having regard to the nature of the company's business / activities, clauses (ii), (xiii), (xiv) and (xx) of CARO are not applicable.

- (i) In respect of its fixed assets:
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) During the year no fixed assets were disposed off by the company.
- (ii) The company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, and accordingly paragraph 4 (iii) of CARO is not applicable.
- (iii) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (iv) To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements that needed to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) According to the information and explanations given to us, the company has not accepted any deposits from the public to which the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956, or the Companies (Acceptance of Deposits) Rules, 1975 apply.
- (vi) In our opinion, the internal audit function carried out during the year has been commensurate with the size of the company and nature of its business.

Deloitte Haskins & Sells

- (vii) As informed to us by the management, for the current year, the Cost Accounting Records (Electricity Industry) Rules, 2011 are not applicable to the Company.
- (viii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The company has generally been regular in depositing undisputed dues, including Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than 6 months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess as at 31st March, 2012 which have not been deposited on account of any dispute.
- (ix) The company does not have accumulated losses as at 31st March, 2012 and has not incurred cash losses during the financial year ended as on that date. The company had incurred cash losses in the immediately preceding financial year.
- (x) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks, financial institutions, and debenture holders.
- (xi) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis amounting to ₹ 316,335,516 have been used for long-term investments in the nature of fixed assets.

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- (xv) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvi) According to the information and explanations given to us, the company has not issued any debentures during the year.
- (xvii) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of significant fraud on or by the company, noticed or reported during the year nor have we been informed of such case by the management.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

R. A. Banga

R. A. BANGA
Partner
(Membership No. 37915)

MUMBAI, 10th May, 2012

A

Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited)
Balance Sheet as at 31st March, 2012

	Notes	31st March, 2012 ₹	31st March 2011 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	270,600,000	1,100,000
Reserves and Surplus	4	8,622,330	(908,258)
		<u>279,222,330</u>	<u>191,742</u>
Non-current Liabilities			
Long-term borrowings	6	2,848,500,000	-
Deferred tax liabilities	6	4,871,000	-
		<u>2,853,371,000</u>	<u>-</u>
Current Liabilities			
Trade Payables (Refer Note 19)		8,013,501	-
Other Current Liabilities	7	536,329,716	1,558,110
Short-term Provisions	8	3,785,000	-
		<u>548,128,217</u>	<u>1,558,110</u>
TOTAL		<u>3,680,721,547</u>	<u>1,749,852</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	3,360,145,284	-
Capital Work-in-Progress		20,802,189	1,519,687
Long-term Loans and Advances	10	106,981,373	-
		<u>3,487,928,846</u>	<u>1,519,687</u>
Current Assets			
Current Investments	11	40,674,016	-
Trade Receivables	12	136,935,975	-
Cash and Cash Equivalents	13	14,334,595	230,165
Short-term Loans and Advances	14	848,115	-
		<u>192,792,701</u>	<u>230,165</u>
TOTAL		<u>3,680,721,547</u>	<u>1,749,852</u>

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

In terms of our report attached.
 For DELOITTE HASKINS & SELLS
 Chartered Accountants

R. A. Banga

R. A. BANGA
 Partner

Mumbai, 10th May, 2012.

For and on behalf of the Board

S. Ramakrishnan

S. Ramakrishnan - Director

Deepak Mahendra

Deepak Mahendra - Director

Nilufer Irani

Nilufer Irani - Secretary

Mumbai, 10th May, 2012.

AA

Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited)
Statement of Profit and Loss for the year ended 31st March, 2012

	Notes	31st March 2012 ₹	31st March 2011 ₹
Revenue from Operations	15	136,935,975	-
Other Income	16	5,674,016	-
Total Revenue		142,609,991	-
Expenses			
Finance costs	17	50,735,794	-
Depreciation and amortization expense	9	49,738,660	-
Other Expenses	18	23,948,949	52,210
Total Expenses		124,423,403	52,210
Profit / (Loss) Before Tax		18,186,588	(52,210)
Tax expenses			
Current tax		3,785,000	-
Deferred tax		4,871,000	-
Total Tax expense		8,656,000	-
Profit / (Loss) for the year		9,530,588	(52,210)
Basic Earnings Per Share (In ₹) (Face value ₹ 10/- per share)		0.60	(0.47)
Diluted Earnings Per Share (In ₹) (Face value ₹ 10/- per share)		0.60	(0.47)

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

In terms of our report attached.
 For DELOITTE HASKINS & SELLS
 Chartered Accountants

R. K. Banga

R. A. BANGA
 Partner

Mumbai, 10th May, 2012.

For and on behalf of the Board

S. Ramakrishnan

S. Ramakrishnan - Director

Deepak Mahendra

Deepak Mahendra - Director

Nilufer Irani

Nilufer Irani - Secretary

Mumbai, 10th May, 2012.

Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited)
Cash Flow Statement for the year ended 31st March, 2012

	Year ended 31st March 2012 ₹	Year ended 31st March 2011 ₹
A. Cash flow from operating activities		
Profit / (loss) before taxes	18,186,588	(52,210)
Adjustments for:		
Depreciation / Amortisation	49,738,660	-
Interest expenditure	60,735,794	-
Profit on sale of Current Investments	(5,674,016)	-
Share Issue expenses	13,890,980	-
	<u>108,691,418</u>	<u>-</u>
Operating profit / (loss) before working capital changes	126,878,006	(52,210)
Adjustments for:		
Trade receivables	(136,935,976)	-
Short-term loans and advances	(848,116)	-
Long-term loans and advances	(105,000,000)	-
Trade payables	8,013,601	143,126
Other current liabilities	14,472,670	-
	<u>(220,298,019)</u>	<u>143,126</u>
Net cash (used in) / generated from operating activities	A (93,420,913)	90,916
B. Cash flow from investing activities		
Purchase of fixed assets	(2,991,549,473)	(115,734)
Purchase of current investments	(900,000,000)	-
Sale of current investments	865,000,000	-
	<u>(3,026,549,473)</u>	<u>(115,734)</u>
Net cash used in investing activities	B (3,026,549,473)	(115,734)
C. Cash flow from financing activities		
Proceeds received from issue of equity shares	269,500,000	-
Proceeds from Long-term Borrowings	2,887,500,000	-
Proceeds from short-term borrowings	385,000,000	-
Repayment of short-term borrowings	(385,000,000)	-
Interest paid	(9,035,104)	-
Share Issue expenses paid	(13,890,980)	-
	<u>3,134,073,916</u>	<u>-</u>
Net cash from financing activities	C 3,134,073,916	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	14,104,430	(24,618)
Cash and cash equivalents as at 1st April, 2011, 2010 (Opening Balance)	230,165	254,983
Cash and cash equivalents as at 31st March, 2012, 2011 (Closing Balance) (Refer Note 13)	14,334,595	230,165

Notes:
1. Interest paid and Profit on sale of current investments is exclusive of and purchase of Fixed Assets is inclusive of interest capitalised ₹ 52,821,093 (Previous Year - ₹ Nil) and net of Profit on sale of current investments of ₹ 1,742,916 (Previous Year - ₹ Nil) respectively.

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. K. Banga

R. A. BANGA
Partner

Mumbai, 10th May, 2012.

For and on behalf of the Board

S. Ramakrishnan - Director

Deepak Mahandra - Director

Nisulfer Irani - Secretary

Mumbai, 10th May, 2012.

B

TATA POWER RENEWABLE ENERGY LIMITED (formerly INDUSTRIAL POWER INFRASTRUCTURE LIMITED).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information :

Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited) is a wholly owned subsidiary of The Tata Power Company Limited. The principal business of the company is to engage in all aspects of the business of generation and sale of electricity. The company has been allotted 25MW Solar power project (the "Project") at Mithapur, Jamnagar District, Gujarat under the second phase of Gujarat Solar allotment developed under the Gujarat Solar policy, 2009. The Project was commissioned on 25th January, 2012. The company has entered into a Power Sale Agreement with Gujarat Urja Vikas Nigam Limited on 18th December, 2010 for 25 years towards sale of the power generated from the Project.

2. Significant Accounting Policies

(I) Basis of Preparation:

The financial statements are prepared on a going concern under historical cost convention on an accrual basis and comply in all material respects with the Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956.

(II) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known / materialise.

(iii) Fixed Assets:

- a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation/amortisation.
- b) Cost includes purchase price, taxes and duties, labour cost and directly attributable costs for self-constructed assets and other direct costs incurred upto the date the asset is ready for its intended use. Borrowing cost incurred for qualifying assets is capitalised upto the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

(iv) Depreciation:

Depreciation on assets others than Roads and Leasehold land, has been provided on straight line method and at rates/methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) Regulations.

Roads are being depreciated on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 and leasehold land is being depreciated over the period of lease.

(v) Borrowing costs:

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense in the Statement of profit and loss in the period in which they are incurred.

(vi) Cash flow statement:

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

(vii) Investments:

Long term investments are carried at cost, less provision for diminution other than temporary, if any, in the value of such investments. Current investments are carried at lower of cost and fair value.

(viii) Revenue recognition:

Revenue from power generation is recognized on accrual basis as per the terms of Power Purchasing Agreement with Gujarat Urja Vikas Nigam Limited

(ix) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Credit in respect of Minimum Alternate Tax paid is recognised only if there is convincing evidence of realisation of the same.

Deferred tax, which is computed on the basis of enacted/substantively enacted rates, is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

(x) Provision, Contingent Liabilities and Contingent Assets:

A Provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resource will be required to settle the obligation, in respect of which reliable estimate can be made. Contingent Liabilities are not recognised in the financial statements. A Contingent Asset is neither recognised nor disclosed in the financial statements.

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Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited)
Note 3 Share Capital

	31st March 2012		31st March 2011	
	Nos.	₹	Nos.	₹
Authorized				
Equity shares of ₹10/- each	200,000,000	2,000,000,000	10,000,000	100,000,000
Issued, subscribed and fully paid-up				
Equity shares of ₹10/- each fully paid	27,060,000	270,600,000	110,000	1,100,000
Total issued, subscribed and fully paid-up share capital	27,060,000	270,600,000	110,000	1,100,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31st March 2012		31st March 2011	
	Nos.	₹	Nos.	₹
At the beginning of the period	110,000	1,100,000	110,000	1,100,000
Issued during the period - Rights issue	26,950,000	269,500,000	-	-
Outstanding at the end of the period	27,060,000	270,600,000	110,000	1,100,000

b. Terms/rights attached to equity shares

The company has issued only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company can declare/pay dividend to the shareholders subject to fulfillment of various conditions as laid down in the common loan agreement entered into by the company with the project lenders. However no dividend can be declared before 12 months of the scheduled project completion date (31st December, 2011). The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company declares and pays dividend in Indian Rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as below:

	31st March 2012		31st March 2011	
	Nos.	₹	Nos.	₹
The Tata Power Company Limited, the holding company	27,060,000	270,600,000	110,000	1,100,000
Equity shares of ₹10/- each fully paid				

d. Details of shares held by each shareholders holding more than 5% shares

	31st March 2012		31st March 2011	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of ₹10 each fully paid				
The Tata Power Company Limited, holding company	27,060,000	100%	110,000	100%

Note 4 Reserves and Surplus

	31st March 2012	31st March 2011
	₹	₹
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(908,258)	(856,048)
Add : Profit / (Loss) for the year	9,530,588	(52,210)
Closing Surplus / (Deficit) in Statement of Profit and Loss	8,622,330	(908,258)
Total Reserves and Surplus	8,622,330	(908,258)

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Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited)
Note 5 Long-term Borrowings

	Non-current portion	
	31st March 2012	31st March 2011
	₹	₹
Term Loans		
Loans from Banks (Secured)		
State Bank of India	1,068,000,000	-
Export Import Bank of India	1,068,000,000	-
Loans and Advances from related parties (Refer Note 20) - Unsecured		
Subordinate Loan given by The Tata Power Company Limited	712,500,000	-
	<u>2,848,500,000</u>	<u>-</u>

- a. Loans from Banks carry interest @ 11.25% p.a. The loans are repayable in 44 quarterly installments based on an amortisation schedule commencing from 31st March, 2013.

Securily :

- First charge over the company's entire immovable properties, both present and future, movable assets, both present and future, receivables, all bank accounts including cash in hand, all Intangibles present and future pertaining to the Project.
- Pledge of 51% of the equity shares held by the holding company.
- Unconditional and irrevocable corporate guarantee for a period of 3 years given by the holding company.

Upon non-payment of 2 consecutive instalments of the principal and/or Interest of the Loans from Banks and such default not being cured within 30 days by the Company, the Banks have the right at their option to convert to equity either the whole or any part of the amount of the Loans and/or Interest in respect of which default shall have been made by the Company into fully paid up and voting equity shares of the Company at par or book value of such shares, whichever is lower.

- b. Subordinate Loan from The Tata Power Company Limited carries interest ranging from 8.25% to 9.5% p.a. and is repayable only after full repayment of all Secured Loans from Banks in Note (a) above. The final instalment of the Secured Loans from Banks is due to be paid on 31st December, 2023.

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Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited)

Note 6 Deferred tax liabilities

	31st March 2012	31st March 2011
	₹	₹
Deferred tax liability		
Relating to fixed assets	4,871,000	-
	<u>4,871,000</u>	<u>-</u>

Note 7 Other Current Liabilities

	31st March 2012	31st March 2011
	₹	₹
Current maturities of long-term debt (Secured) (Refer Note 5)		
State Bank of India	19,500,000	-
Export Import Bank of India	19,500,000	-
	<u>39,000,000</u>	<u>-</u>
Interest accrued but not due on Borrowings	41,700,690	-
Other payables		
Payables on purchase of fixed assets	441,002,299	1,403,953
Statutory Liabilities - TDS payable	4,004,180	154,157
Reimbursement of expenses - holding company	10,622,547	-
	<u>536,329,716</u>	<u>1,558,110</u>

Note 8 Short-term Provisions

	31st March 2012	31st March 2011
	₹	₹
Other Provisions		
Provision for Tax	3,785,000	-
	<u>3,785,000</u>	<u>-</u>

Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited)
 Note 9 Tangible Assets

	GROSS BLOCK				ACCUMULATED DEPRECIATION					
	As at 01-04-2011	Additions	Adjustments	Deductions	As at 31-03-2012	As at 01-04-2011	For the year	Deductions	As at 31-03-2012	As at 31-03-2011
1. LEASEHOLD LAND	-	5,230,355	116,594	-	5,346,919	-	53,469	-	5,293,450	-
2. BUILDINGS - PLANT	-	36,586,472	2,961,169	-	39,547,641	-	576,407	-	38,971,234	-
3. PLANT AND EQUIPMENTS	-	3,241,686,512	69,920,348	-	3,311,606,860	-	48,266,670	-	3,263,340,190	-
4. ROADS	-	4,575,339	100,873	-	4,676,212	-	132,220	-	4,543,992	-
5. TRANSMISSION LINES AND CABLE NETWORK	-	47,648,271	1,058,041	-	48,706,312	-	709,894	-	47,996,418	-
TOTAL - 2011-2012	-	3,335,725,949	74,156,995	-	3,409,882,944	-	49,738,660	-	3,360,144,284	-
- 2010-2011	-	-	-	-	-	-	-	-	-	-

Adjustments comprises of Borrowing costs of ₹ 75,899,510 less profit on sale of current investment of ₹ 1,742,915 capitalised (Refer Note 16 and 17)

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Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited)
Note 10 Long Term Loans and Advances

	<u>31st March 2012</u> ₹	<u>31st March 2011</u> ₹
Unsecured, considered good		
Capital Advances	1,981,373	-
Security deposits	105,000,000	-
	<u>106,981,373</u>	<u>-</u>

Note 11 Current Investments

	<u>31st March 2012</u> ₹	<u>31st March 2011</u> ₹
Current Investments (At lower of cost and fair value)		
Investment in mutual funds (Unquoted)		
ICICI Prudential Liquid Super Institutional Plan - Growth	40,674,016	-
	<u>40,674,016</u>	<u>-</u>

Note 12 Trade Receivables

	<u>Current</u>	
	<u>31st March 2012</u> ₹	<u>31st March 2011</u> ₹
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other Receivables - Unsecured, considered good	136,935,975	-
Total	<u>136,935,975</u>	<u>-</u>

Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited)

Note 13 Cash and Cash Equivalents

	31st March 2012 ₹	31st March 2011 ₹
Balances with banks :		
In Current Accounts	14,324,595	230,165
In Deposit Accounts	10,000	-
	<u>14,334,595</u>	<u>230,165</u>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	14,334,595	230,165

Note 14 Short-term Loans and Advances

	31st March 2012 ₹	31st March 2011 ₹
Security Deposits - Unsecured, considered good	848,115	-
Total	<u>848,115</u>	<u>-</u>

Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited)
Note 15 Revenue from Operations

	31st March 2012	31st March 2011
	₹	₹
Revenue from Operations		
Sale of products		
Revenue from Power Supply	136,935,975	-
Total	<u>136,935,975</u>	<u>-</u>

Note 16 Other Income

	31st March 2012	31st March 2011
	₹	₹
Profit on sale of Current Investments	7,416,931	-
Less : Capitalised	(1,742,915)	-
	<u>5,674,016</u>	<u>-</u>

Tata Power Renewable Energy Limited (formerly Industrial Power Infrastructure Limited)
Note 17 Finance Costs

	31st March 2012	31st March 2011
	₹	₹
Interest expense on		
Loans from banks	64,688,428	-
Subordinate Loan from holding company	35,136,191	-
Loan from fellow subsidiary	3,732,268	-
Other borrowing costs	23,078,817	-
	<u>126,635,704</u>	<u>-</u>
Less : Capitalised	(75,899,910)	-
	<u>50,735,794</u>	<u>-</u>

Note 18 Other Expenses

	31st March 2012	31st March 2011
	₹	₹
Service Connection Charges	5,824,410	-
Cost of Services	2,471,920	-
Insurance	636,992	-
Other operation expenses	320,642	4,229
Tata Brand Equity	213,915	-
Stamp duty and other expenses	13,890,980	-
Payment to auditor (<i>Refer details below</i>)	590,090	34,193
Legal and professional charges	-	11,030
Consultants fees	-	2,758
	<u>23,948,949</u>	<u>52,210</u>

Payment to auditor comprises (inclusive of service tax):

	31 March 2012	31 March 2011
	₹	₹
As auditors - statutory audit	561,800	16,544
For other services	28,290	17,648
	<u>590,090</u>	<u>34,192</u>

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TATA POWER RENEWABLE ENERGY LIMITED (formerly INDUSTRIAL POWER INFRASTRUCTURE LIMITED).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

19. No enterprises have been identified as "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006. The aforesaid identification has been done on the basis of information, to the extent provided by the vendors to the Company. This has been relied upon by the Auditors.
20. Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" as notified under the Companies (Accounting Standards) Rules, 2006 is as follows:

(a) Names of the related parties and description of relationship:

Sr. No.	Name of the related party	Country of origin
Holding Company:		
	The Tata Power Company Ltd. (TPCL)	India
Fellow Subsidiaries (where transactions have taken place):		
	Industrial Energy Limited (IEL)	India

(b) Details of Transactions/ Balances Outstanding:

Particulars	TPCL	IEL
Receiving of Services	21,700,000	-
	-	-
Guarantees given on behalf of TPREL	391,430,000	-
	-	-
Interest Expenditure	35,136,191	3,732,268
	-	-
Subordinate Loan received	712,500,000	-
	-	-
Inter Corporate Deposit Accepted	-	385,000,000
	-	-
Inter Corporate Deposit Refunded	-	385,000,000
	-	-
Equity Contribution	269,500,000	-
	-	-
Balance Outstanding		
Interest payable	31,309,851	-
	-	-
Other Payables	17,807,338	-
	<i>1,387,408</i>	-
Guarantees given on behalf of TPREL	166,430,000	-
	-	-

Note: Previous year's figures are in Italics

21. Capital commitments not provided for are estimated at ₹ 3,042,599,981 (31st March, 2011 – ₹ 3,190,462,719)

22. Earnings per Share: March 2011

(a)	Distributable Profit / (Loss) (₹)	9,530,588	(52,210)
(b)	The weighted average number of Equity Shares for Basic EPS (Nos.)	15,754,945	110,000
(c)	The nominal value per Equity Share (in ₹)	10.00	10
(d)	Basic Earnings per share (in ₹)	0.60	(0.47)
(e)	Distributable Profit / (Loss) for Basic EPS (₹)	9,530,588	(52,210)
(f)	Add: Debit to Statement of Profit and Loss of Interest on Secured Loans (₹)	40,222,603	Nil
(g)	Distributable Profit / (Loss) for Diluted EPS (₹)	49,753,191	(52,210)
(h)	The weighted average number of Equity Shares for Basic EPS (Nos.)	15,754,945	110,000
	Add: Effect of potential Equity Shares on Conversion of Secured Loans (Nos.)	57,469,262	Nil
(i)	The weighted average number of Equity Shares for Diluted EPS (Nos.)	73,224,207	110,000
(j)	Diluted Earnings per Share (in ₹)	0.60	(0.47)

23. Segment Reporting:

As the Company's business activity consists only of generation and sale of electricity there are no separate reportable segments as per the requirements of Accounting Standard (AS-17) "Segment Reporting" as notified under the Companies (Accounting Standards) Rules, 2006.

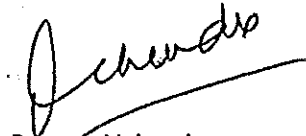
24. Previous Year's Figures:

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. The company has commenced its commercial operations from 25th January, 2012 and accordingly the figures for the previous year are not comparable.

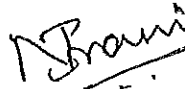
For and on behalf of the Board



S Ramakrishnan
Director



Deepak Mahendra
Director



Nilufer Irani
Company Secretary