

TATA POWER SOLAR SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TATA POWER SOLAR SYSTEMS LIMITED

1.0 Report on the Financial Statements

We have audited the accompanying financial statements of **TATA POWER SOLAR SYSTEMS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

2.0 Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

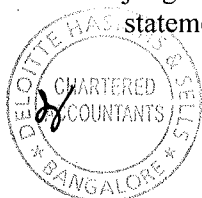
3.0 Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor



considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4.0 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

5.0 Report on Other Legal and Regulatory Requirements

5.1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

5.2 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



**Deloitte
Haskins & Sells**

- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in Note 25 of the financial statements;
 - ii. The Company has made necessary provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 008072S

S. Ganesh

S. Ganesh
Partner
Membership No. 204108



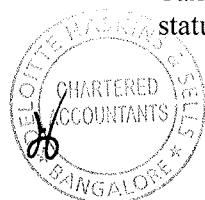
BANGALORE,
April 28, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 5.1 of our report of even date)

Having regard to the nature of the Company's business/activities, clauses (v) and (vi) of paragraph 3 of the Order are not applicable to the Company.

- 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) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. In respect of its inventory:
 - (a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion, and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. 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 purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.



**Deloitte
Haskins & Sells**

- b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- c. Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs.)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	FY 2009-10	166,255,569
Central Sales Tax	CST- Maharashtra	Assistant Commissioner	FY 2007-08	1,885,746

- d. There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder
- vi. The accumulated losses of the Company at the end of the financial year are not less than fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- vii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- viii. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- ix. In our opinion and according to the information and explanations given to us, the term loans have, *prima facie*, been applied for the purposes for which they were obtained.



**Deloitte
Haskins & Sells**

- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 008072S

S. Ganesh

S. Ganesh
Partner
Membership No. 204108



BANGALORE,
April 28, 2015

TATA POWER SOLAR SYSTEMS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2015

	Note No.	As at 31-Mar-15 Rs.	As at 31-Mar-14 Rs.
A EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share Capital	3	1,127,756,700	898,256,700
(b) Reserves and Surplus	4	(44,860,799)	1,098,444,033
		1,082,895,901	1,996,700,733
2 NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	476,562,500	1,357,812,500
(b) Long-term provisions	6	447,297,615	370,914,547
		923,860,115	1,728,727,047
3 CURRENT LIABILITIES			
(a) Short-term borrowings	7	2,379,457,805	851,204,616
(b) Trade payables	8	2,603,874,857	3,235,192,039
(c) Other current liabilities	9	1,223,763,900	624,341,621
(d) Short-term provisions	10	74,566,990	79,712,520
		6,281,663,552	4,790,450,796
TOTAL		8,288,419,568	8,515,878,576
B ASSETS			
1 NON CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	11.A.	1,878,879,188	2,476,372,140
(ii) Intangible assets	11.B.	222,478	20,220
(iii) Capital work-in-progress		5,412,949	1,403,147
		1,884,514,615	2,477,795,507
(b) Long-term loans and advances	12	347,474,170	286,123,776
(c) Other non-current assets	13	51,803,687	22,093,511
		2,283,792,472	2,786,012,794
2 CURRENT ASSETS			
(a) Inventories	14	1,993,801,758	1,464,818,486
(b) Trade receivables	15	3,576,843,509	3,676,920,228
(c) Cash and cash equivalents	16	39,853,053	314,831,964
(d) Short-term loans and advances	17	119,398,626	157,313,082
(e) Other current assets	18	274,730,150	115,982,022
		6,004,627,096	5,729,865,782
TOTAL		8,288,419,568	8,515,878,576

See accompanying notes forming part of the financial statements

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

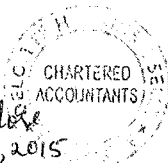
FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

S. Ganesh
S. GANESH
PARTNER

Shande
DIRECTOR

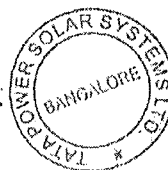
Ashish Khanna
ASHISH KHANNA
DIRECTOR & CHIEF
EXECUTIVE OFFICER

Place: Bangalore
Date: April 28, 2015



Ajay Agarwal
AJAY AGARWAL
COMPANY SECRETARY

Place: Mumbai
Date: April 28, 2015



Rajesh Daga
RAJESH DAGA
CHIEF FINANCIAL OFFICER

TATA POWER SOLAR SYSTEMS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

	Note No.	For the Year ended 31-Mar-15 Rs.	For the Year ended 31-Mar-14 Rs.
1 Revenue from operations (gross)		8,730,373,493	11,031,760,179
Less: Excise duty		1,165,016	1,105,220
Revenue from operations (net)	19	8,729,208,477	11,030,654,959
2 Other income	20	18,102,355	24,327,681
3 TOTAL REVENUE (1+2)		8,747,310,832	11,054,982,640
4 Expenses			
(a) Cost of materials consumed	21.A	7,158,689,338	8,960,161,599
(b) Changes in inventories of finished goods and work-in-progress	21.B	(542,301,596)	17,234,898
(c) Employee benefits expense	22	795,160,746	569,177,486
(d) Finance costs	23	387,957,630	301,362,751
(e) Depreciation and amortisation expense	11	764,865,236	1,153,983,604
(f) Other expenses	24	1,326,244,290	1,320,526,312
TOTAL EXPENSES		9,890,615,664	12,322,646,650
5 LOSS BEFORE TAX (3 - 4)		(1,143,304,832)	(1,267,664,010)
6 TAX EXPENSE:			
(a) Not current tax expense		-	-
(b) Deferred tax	37	-	-
7 LOSS FOR THE YEAR (5 - 6)		(1,143,304,832)	(1,267,664,010)
7.i Earnings Per share (Equity Share par value Rs 100 each) Basic and Diluted		(172.83)	(190.46)
7.ii Weighted Average number of Equity Shares used in computation of Basic and Diluted		6,777,567	6,777,567

See accompanying notes forming part of the financial statements

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

S. Ganesh
S. GANESH
PARTNER

A. Chand
DIRECTOR

Ashish Khanna
ASHISH KHANNA
DIRECTOR & CHIEF
EXECUTIVE OFFICER

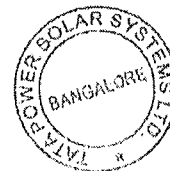
Atay Aggarwal
ATAY AGGARWAL
COMPANY SECRETARY

Rajesh Daga
RAJESH DAGA
CHIEF FINANCIAL OFFI

Place: Bangalore
Date: April 28, 2015



Place: Mumbai
Date: 28th April 2015



TATA POWERSOLAR SYSTEMS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	For the Year ended 31-Mar-15 Rs.	For the Year ended 31-Mar-14 Rs.
A. Cash Flow from Operating Activities		
Loss before tax for the year	(1,143,304,832)	(1,267,661,010)
Adjustments for:		
Depreciation and amortisation	764,363,256	1,153,983,804
Interest income	(3,040,163)	(20,637,049)
Finance costs	387,957,630	301,362,731
Loss/(Profit) on Sale of Asset	-	1,081,926
Unrealised foreign exchange (Gain)/ Loss (Net)	(28,430,237)	46,497,764
Provision for doubtful trade and other receivables, loans and advances (Net)	14,952,198	28,582,531
Liabilities no longer required written back	-	(730,022)
Provision for warranty cost	28,398,500	99,290,719
Operating profit/(loss) before working capital changes	21,778,350	341,769,314
Changes in working capital:		
<i>Adjustments for increase/decrease in operating assets:</i>		
Inventories	(328,983,272)	(456,845,573)
Trade receivables	55,232,133	(1,867,704,672)
Short-term loans and advances	37,914,436	(69,545,134)
Long-term loans and advances	(13,438,603)	5,886,953
Other current assets	(130,245,423)	(96,380,472)
<i>Adjustments for increase/decrease in operating liabilities:</i>		
Trade payables	(666,518,663)	1,586,794,429
Other current liabilities	148,438,260	3,344,382
Short-term provisions	2,354,470	(221,100)
Long-term provisions	40,484,568	(309,068)
Cash Inflow/(Outflow) from operations	(1,039,442,726)	(553,311,146)
Income Tax (payments)/ refunds - Net	(50,894,182)	(29,279,457)
Net cash flow used in operating activities (A)	(1,090,337,908)	(582,490,603)
B. Cash Flow from Investment Activities		
Capital expenditure on fixed assets, including capital advances	(168,960,877)	(94,557,910)
Proceeds from Sale of Fixed Asset	-	90,652
Interest received on deposits	3,040,165	26,995,519
Net cash flow used in investing activities (B)	(165,920,712)	(67,471,739)
C. Cash Flow from Financial Activities		
Proceeds from issue of Preference Shares	729,500,000	-
Proceeds from Long-term Borrowing	-	500,000,000
Repayment of Long-term Borrowings	(381,250,000)	(1,113,334,300)
Increase in working capital borrowings-net	1,531,967,316	831,204,616
Interest and Finance cost paid	(298,937,507)	(319,462,355)
Net cash flow from/(used in) financing activities (C)	981,279,709	(82,112,239)
B. Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(274,978,911)	(732,074,581)
F. Cash and cash equivalents as at the beginning of the year	314,831,964	1,046,906,545
G. Cash and cash equivalents as at the end of the year	39,853,053	314,831,964
(Refer Note No. 17 for details of cash and cash equivalents)		

See accompanying notes forming part of the financial statements

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

S. Ganesh

S. GANESH
PARTNER



Ashish Khanna

DIRECTOR

ASHISH KHANNA
DIRECTOR & CHIEF
EXECUTIVE OFFICER

Ajay Aggarwal

AJAY AGGARWAL
COMPANY SECRETARY

Rajesh Daga

RAJESH DAGA
CHIEF FINANCIAL OFFICER



Place: Bangalore
Date: April 28, 2015

Place: Mumbai
Date: 28th April 2015

TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1 CORPORATE INFORMATION

The Company was incorporated as, Tata BP Solar India Limited, a Joint Venture between BP Alternative Energy Holdings Limited and The Tata Power Company Limited, in 1989 at Bangalore. Subsequently in June 2012, the Tata Power Company Limited acquired the outstanding shares held by BP Alternative Energy Holdings Limited, whereby the Company became a wholly owned subsidiary of The Tata Power Company Limited, as of June 30, 2012. Consequently the Company revised its name to Tata Power Solar Systems Limited with effect from August 29, 2012.

The Company is involved in the manufacture of solar cells, solar photovoltaic module/systems and solar thermal systems.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3. Inventories

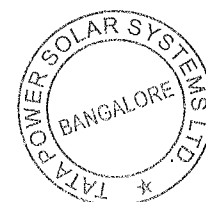
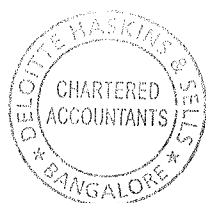
Inventories are valued at the lower of cost, on weighted average basis, and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

2.4. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

2.6. Fixed Assets – Tangible and Intangible Assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.7. Depreciation

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of 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 7 years
- ii. Lease-hold improvements are amortised over the primary period of the lease
- iii. In case of low value assets, i.e assets individually costing less than Rs. 225,000/- , they are depreciated in full in the year of capitalisation.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

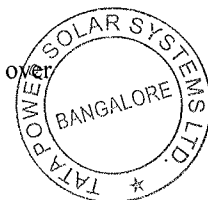
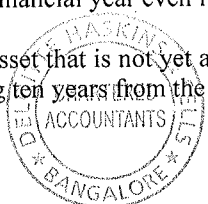
The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

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

2.8. Impairment of Fixed Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.9. Revenue Recognition

Revenue from sale of goods is recognized, net of returns and trade discounts, on the transfer of significant risks and rewards of ownership to the buyers, which generally coincides either on dispatch or delivery of goods to customer as per terms of contract.

Revenue on installation and commissioning contracts are recognized as per the terms of contract. Sales are stated inclusive of excise duty and excludes sales tax and value added tax.

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.

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

2.10. Other Income

Interest Income is recognized on accrual basis.

2.11. Foreign Currency Transactions

Initial Recognition :

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date:

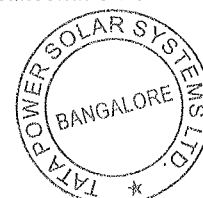
All foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year end rates. Non-monetary items of the company are carried at historical cost.

Treatment of exchange differences:

Exchange differences arising on restatement / settlement of foreign currency monetary assets/liabilities are recognized as income or expense in the Statement of profit and loss, except for those differences that are considered as part of borrowing cost of a qualifying asset, in which case they are adjusted to the cost of the fixed asset.

Accounting of forward contracts:

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

2.12. Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.13. Employee Benefits

Employee benefits include Provident Fund, Superannuation Fund, Employee State Insurance scheme, gratuity fund, compensated absences, and retirement benefits.

Defined contribution plans

The Company's contribution to Provident Fund, Superannuation Fund and Employee State Insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund and retirement benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

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

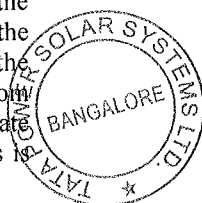
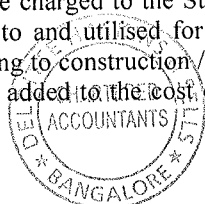
- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.14. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.15. Taxes on Income

Income Tax comprises the current tax provision and the net change in the deferred tax asset or liability in the year. Current income tax expense is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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

2.16. Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

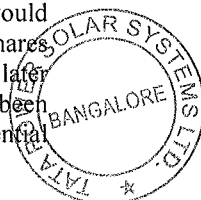
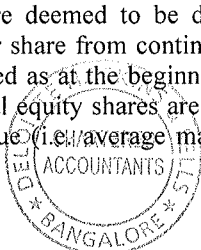
Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.17. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.18. Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.19. Provisions and Contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised and, if any, are adequately disclosed in the notes to accounts. Contingent assets are not recognized in the financial statements.

2.20. Provision for warranty

The estimated liability for product warranties is recorded when products are sold. 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 - being typically between 10 to 25 years.

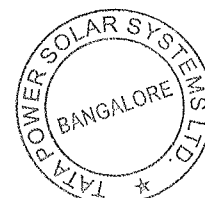
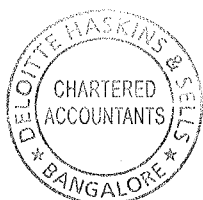
As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

2.21. Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.22. Service-tax Input

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



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31-Mar-15		As at 31-Mar-14	
	Number of Shares	Rs.	Number of Shares	Rs.
NOTE 3 : SHARE CAPITAL				
AUTHORISED				
Equity Shares of Rs. 100/- each, with voting rights	10,000,000	1,000,000,000	10,000,000	1,000,000,000
Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100/- each	5,000,000	500,000,000	5,000,000	500,000,000
	15,000,000	1,500,000,000	15,000,000	1,500,000,000
ISSUED, SUBSCRIBED, CALLED UP AND FULLY PAID-UP				
Equity Shares of Rs. 100/- each	6,777,567	677,756,700	6,777,567	677,756,700
9% Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100/- each	4,500,000	450,000,000	2,205,000	220,500,000
Total	11,277,567	1,127,756,700	8,982,567	898,256,700
Refer Notes (a) to (d) below				

NOTES:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2014			
- Number of shares	6,777,567	-	6,777,567
- Amount (Rs.)	677,756,700	-	677,756,700
Year ended 31 March, 2015			
- Number of shares	6,777,567	-	6,777,567
- Amount (Rs.)	677,756,700	-	677,756,700
Redeemable Cumulative Non-Convertible Preference Shares			
Year ended 31 March, 2014			
- Number of shares	2,205,000	-	2,205,000
- Amount (Rs.)	220,500,000	-	220,500,000
Year ended 31 March, 2015			
- Number of shares	2,205,000	2,295,000	4,500,000
- Amount (Rs.)	220,500,000	229,500,000	450,000,000

(b) Detail of the rights, preferences and restrictions attaching to each class of shares

Redeemable Cumulative Non-Convertible Preference Shares

(i) The Company had issued 2,205,000 Preference Shares of Rs 100/- each to The Tata Power Company Limited at par for a total of Rs 220,500,000/- as 9% Redeemable Cumulative Non-Convertible Preference Shares. The Shares were Redeemable at par at the end of 5 years from the date of Allotment (July 20, 2006), or as may be decided by the Board of Directors, in accordance with the provisions of the Companies Act, 1956 or any enactment thereof. In the meeting of the Board of Directors held on 17th June 2011 and on December 24, 2011 the date of redemption was extended until redeemed by the Board or by an additional period of 5 years till 19th July 2016, which ever is earlier.

The Company had issued 2,295,000 Preference Shares of Rs. 100/- each to The Tata Power Company Limited at par for a total of Rs. 229,500,000/- as 9% Redeemable Cumulative Non-Convertible Preference Shares. The Shares are Redeemable at par at the end of 5 years from the date of Allotment (January 28, 2015), or as may be decided by the Board of Directors, in accordance with the provisions of the Companies Act, 2013 or any enactment thereof.

(ii) The Preference Shares issued have a right to receive dividends from year to year as decided by the Board of Directors. The Board of Directors have fixed the Preference Dividend at 9% per annum from the date of allotment. In the meeting of Board of Directors held on December 24, 2011, the Board declared and paid the dividend on Preference Share Capital, including tax thereon, for the period 1st April 2011 to 19th July 2011 (being the original date for redemption) to be paid to the preference shareholders.

(iii) The preference dividend and tax thereon, pending declaration by the Board of Directors and hence not accrued for in the books, for the year ended 31st March, 2015 and for the period 20 July, 2011 to 31st March, 2015 was Rs. 28,090,756/- and Rs. 90,810,237/-, respectively. This amount has been considered in determining the earnings per share.

Equity Shares:

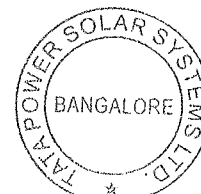
The Company has only one class of Equity Share, having a par value of Rs.100/- . Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution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

(c) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Equity shares with voting rights	Redeemable preference shares
	Number of shares	
As at 31 March 2015.		
Tata Power Company Limited and its nominees, the holding company	6,777,567	4,500,000
As at 31 March 2014.		
Tata Power Company Limited and its nominees, the holding company	6,777,567	2,205,000

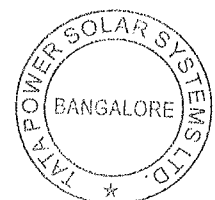
(d) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	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				
Tata Power Company Limited and its nominees	6,777,567	100%	6,777,567	100%
Redeemable preference shares				
Tata Power Company Limited	4,500,000	100%	2,205,000	100%



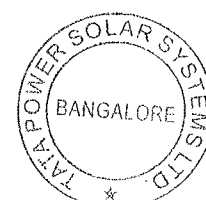
TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31-Mar-15 Rs.	As at 31-Mar-14 Rs.	
NOTE 4			
RESERVES AND SURPLUS			
(a) Capital Reserve (State Investment Subsidy)	1,014,000	1,014,000	
(b) Capital redemption reserve	229,500,000	229,500,000	
(c) Securities Premium Account	1,458,708,594	1,458,708,594	
(d) General Reserve	473,500,000	473,500,000	
(e) Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	(1,064,278,561)	203,385,449	
Add: Loss for the year	(1,143,304,832)	(1,267,664,010)	
Closing balance	(2,207,583,393)	(1,064,278,561)	
	(44,860,799)	1,098,444,033	
NOTE 5			
LONG-TERM BORROWINGS			
Term Loans (Secured)			
(a) From Banks (Refer note (i) below)			
- from HSBC Bank Ltd.	476,562,500	857,812,500	
(b) From other parties (Refer note (ii) below)			
- from Tata Capital Financial Service Ltd.	-	350,000,000	
- from Tata Cleantech Capital Ltd.	-	150,000,000	
	476,562,500	1,357,812,500	
Notes:			
(i) The Company has secured the loan from HSBC against movable fixed assets of the Company.			
(ii) The Company has secured a pari-passu charge over its tangible assets with regard to the loans from TATA Capital and TATA Cleantech.			
(iii) Details of terms of repayment for the other long-term borrowings :			
Particulars	Other Terms and conditions	As at 31 March, 2015	As at 31 March, 2014
		Secured*	Secured
		Rs.	Rs.
<u>Term loans from banks</u>			
HSBC Bank	The loan is repayable in 16 equal quarterly instalments expiring in June, 2017. Refer Note (i) above for details of security.	857,812,500	1,239,062,500
		857,812,500	1,239,062,500
Total - Term loans from Banks		857,812,500	1,239,062,500
<u>Term loans from other parties:</u>	The loans are repayable on a bullet payment after 1 years on March 2016. Refer Note (ii) above for details of security.		
TATA Capital Financial Services Ltd.		350,000,000	350,000,000
TATA Cleantech Capital Ltd.		150,000,000	150,000,000
Total - Term loans from other parties		500,000,000	500,000,000
Total - Other loans and advances		1,357,812,500	1,739,062,500
* Includes the current maturity of long term borrowings, amounting to Rs 881,250,000/- (March 31, 2014 ; Rs 381,250,000/-) refer item (a) in note 10 Other Current Liabilities.			
NOTE 6			
LONG-TERM PROVISIONS			
(a) Provision for employee benefits:			
(i) Provision for Retirement benefit plans (net) (Refer Note 32.b)		35,767,564	33,455,574
(ii) Provision for Compensated Absences (net) (Refer Note 32.c)		48,850,659	29,417,974
(i) Provision for gratuity (net) [Excess of actuarial liability over funded liability] (Refer Note 32.b)		86,869,258	68,129,365
(b) Provision - Others:			
(i) Provision for tax [net of Advance Tax Rs. 461,937,342/- (As at March 31, 2014 Rs. 461,937,342/-)]		37,355,369	37,355,369
(ii) Provision for warranty (Refer Note 38.i)		238,454,765	202,556,265
Total		447,297,615	370,914,547



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31-Mar-15 Rs.	As at 31-Mar-14 Rs.	
NOTE 7			
SHORT-TERM BORROWINGS			
Loans repayable on demand and working capital loans			
From banks (Secured - refer Note (i) below)			
Cash credit and temporary working capital loans	1,638,905,753	789,610,317	
Bill discounting facility	-	61,594,299	
Buyers Credit	740,552,052	-	
	2,379,457,805	851,204,616	
Note :			
(i) Details of security for the secured short-term borrowings:			
Particulars	Nature of security	As at 31-Mar-15 Rs.	As at 31-Mar-14 Rs.
<u>Loans from banks</u>			
State Bank of India	Secured through a pari passu charge by hypothecation of stores, raw materials, work in progress, finished goods and book debts.	513,825,577	361,594,299
Credit Agricol Corporate & Investment Bank		400,000,000	389,610,317
HDFC Bank		634,473	100,000,000
Axis Bank		24,390,336	-
Yes Bank		55,367	-
ING Vysya Bank		700,000,000	-
Total - from banks		1,638,905,753	851,204,616
NOTE 8			
TRADE PAYABLES			
Trade payables:			
Acceptances	252,405,756	74,412,420	
Other than Acceptances	2,351,469,101	3,160,779,619	
	2,603,874,857	3,235,192,039	
NOTE 9			
OTHER CURRENT LIABILITIES			
(a) Current maturities of long-term debt (Refer Note (i) below)	881,250,000	381,250,000	
(b) Interest accrued but not due on borrowings	5,806,505	16,786,382	
(c) Other payables			
(i) Statutory remittances	11,471,898	35,173,018	
(ii) Payables on purchase of fixed assets	24,057,007	20,437,475	
(iii) Interest accrued on trade payables, including micro and small enterprises	48,099	623	
(iv) Trade / security deposits received	3,910,000	2,680,000	
(v) Foreign exchange forward contracts	-	41,655,636	
(vi) Advances from customers	297,220,391	126,358,487	
	1,223,763,900	624,341,621	
Note (i): Current Maturities of Long term debts			
(Refer note (i) in Note 5- Long term borrowing for details of security and repayment)			
Term loans from banks			
HSBC Bank	381,250,000	381,250,000	
Term loans from others			
TATA Capital Financial Services Ltd.	350,000,000	-	
TATA Cleantech Capital Ltd.	150,000,000	-	
Total	881,250,000	381,250,000	
NOTE 10			
SHORT-TERM PROVISIONS			
(a) Provision for employee benefits:			
(i) Provision for Retirement benefit plans (net) (Refer Note 32.b)	3,448,584	3,448,584	
(ii) Provision for compensated absences (Refer Note 32.c)	3,618,406	1,263,936	
	7,066,990	4,712,520	
(b) Provision - Others:			
(i) Provision for warranty (Refer Note 38.i)	67,500,000	75,000,000	
	67,500,000	75,000,000	
	74,566,990	79,712,520	

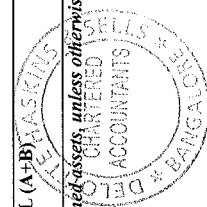
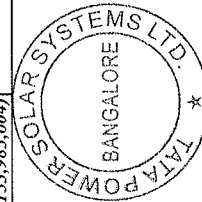


TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 11
FIXED ASSETS

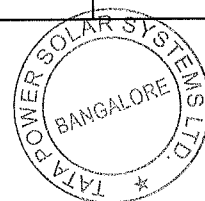
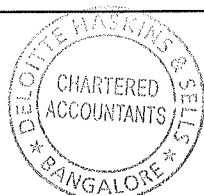
DESCRIPTION*	GROSS BLOCK					DEPRECIATION & ACCUMULATED DEPRECIATION				NET BLOCK
	Balance as at 1-Apr-14	Additions during the year	Disposals during the Year	Balance as at 31-Mar-15	Balance as at 1-Apr-14	Depreciation / Amortisation For the year	Eliminated on Disposal of Assets	Balance as at 31-Mar-15	As at 31-Mar-15	
A. TANGIBLE ASSETS										
FREEHOLD LAND <i>Previous Year balance</i>	32,567,046 (32,567,046)	-	-	32,567,046 (32,567,046)	-	-	-	-	-	32,567,046 (32,567,046)
BUILDINGS <i>Previous Year balance</i>	630,399,336 (630,399,336)	-	-	630,399,336 (630,399,336)	154,718,912 (133,663,574)	21,055,338 (21,055,338)	-	175,774,250 (154,718,912)	454,625,086 (475,680,424)	
LEASEHOLD IMPROVEMENTS <i>Previous Year balance</i>	2,083,561 (2,083,561)	-	-	2,083,561 (2,083,561)	2,083,561 (1,458,492)	-	-	2,083,561 (2,083,561)	-	
PLANT AND MACHINERY <i>Previous Year balance</i>	4,977,420,861 (4,885,921,868)	163,432,477 (94,631,266)	(3,132,273)	5,140,853,338 (4,977,420,861)	3,041,964,034 (1,939,313,140)	730,421,283 (1,104,952,423)	(2,301,529)	3,772,385,317 (3,041,964,034)	1,368,468,021 (1,935,456,827)	
OFFICE EQUIPMENTS <i>Previous Year balance</i>	136,437,859 (127,568,991)	2,957,904 (9,625,142)	-	139,395,763 (137,194,133)	128,378,910 (116,066,052)	7,189,733 (12,312,858)	-	135,568,643 (128,378,910)	3,827,120 (8,815,223)	
FURNITURE & FIXTURES <i>Previous Year balance</i>	76,933,200 (77,432,366)	691,005 (611,316)	(1,110,482)	77,624,205 (76,933,200)	53,080,580 (41,144,640)	5,151,710 (12,704,588)	(768,648)	58,232,290 (53,080,580)	19,391,915 (23,852,620)	
VEHICLES <i>Previous Year balance</i>	-	-	-	-	-	-	-	-	-	
SUB TOTAL - A <i>Previous Year</i>	5,855,841,863 (5,755,973,168)	167,081,386 (104,867,724)	(4,242,755)	6,022,923,249 (5,856,598,137)	3,380,225,997 (2,231,645,898)	763,818,064 (1,151,650,276)	(3,070,177)	4,144,044,061 (3,380,225,997)	1,878,879,188 (2,476,372,140)	
B. INTANGIBLE ASSETS										
TECHNICAL KNOWHOW <i>Previous Year balance</i>	90,739,440 (90,739,440)	-	-	90,739,440 (90,739,440)	90,739,440 (90,739,440)	-	-	90,739,440 (90,739,440)	-	
SOFTWARES <i>Previous Year balance</i>	19,684,306 (18,330,705)	493,176 (597,327)	-	20,177,482 (18,928,032)	18,907,812 (16,574,484)	1,047,192 (2,333,328)	-	19,955,004 (18,907,812)	222,478 (20,220)	
SUB TOTAL - B <i>Previous Year</i>	110,423,746 (109,070,145)	493,176 (597,327)	-	110,916,922 (109,667,472)	109,647,252 (107,313,924)	1,047,192 (2,333,328)	-	110,694,444 (109,647,252)	222,478 (20,220)	
GRAND TOTAL (A+B) <i>Previous Year</i>	5,966,265,609 (5,865,043,313)	167,574,562 (105,465,051)	(4,242,755)	6,133,840,171 (5,966,265,609)	3,489,873,249 (2,338,959,822)	764,865,256 (1,153,983,604)	(3,070,177)	4,254,738,505 (3,489,873,249)	1,879,101,666 (2,476,392,360)	

* Represents owned assets, unless otherwise stated

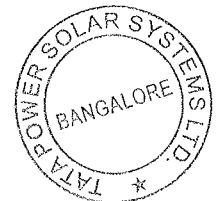
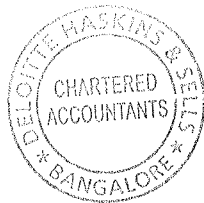


TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31-Mar-15 Rs.	As at 31-Mar-14 Rs.
NOTE 12		
LONG-TERM LOANS AND ADVANCES		
(a) Security deposits		
Unsecured, considered good	61,637,988	53,911,904
considered doubtful	4,356,623	1,374,232
	65,994,611	55,286,136
Less: Provision for doubtful deposits	4,356,623	1,374,232
	61,637,988	53,911,904
(b) Prepaid Expenses - Unsecured, considered good	6,594,734	3,864,606
(c) Advance income tax [net of Provisions for Taxes - Rs. 434,930,000/- (As at March 31, 2014 Rs.434,930,000/-)]	279,241,448	228,347,266
Total	347,474,170	286,123,776
NOTE 13		
OTHER NON-CURRENT ASSETS		
(a) Long-term trade receivables		
Unsecured, Considered good	51,803,687	22,093,511
Total	51,803,687	22,093,511
NOTE 14		
INVENTORIES		
(At lower of cost and net realisable value)		
(a) Raw materials	907,244,824	821,919,354
Goods-in-transit	84,836,042	183,479,836
	992,080,866	1,005,399,190
(b) Work-in-progress (Solar Photovoltaic Modules & Systems)	8,622,046	156,426,135
(c) Finished goods (Solar Photovoltaic Modules & Systems and related components)	993,098,846	302,993,161
Total	1,993,801,758	1,464,818,486
NOTE 15		
TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	548,956,048	124,319,455
Unsecured, considered doubtful	263,277,070	248,324,873
	812,233,118	372,644,328
Less: Provision for doubtful trade receivables	263,277,070	248,324,873
	548,956,048	124,319,455
Other Trade receivables		
Unsecured, considered good	3,027,887,461	3,552,600,773
Total	3,576,843,509	3,676,920,228
NOTE 16		
CASH AND CASH EQUIVALENTS		
(a) Cash on hand	73,981	398,300
(b) Balances with banks		
(i) In current accounts	39,779,072	311,933,664
(ii) In deposit accounts	-	2,500,000
Total	39,853,053	314,831,964
(i) of the above, the balances that meet the definition of cash and cash equivalent as per AS 3 cash flow statements is	39,853,053	314,831,964

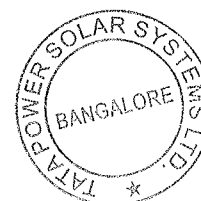


	As at 31-Mar-15 Rs.	As at 31-Mar-14 Rs.
NOTE 17		
SHORT-TERM LOANS AND ADVANCES		
(a) Advance to suppliers Unsecured, considered good	35,505,371	109,536,983
(b) Loans and advances to employees Unsecured, considered good	3,650,649	2,933,275
(c) Prepaid expenses - Unsecured, considered good	29,634,072	43,790,826
(d) Balances with government authorities Unsecured, considered good		
(i) VAT credit receivable	31,375,488	-
(ii) Excise duty receivable	189,346	105,089
(iii) Custom Duty deposit	19,043,700	946,909
Total	119,398,626	157,313,082
NOTE 18		
OTHER CURRENT ASSETS		
Others:		
(i) Foreign exchange forward contracts	19,520,315	-
(ii) Duty Receivable	162,596,399	87,819,064
(iii) CENVAT Credit	53,496,506	-
(iv) Insurance Claim Receivable	2,000,000	-
(v) Earnest Money Deposits		
- considered good	37,116,930	28,162,958
- considered doubtful	8,937,319	11,919,709
	46,054,249	40,082,667
Provision for doubtful deposits	8,937,319	11,919,709
	37,116,930	28,162,958
Total	274,730,150	115,982,022



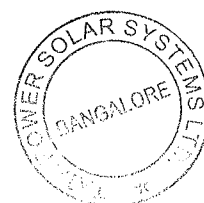
TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

		For the Year ended 31-Mar-15 Rs.	For the Year ended 31-Mar-14 Rs.
	NOTE 19 REVENUE FROM OPERATIONS		
(a)	Sale of products (Refer Note (i) below)	8,651,562,473	10,955,304,786
(b)	Sale of services (Refer Note (ii) below)	68,238,841	43,466,984
(c)	Other operating revenues (Refer Note (iii) below)	10,572,179	32,988,409
	Less:	8,730,373,493	11,031,760,179
(d)	Excise duty	1,165,016	1,105,220
		8,729,208,477	11,030,654,959
Note	Particulars		
(i)	Sale of products comprises :		
	Manufactured goods		
	Solar Cells	107,813,583	204,916,884
	Solar Photovoltaic Modules / Systems	8,037,878,531	10,201,103,690
	Balance of Systems	505,870,359	549,284,212
	Total - Sale of products	8,651,562,473	10,955,304,786
(ii)	Sale of services comprises :		
	Operation & Maintenance	68,238,841	43,466,984
	Total - Sale of services	68,238,841	43,466,984
(iii)	Other operating revenues comprise:		
	Sale of scrap	10,572,179	9,945,934
	Sales tax refund	-	12,441,128
	Sale of scrips for duty exemption	-	10,601,347
	Total - Other operating revenues	10,572,179	32,988,409
	NOTE 20 OTHER INCOME		
(a)	Interest income (Refer Note (i) below)	3,040,165	20,637,049
(b)	Other non-operating income (Refer Note (ii) below)	15,062,190	3,690,632
		18,102,355	24,327,681
Notes	(i) Interest income comprises:		
	Interest from banks on deposits	3,040,165	20,637,049
	Interest on delays in customer payments	-	-
		3,040,165	20,637,049
	(ii) Other non-operating income comprises: [Net of expenses directly attributable - Rs. Nil (Year ended March 31, 2014 - Rs. Nil)]		
	Liabilities / provisions no longer required written back	17,779	730,022
	Insurance claims received	109,828	1,831,645
	Miscellaneous income	14,934,583	1,128,965
		15,062,190	3,690,632
A.	NOTE 21 COST OF MATERIALS CONSUMED		
	Opening Stock	1,005,399,190	531,318,714
	Add : Cost of Purchases	7,145,371,014	9,434,442,075
		8,150,770,204	9,965,760,789
	Less : Closing Stock	992,080,866	1,005,399,190
		7,158,689,338	8,960,361,599
	Materials consumed comprise of :		
	1) Wafers	1,039,407,298	326,000,840
	2) Cells	1,053,614,586	1,887,618,636
	3) Batteries	274,076,823	619,619,939
	4) Module Materials, Electronic and Mechanical Components	3,898,288,104	5,112,991,963
	5) Packing Materials	95,395,324	99,866,194
	6) Silver and Aluminium Paste	184,723,123	78,305,938
	7) Others	613,184,079	835,958,089
		7,158,689,338	8,960,361,599



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

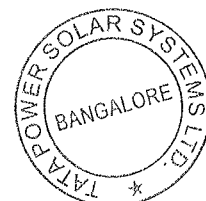
		For the Year ended 31-Mar-15 Rs.	For the Year ended 31-Mar-14 Rs.
B	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
	Inventories at the end of the year:		
	Finished goods	993,098,846	302,993,161
	Work-in-progress	8,622,046	156,426,135
		1,001,720,892	459,419,296
	Inventories at the beginning of the year:		
	Finished goods	302,993,161	460,431,681
	Work-in-progress	156,426,135	16,222,513
		459,419,296	476,654,194
	Net (Increase) / Decrease	(542,301,596)	17,234,898
	NOTE 22		
	EMPLOYEE BENEFITS EXPENSE		
	Salaries and wages	678,583,234	507,885,141
	Contributions to provident and other funds	67,773,311	37,495,601
	Staff welfare expenses	48,804,201	23,796,744
		795,160,746	569,177,486
	NOTE 23		
	FINANCE COSTS		
(a)	Interest expense on:		
	Borrowings	357,869,534	287,379,624
(b)	Other Borrowing Cost		
	Foreign Exchange Buyers Credit	30,088,096	13,983,127
		387,957,630	301,362,751
	NOTE 24		
	OTHER EXPENSES		
	Consumption of Stores and Spare-parts	24,991,578	22,565,582
	Power and Fuel	112,003,172	72,708,643
	Water Charges	5,961,499	3,162,018
	Effluent Processing Charges	27,092,961	12,398,025
	Rent	64,208,410	54,460,850
	Repairs and Maintenance		
	Buildings	3,055,237	262,218
	Machinery	49,428,529	20,153,162
	Others	87,372,622	199,944,734
	Contract Labour Cost	110,403,221	67,392,300
	Insurance	44,944,409	41,766,701
	Rates and Taxes	9,322,568	9,613,946
	Communication Expenses	28,800,236	28,135,553
	Travelling and Conveyance	101,062,569	103,618,408
	Legal and Professional Fees	64,735,216	31,955,056
	Payments to auditors (Refer Note (i) below)	3,826,192	3,413,441
	Sales Commission	58,697,225	76,532,455
	Selling Expenses	115,149,798	122,817,977
	Carriage Outwards	182,396,805	125,748,178
	Bank and Financial Charges	38,186,909	19,676,001
	Net loss on fixed assets sold / scrapped / written off	-	1,081,926
	Donations and contributions	975	-
	Miscellaneous Expenses	106,972,036	81,358,441
	Net loss on foreign currency transactions and translation	4,293,372	79,781,794
	Provision for Doubtful Debts/ Advances	14,952,198	28,583,631
	Provision for Warranty	68,386,553	113,395,272
		1,326,244,290	1,320,526,312
	Note:		
(i)	Payment to Auditors (including service tax)		
	For Audit	3,005,630	2,584,280
	For Tax Audit	168,540	168,540
	Other Services	308,990	449,440
	Reimbursement of expenses	343,032	211,181
		3,826,192	3,413,441



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

25. Contingent liabilities and commitments (to the extent not provided for)

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
(i) Contingent Liabilities		
(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.	241,860,350	78,278,664
<p>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.</p>		
(ii) Sales tax and VAT demands, including penalty and interest due up to the date of the order.	1,885,746	2,058,117
<p>These claims relate to demands arising from difference in values of stock transfer and F Forms.</p>		
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	1,598,000	19,872,560
(b) Other commitments :		
(i) Vendor purchase commitments	2,053,251,871	2,456,185,290
(ii) The Company has during the course of its business entered in 35 contracts as at March 31, 2015 (March 31, 2014: 17) to provide future post sale services for periods extending from 3 to 25 years.	983,997,578	941,309,814



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

26. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at	As at
	March 31, 2015	March 31, 2014
	Rs.	Rs.
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2,132,092	1,380,717
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	48,099	623
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	1,317	7960
(iv) The amount of interest due and payable for the year	48,099	1,959
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	47,405	623
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

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. This has been relied upon by the auditors.

27. Details on derivatives instruments and unhedged foreign currency exposures

I. The following derivative positions are open as at March 31, 2015. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. The accounting for these transactions is stated in Notes 2.11 and 2.12.

Forward exchange contracts and options [being derivative instruments], which are not intended for trading or speculative purposes but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

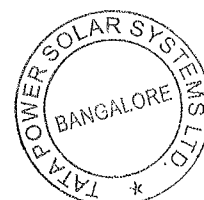
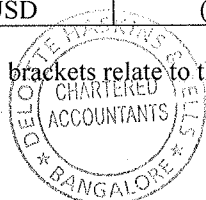
(i) Outstanding forward exchange contracts entered into by the Company as on March 31, 2015

Currency	No. of Contracts	Amount	Buy / Sell	Cross Currency (Rs.)
USD/INR	50	19,669,519	Buy	1,251,715,509
USD/INR	(14)	(22,149,367)	Buy	(1,405,243,529)
EURO/INR	1	626,400	Buy	43,146,432
EURO/INR	(-)	(-)	Buy	(-)

(ii) Outstanding option contracts entered into by the Company as on March 31, 2015

Currency	Amount	Buy / Sell	Cross Currency
USD	6,166,000	Buy	INR
USD	(-)	(-)	(-)

Note: Figures in brackets relate to the previous year



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

a. Amounts receivable in foreign currency on account of the following:

Particulars	March 31, 2015		March 31, 2014	
	Amount in	Amount in	Amount in	Amount in
	Rs.	Foreign Currency	Rs.	Foreign Currency
Export of goods & services	3,413,725	USD 55,598	3,580,583	USD 60,198
	902,706	EUR 13,688	1,433,333	EUR 17,615

b. Amounts payable in foreign currency on account of the following:

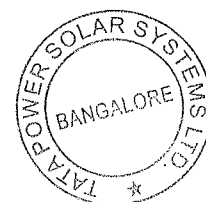
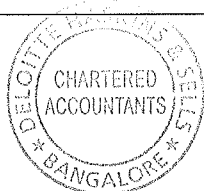
Particulars	March 31, 2015		March 31, 2014	
	Amount in	Amount in	Amount in	Amount in
	Rs.	Foreign Currency	Rs.	Foreign Currency
Import of goods and services	364,959,562	USD 5,701,417	126,193	CHF 1,835
	-	-	10,186,027	EUR 121,479
	-	-	2,756,853	GBP 27,204
	-	-	1,980,419	JPY 3,317,285
Capital Imports	15,722,595	USD 246,050	3,851,230	EUR 45,930

28. CIF Value of Imports

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs.	Rs.
1) Materials	4,319,347,014	4,747,616,456
2) a. Spare parts	2,974,234	3,656,360
b. Others	2,835,286	3,086,019
Total	5,809,520	6,742,379
3) Capital Goods	118,530,201	66,934,084

29. Expenditure in Foreign Currency:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs	Rs
Travel (including amounts capitalised)	4,057,608	4,377,761
Maintenance Expenses	661,720	5,607,527
Professional Charges (including amounts capitalized)	22,280,866	16,971,288
Interest Expense	2,978,863	8,778,910
Others	10,745,683	2,368,496



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

30. Details of consumption of imported and indigenous item

Particulars	For the year ended		For the year ended	
	March 31, 2015		March 31, 2014	
	Rs.	% of Total Consumption	Rs.	% of Total Consumption
Raw Material and components				
Imported	4,098,145,800	55%	4,947,140,572	55%
Indigenous	3,060,543,538	45%	4,013,221,027	45%
Total	7,158,689,338	100%	8,960,361,599	100%
Stores and Spare parts consumed				
Imported	6,247,894	25%	5,641,396	25%
Indigenous	18,743,684	75%	16,924,186	75%
Total	24,991,578	100%	22,565,582	100%

31. Earnings in Foreign Exchange

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Rs.	Rs.
FOB value of Exports	628,804,830	297,694,897
Services	4,381,381	Nil

ADDITIONAL DISCLOSURES UNDER ACCOUNTING STANDARDS

32. Employee benefit plans

a. Defined contribution plans

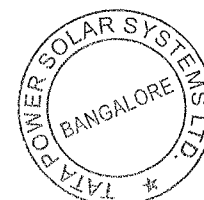
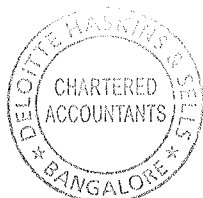
The Company makes Provident Fund and Superannuation Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company recognised Rs. 36,293,459/- (Year ended March 31, 2014 Rs. 30,364,660/-) for Provident Fund contributions, Rs.6,608,607/- (Year ended March 31, 2014 Rs. 6,115,471/-) for Superannuation Fund contributions, included as a part of Contribution to Provident and Other Funds in Note 22 Employee Benefits Expense. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b. Defined benefit plans

The Company offers the following employee benefit schemes to its employees/ex-employees:

- i. Gratuity (included as a part of Contribution to Provident and Other Funds in Note 22 Employee Benefits Expense)
- ii. Pension (Post retirement benefits, to the erstwhile managing director) (included as part of Salary and Wages in Note 22 Employee Benefits Expense)

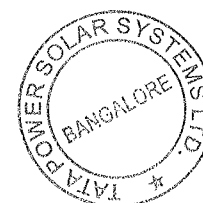


TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

(Amount in Rs.)

	Gratuity		Pension	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
I Components of employer expense				
1 Current Service cost	9,270,643	8,452,674	-	-
2 Interest cost	7,333,608	6,898,487	-	-
3 Expected return on plan assets	(581,153)	(1,307,140)	-	-
4 Curtailment cost/(credit)	-	-	-	-
5 Settlement cost/(credit)	-	-	-	-
6 Plan Amendment	-	-	-	-
7 Past Service Cost	-	-	-	-
8 Actuarial Losses/(Gains)	8,848,147	(8,924,216)	5,760,574	(809,132)
9 Total expense recognised in the Statement of Profit & Loss	24,871,245	5,119,805	5,760,574	(809,132)
II Actual Contribution and Benefits Payments for the year				
1 Actual benefit payments	4,658,863	10,824,245	3,448,584	3,448,584
2 Actual Contributions	6,131,352	237,115	NA	NA
III Net asset/(liability) recognised in balance sheet				
1 Present value of Defined Benefit Obligation (DBO)	92,900,413	72,333,823	39,216,148	36,904,158
2 Fair value of plan assets	(6,031,155)	(4,204,458)	-	-
3 Funded status [Surplus/(Deficit)]	-	-	(39,216,148)	(36,904,158)
4 Unrecognised Past Service Costs	-	-	-	-
5 Net asset/(liability) recognised in balance sheet	(86,869,258)	(68,129,365)	(39,216,148)	(36,904,158)
6 Current asset/(liability)	-	-	(3,448,584)	(3,448,584)
7 Non- Current asset/(liability)	(86,869,258)	(68,129,365)	(35,767,564)	(33,455,574)
IV Change in Defined Benefit Obligations during the year				
1 Present Value of DBO at beginning of the year	72,333,823	77,576,046	36,904,158	41,161,874
2 Current Service cost	9,270,643	8,452,674	-	-
3 Interest cost	7,333,608	6,898,487	-	-
4 Past service cost	-	-	-	-
5 Curtailment cost/(credit)	-	-	-	-
6 Settlement cost/(credit)	-	-	-	-
7 Plan amendments	-	-	-	-
8 Acquisitions	-	-	-	-
9 Actuarial (gains)/ losses	8,621,202	(9,769,139)	5,760,574	(809,132)
10 Benefits paid	(4,658,863)	(10,824,245)	(3,448,584)	(3,448,584)
11 Present Value of DBO at the end of the year	92,900,413	72,333,823	39,216,148	36,904,158
V Change in Fair Value of Assets during the year				
1 Plan assets at beginning of period	4,204,458	14,329,371	-	-
2 Acquisition Adjustment	-	-	-	-
3 Expected return on plan assets	581,153	1,307,140	-	-
4 Actuarial Gain / (Losses)	(226,945)	(844,923)	-	-
5 Actual Company contributions	6,131,352	237,115	-	-
6 Benefits paid	(4,658,863)	(10,824,245)	-	-
7 Plan assets at the end of the year	6,031,155	4,204,458	-	-
8 Actual Return on plan assets	354,208	462,217	-	-
Estimated amount of contribution in the immediate next year	10,000,000	10,000,000		



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

The details with respect to the composition of Plan assets as maintained by the Fund Manager (LIC) is as follows:

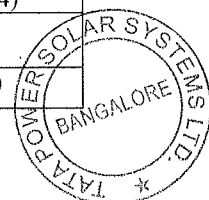
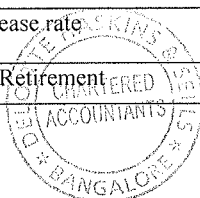
Insurance Managed Fund	March 31, 2015	March 31, 2014
	(%)	(%)
Central Government Securities	23.86%	23.86%
State Government Securities	16.14%	16.14%
Other Approved Securities (Government Guaranteed Securities)	1.21%	1.21%
Debentures And Bonds	39.32%	39.32%
Equity Shares	4.67%	4.67%
Fixed Deposits	14.20%	14.20%
Mutual Funds	0.58%	0.58%
CBLO (Money Market Instruments)	0.02%	0.02%
Total	100.00%	100.00%

VI	Actuarial Assumptions for Gratuity	Gratuity	
		March 31, 2015	March 31, 2014
1	Discount Rate (p.a.)	7.95%	9.15%
2	Expected Return on plan assets (p.a.)	8.00%	7.50%
3	Salary escalation (p.a.)	7.5%	10% for first year and 7.5% thereafter
4	Mortality tables	LIC Mortality tables (2006-08)	LIC Mortality tables (2006-08)
5	Attrition (p.a.)		
	21-30 Years	5%	5%
	31-40 Years	3%	3%
	41-59 Years	2%	2%

1. The expected return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investments strategies, market scenario etc.
2. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
3. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. 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 diversified.

Experience Adjustments – Gratuity		(In Rupees)				
		March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
1	Defined Benefit Obligation	92,900,413	72,333,823	77,576,046	57,378,304	44,652,986
2	Plan Assets	6,031,155	4,204,458	14,329,371	10,649,608	8,641,740
3	Surplus / (Deficit)	(86,869,258)	(68,129,365)	(63,246,675)	(46,729,236)	(36,011,246)
4	Exp. Adj. gain / (loss) on Plan Liabilities	(5,216,797)	314,768	1,962,365	6,368,483	(594,096)
5	Exp. Adj. gain / (loss) on Plan Assets	(226,945)	(844,923)	109,336	(136,146)	(1,187,429)

VII	Actuarial Assumptions	Pension	
		March 31, 2015	March 31, 2014
	Rate Of Interest	7.95% p.a.(based on Govt. Security Yields as on 25 March 2015)	9.15% p.a. (based on Govt. Security Yields as on 25 March 2014)
	Pension Increase rate	5.00% p.a	5.00% p.a
	Mortality in Retirement	Published Tables PA (90)	Published Tables PA (90)



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

Experience Adjustments – Pension		(In Rupees)				
		March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
1	Defined Benefit Obligation	39,216,148	36,904,158	41,161,874	19,145,700	19,145,700
2	Plan Assets	-	-	-	-	-
3	Surplus / (Deficit)	(39,216,148)	(36,904,158)	(41,161,874)	(19,145,700)	(19,145,700)
4	Exp. Adj. gain / (loss) on Plan Liabilities	5,760,574	(809,132)	(15,721,205)	(2,025,000)	(2,025,000)
5	Exp. Adj. gain / (loss) on Plan Assets	-	-	-	-	-

c. Actuarial Assumptions for Compensated leave absences

	March 31, 2015	March 31, 2014
Discount Rate (p.a.)	7.95%	9.15%
Salary escalation (p.a.)	7.5%	10% for first year and 7.5% thereafter
Attrition (p.a.)		
21-30 Years	5%	5%
31-40 Years	3%	3%
41-59 Years	2%	2%

1. The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

33. Segment Reporting

a) Information about the Primary Business Segments

Since there is only one Primary Business Segment for the company viz., Solar Photovoltaic /Thermal Systems and its components, Primary Business Segment information has not been disclosed.

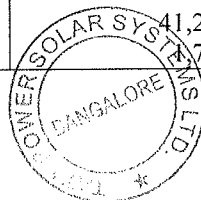
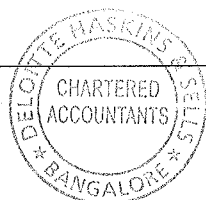
b) Secondary Segment Information for the year ended March 31, 2015

The major concentration of the market is in India and the presence in the rest of the world, in the opinion of the management, is not significant for the year under reporting (i.e. less than 10%), and hence no separate geographical segment disclosure has been made.

34. Details of leasing arrangements

- a) The Company has taken certain premises on operating lease which are non-cancellable for a period of 3 years or cancellable at the option of the lessee. Details of rent paid during the year and future minimum lease rentals are as follows :

Particulars	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
Rent Paid during the year	64,208,410	54,460,850
Future minimum lease payments for the non-cancellable period		
Within 1 year	41,233,208	41,809,065
1 – 5 years	723,634	42,106,625



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

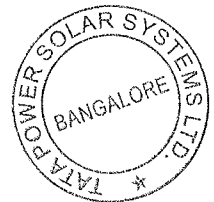
- b) The Company has taken certain vehicles on operating lease which are non-cancellable for a period of 4 years. Details of rent paid during the year and future minimum lease rentals are as follows :

Particulars	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
Rent Paid during the year (included under Travelling and Conveyance in Note 24)	2,205,371	5,661,020
Future minimum lease payments for the non-cancellable period		
Within 1 year	1,782,780	3,649,704

35. Related Party Disclosure

Names of Related Parties:

Holding Company	The Tata Power Company Limited
Fellow Subsidiaries	NELCO Limited
	Tata Power Renewable Energy Limited
	Tata Power Delhi Distribution Limited
	Tata Power Trading Company Limited
	Industrial Energy Limited
	Powerlinks Transmission Limited
	Chemical Terminal Trombay Limited
Key Management Personnel & relatives of such personnel	Mr. Ashish Khanna (Manager) (w.e.f. February 21, 2015) Mr. Ajay Kumar Goel (Manager) (up to February 21, 2015)

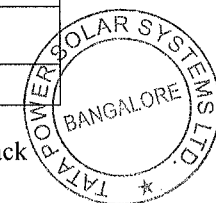
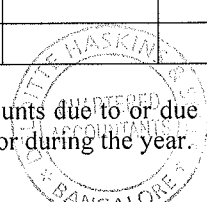


TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

Amount in Rs.

	Particulars	Fellow Subsidiaries		Holding Co.		Key Management Personnel & relatives of such personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	Sale of Materials						
	NELCO Ltd	11,750	199,792	-	-	-	-
	Tata Power Renewable Energy	33,170,822	1,821,558,999	-	-	-	-
	Tata Power Delhi Distribution Ltd.	637,400	-	-	-	-	-
	Industrial Energy Ltd	38,474	479,250	-	-	-	-
	Chemical Terminal Trombay Limited.	286,556	6,560,587	-	-	-	-
	Tata Power Trading Company Ltd.	221,129,330	-				
	Tata Power Company Ltd.	-	-	2,366,683	3,203,008	-	-
2	Services Rendered						
	Tata Power Company Ltd.	-	-	2,974,368	2,932,127	-	-
	Tata Power Renewable Energy	20,862,776	826,965	-	-	-	-
	Chemical Terminal Trombay Limited.	90,488	-				
	Tata Power Delhi Distribution Limited	337,500	507,000	-	-	-	-
3	Services Received						
	Tata Power Company Limited			-	168,540		
4	Remuneration Paid						
	Ajay Kumar Goel (upto February 21, 2015)					23,770,045	23,124,779
5	Receipt and allotment of Preference Shares						
	Tata Power Company Ltd.	-	-	229,500,000	-		
6	Outstanding Receivables						
	Tata Power Company			1,575,081	1,379,256		
	Tata Power Renewable Energy	20,377,650	183,670,083				
	Tata Power Delhi Distribution Limited	3,513,089	11,555,788				
	Chemical Terminal Trombay Limited.	586,428	5,806,591				
	Tata Power Trading Company Ltd.	142,711,593	-				
	Industrial Energy Ltd	495,516	457,042				
7	Outstanding Payables						
	NELCO LIMITED	18,355	1				
	Powerlinks Transmission Ltd.	-	4,000				

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.



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

36. Earnings Per Share has been determined as follows [Refer Note 2.17]:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs.	Rs.
Profit / (Loss) After Tax	(1,143,304,832)	(1,267,664,010)
Less: Preference Dividend (including taxes attributable thereof)	28,090,756	23,217,658
Profit / (Loss) attributable to Equity Shareholders(A)	(1,171,395,588)	(1,290,881,668)
Weighted Average number of Equity Shares (Basic) (B)	6,777,567	6,777,567
Add: Dilutive Potential Equity Shares	-	-
Weighted Average number of Equity Shares (Dilutive) (C)	6,777,567	6,777,567
Earnings Per Share (Par Value – Rs. 100 each)		
Earnings Per Share (Basic) (A/B)	(172.83)	(190.46)
Earnings Per Share (Diluted) (A/C)	(172.83)	(190.46)

Note:

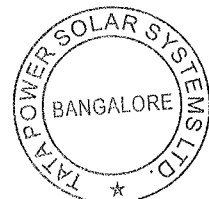
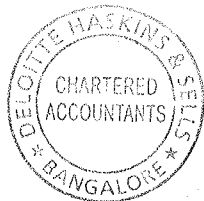
- i. Though the Company has incurred losses during the year, an allocation towards preference shares has been considered to arrive at the loss attributable to the equity shareholders as the preference shares are cumulative in nature.

37. Provisions :

(i) Warranty Provision

Particulars	As at March 31, 2015	As at March 31, 2014
	Rs.	Rs.
Balance as at Beginning of the year	277,556,265	178,265,546
Provision made during the period	68,386,553	113,395,272
Amounts incurred / utilized	(39,988,053)	(14,104,553)
Balance as at the year end	305,954,765	277,556,265

Of the above the amounts expected to be incurred within a year amounts to Rs. 67,500,000/- (March 31, 2014 : Rs.75,000,000/-). The warranty expenditure is expected to be incurred over the warranty life of the products as contracted, which varies from 10 to 25 years.



TATA POWER SOLAR SYSTEMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

38. **Income Taxes:**

i) **Deferred Tax Liability / (Asset)**

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	(455,076,500)	(615,869,100)
Tax effect of items constituting deferred tax liability	(455,076,500)	(615,869,100)
<u>Tax effect of items constituting deferred tax assets</u>		
Unrealised exchange loss on capital creditors	97,200	330,300
Provision for compensated absences, gratuity and other employee benefits	71,694,900	51,670,700
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	103,994,000	94,341,400
Provision for doubtful debts / advances	94,006,500	88,161,400
Unabsorbed Depreciation Loss (Note b below)	902,739,300	798,618,100
Brought forward business losses	211,993,200	84,505,000
Tax effect of items constituting deferred tax assets	1,384,525,100	1,117,626,900
Net deferred tax (liability) / asset – net	929,448,600	501,757,800

Note: The Company has a net deferred tax asset as at March 31, 2015 and March 31, 2014 significantly arising from brought forward unabsorbed depreciation and tax losses, which has not been recognized as a matter of prudence and absence of virtual certainty.


ii) As at March 31, 2015 and March 31, 2014 the Company has as per Income Tax returns filed, a Minimum Alternate Tax Credit available for carry forward and set off, of Rs. 180,300,000/- which has not been recognised as an asset as a matter of prudence, based on the Management's assessment of future taxable profits.

39. The Company has during the year revised certain estimates on useful life of the assets based on the assessment carried out on account of the application of Schedule II of the Companies Act, 2013. This has resulted in the depreciation charge and the loss for the year to be higher by 189,417,200.

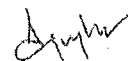
40. Schedule III of the Companies Act, 2013 has become effective from April 01, 2014 for the preparation of financial statements. Previous year's figures have been regrouped/reclassified to be comparable with current years classification/disclosure.

FOR AND BEHALF OF THE BOARD OF DIRECTORS


 DIRECTOR


 ASHISH KHANNA
 DIRECTOR & CHIEF EXECUTIVE OFFICER




 AJAY AGGARWAL
 COMPANY SECRETARY


 RAJESH DAGA
 CHIEF FINANCIAL OFFICER

PLACE : Mumbai
 DATE : 23rd April, 2015

