

TATA POWER RENEWABLE ENERGY LIMITED

TATA POWER RENEWABLE ENERGY LIMITED

Directors' Report

To The Members of
Tata Power Renewable Energy Limited

The Directors hereby present their Sixth Annual Report on the business of the Company and the statement of accounts for the period ended 31st March 2013.

1. OPERATIONS

The Company's 25 MW solar power plant at Mithapur commissioned in January 2012 has been performing satisfactorily with generation higher than estimated originally. The Mithapur solar plant has also been registered with UNFCCC as a CDM project in November 2012 and is expected to generate 37,000 CERs annually.

The Company has placed orders on Regen Powertech Ltd. for turnkey solutions for engineering, procurement and construction of two wind power projects - 100.5 MW Wind Power Plant at Dalot, Rajasthan, and a 49.5 MW Wind Power Plant at Pethshivpur, Maharashtra. 21 MW of the Dalot wind plant has been commissioned in March 2013, and the balance capacity is awaiting commissioning pending announcement of the tariff regime in Rajasthan for FY14. The Pethshivpur wind project has been delayed in securing the forest land approvals which are finally expected in July 2013, after which project work will commence at site.

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

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

3. RIGHTS ISSUE

During the year the Company came out with an Issue of Equity Shares on Rights basis for 2,16,48,000 Equity Shares of ₹ 10 each in the ratio 4:5 for cash at par aggregating to ₹ 21,64,80,000.

4. DIRECTORS

Mr N Kannan and Mr K Panda were appointed as an Additional Director with effect from 26th April 2013, in accordance with Section 260 of the Companies Act, 1956 (the Act). Mr N Kannan and Mr K Panda hold office only upto the date of the forthcoming Annual General Meeting and a Notice under Section 257 of the Act has been received from a member signifying his intention to propose Mr N Kannan and Mr K Panda's appointment as a Director.

TATA POWER RENEWABLE ENERGY LIMITED

Mr Alok Kanagat resigned as a Director of the Company with effect from 7th April 2013. The Board has placed on record its appreciation of the valuable contribution made to the Company by Mr. Kanagat.

In accordance with the requirements of the Companies Act, 1956 (the Act) and the Articles of Association of the Company, Mr H M Mistry will retire by rotation and is eligible for re-appointment.

5. AUDIT COMMITTEE

The Company has an Audit Committee comprising of Mr P K Ghose, Chairman, Mr Deepak Mahendra and Mr N Kannan, Members

6. AUDITORS

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

7. AUDITORS' REPORT

The Notes to the Accounts referred to in the Auditors' Report of the Company are self-explanatory and, therefore, do not call for any further explanation under Section 217(3) of the Act.

8. COST AUDITOR

Krishan Singh Berk, Cost Auditor was appointed Cost Auditor of the Company for financial year 2012-13 for the audit of cost records maintained by the Company as per Section 209(1)(d) of the Companies Act, 1956. Krishan Singh Berk, the existing Cost Auditor, has under Section 224 (1) read with sub-section (2) of Section 233B of the Act, indicated its eligibility for re-appointment.

9. PARTICULARS OF EMPLOYEES

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

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

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

Technology Absorption : Nil

TATA POWER RENEWABLE ENERGY LIMITED

Technology Absorption : Nil

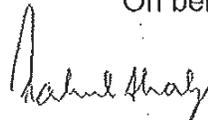
Foreign exchange earnings and outgo : Nil

11. DIRECTORS RESPONSIBILITY STATEMENT

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

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

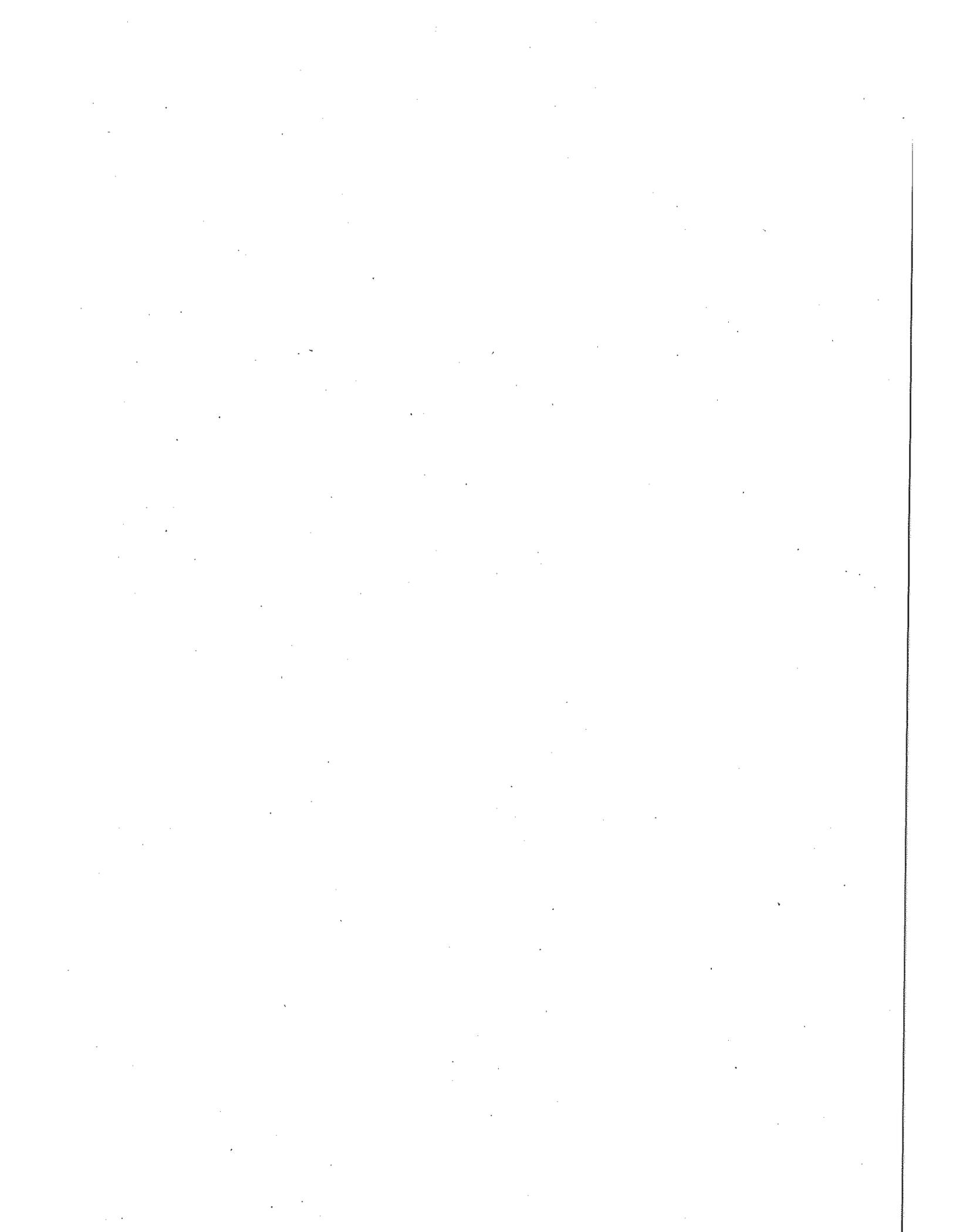
On behalf of the Board of Directors


Director


Director

Place: Mumbai

Date : 23rd May 2013



Deloitte Haskins & Sells

Chartered Accountants
Tower 3, 27th - 32nd Floor
Indiabulls Finance Centre
Elphinstone Mill Compound
Senapati Bapat Marg
Elphinstone (W), Mumbai - 400 013
India

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TATA POWER RENEWABLE ENERGY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA POWER RENEWABLE ENERGY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Deloitte Haskins & Sells

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

R. K. Banga

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

MUMBAI, 23rd May, 2013

Deloitte Haskins & Sells

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date)

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

- (i) In respect of its fixed assets:
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) During the year no fixed assets were disposed off by the company.
- (ii) The company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any major weakness in such internal control system.
- (iv) According to the information and explanations given to us, there were no contracts or arrangements that needed to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The company has generally been regular in depositing undisputed dues, including Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) As at 31st March 2013, undisputed amounts of ₹ 439,907 is payable in respect of service tax for a period of more than 6 months from the date it became payable. This amount has been paid to the appropriate authorities subsequent to the year end.

Deloitte Haskins & Sells

- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess as at 31st March, 2013 which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks, financial institutions.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were obtained.
- (x) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used for long-term investments.
- (xi) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

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

R.A. Banga

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

MUMBAI, 23rd May, 2013

Tata Power Renewable Energy Limited
Balance Sheet as at 31st March, 2013

	Notes	31st March, 2013 ₹	31st March, 2012 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	487,080,000	270,600,000
Reserves and surplus	4	19,768,131	8,622,330
		<u>506,848,131</u>	<u>279,222,330</u>
Share application money pending allotment		357,770,450	-
Non-current liabilities			
Long-term borrowings	5	4,193,905,136	2,848,500,000
Deferred tax liabilities / assets	6	-	4,871,000
Other long term liabilities	7	29,079,680	31,309,851
		<u>4,222,984,816</u>	<u>2,884,680,851</u>
Current liabilities			
Trade payables (Refer Note 21)		7,150,425	8,013,501
Other current liabilities	8	780,180,057	505,019,865
Short-term provisions	9	-	3,785,000
		<u>787,330,482</u>	<u>516,818,366</u>
TOTAL		<u><u>5,874,933,879</u></u>	<u><u>3,680,721,547</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	4,565,865,383	3,360,145,284
Capital work-in-progress		111,841,041	20,802,189
Long-term loans and advances	11	621,362,350	107,006,373
		<u>5,299,068,774</u>	<u>3,487,953,846</u>
Current assets			
Current investments	12	219,543,683	40,674,016
Trade receivables	13	119,438,855	136,935,975
Cash and bank balances	14	235,488,981	14,334,595
Short-term loans and advances	15	1,166,899	823,115
Other current assets	16	226,687	-
		<u>575,865,105</u>	<u>192,767,701</u>
Total		<u><u>5,874,933,879</u></u>	<u><u>3,680,721,547</u></u>

See accompanying notes forming part of the financial statements

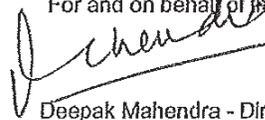
In terms of our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants

R. K. Banga

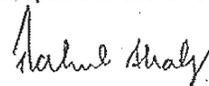
R. A. BANGA
Partner

Mumbai, 23rd May, 2013.

For and on behalf of the Board



Deepak Mahendra - Director



Rahul Shah - Director and Manager



Nilufer Irani - Secretary

Mumbai, 23rd May, 2013.

Tata Power Renewable Energy Limited
Statement of Profit and Loss for the year ended 31st March, 2013

	Notes	31st March, 2013 ₹	31st March, 2012 ₹
Income			
Revenue from operations	17	636,906,253	136,935,976
Other Income	18	14,640,988	6,674,016
Total revenue		651,447,241	142,609,991
Expenses			
Finance costs	19	361,051,219	50,735,794
Depreciation and amortisation (Refer sub note (iii) in Note 10)	10	256,817,035	49,738,660
Other expenses	20	26,734,186	23,948,949
Total expenses		643,602,440	124,423,403
Profit before tax		7,844,801	18,186,588
Current tax		1,670,000	3,785,000
Deferred tax		(4,871,000)	4,871,000
Total tax expense / (credit)		(3,301,000)	8,656,000
Profit for the year		11,145,801	9,530,588
Basic earnings per equity share (in ₹) (face value ₹ 10 per share)		0.28	0.60
Diluted earnings per equity share (in ₹) (face value ₹ 10 per share)		0.28	0.60

See accompanying notes forming part of the financial statements

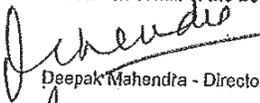
In terms of our report attached,
For DELOITTE HASKINS & SELLS
Chartered Accountants

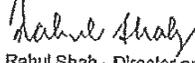
R. K. Banga

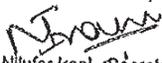
R. A. BANGA
Partner

Mumbai, 23rd May, 2013.

For and on behalf of the Board


Deepak Mahendra - Director


Rahul Shah - Director and Manager


Nilufer Irani - Secretary

Mumbai, 23rd May, 2013.

Tata Power Renewable Energy Limited
Cash Flow Statement for the year ended 31st March 2013

	Year ended 31st March 2013 ₹	Year ended 31st March 2012 ₹
A. Cash Flow from operating activities		
Profit before taxes	7,814,801	18,186,688
Adjustments for:		
Depreciation and amortisation	265,817,035	49,739,660
Interest expenses	356,185,140	60,736,794
Other finance costs	4,666,079	-
Interest income	(3,146,648)	-
Profit on sale of investments	(11,395,442)	(6,674,016)
Share issue expenses	-	13,890,980
	<u>602,327,266</u>	<u>108,691,418</u>
Operating profit before working capital changes	610,172,067	126,878,006
Adjustments for:		
Trade receivables	17,497,120	(136,935,976)
Long-term loans and advances	(6,000,600)	(105,000,000)
Short term loans and advances	(343,784)	(848,116)
Trade payables	(863,076)	8,013,601
Other liabilities and provision	6,880,956	14,472,670
	<u>18,170,718</u>	<u>(220,298,019)</u>
Cash generated from/(used in) operations	628,342,783	(93,420,013)
Taxes paid	(14,921,610)	-
Net cash generated from/(used in) operating activities	<u>613,421,173</u>	<u>(93,420,013)</u>
B. Cash flow from Investing activities		
Capital expenditure on fixed assets including capital advances	(1,995,988,304)	(2,916,649,663)
Purchase of current investments	(998,000,000)	(900,000,000)
Sale of current investments	830,525,776	865,000,000
Interest received	2,918,859	-
	<u>(2,160,543,669)</u>	<u>(2,950,649,663)</u>
Net cash used in Investing activities	<u>(2,160,543,669)</u>	<u>(2,950,649,663)</u>
C. Cash flow from financing activities		
Proceeds received from issue of equity shares (including share application money pending for allotment)	674,260,450	269,500,000
Proceeds from long-term borrowings	1,011,283,678	2,687,500,000
Repayment of long term borrowings	(10,600,000)	-
Inter-corporate deposits received	687,641,458	385,000,000
Inter-corporate deposits repaid	(87,600,000)	(385,000,000)
Interest paid	(282,617,605)	(61,856,197)
Other finance cost paid	(15,261,199)	(23,078,817)
Share issue expenses	-	(13,890,980)
	<u>1,768,276,882</u>	<u>3,058,174,006</u>
Net cash generated from financing activities	<u>1,768,276,882</u>	<u>3,058,174,006</u>
Net increase in Cash and cash equivalents	<u>(A+B+C) 221,154,386</u>	<u>14,104,430</u>
Cash and cash equivalents as at 1st April (opening balance)	<u>14,334,695</u>	<u>230,165</u>
Cash and cash equivalents as at 31st March (closing balance)	<u>235,488,981</u>	<u>14,334,695</u>

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

R.K. Banga

R. A. BANGA
Partner

For and on behalf of the Board

Deepak Mehendra
Deepak Mehendra - Director

Rahul Shah
Rahul Shah - Director and Manager

N. Sufer Inani
N. Sufer Inani - Secretary

Mumbai, 23rd May, 2013.

Mumbai, 23rd May, 2013.

TATA POWER RENEWABLE ENERGY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information:

Tata Power Renewable Energy Limited is a wholly owned subsidiary of The Tata Power Company Limited. The principal business of the company is to engage in business of generation and sale of renewable electricity. The company had in the previous year commissioned 25MW Solar based power plant at Mithapur in Gujarat and in the current year has commissioned 21 MW out of the 30 MW Wind Power project at Dalot, Rajasthan.

Power generated at the above projects is being sold under long term power sale agreements with the respective State Distribution Companies.

2. Significant Accounting Policies

(I) Basis of Preparation:

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 notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. 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.

(ii) 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.

(iii) Tangible Fixed Assets:

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes borrowing cost 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. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in increase in future benefit from such asset beyond its previously assessed standard of performance.

(iv) Depreciation:

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

Leasehold land is amortised over the period of the lease.

(v) Borrowing costs:

Borrowing Costs that are attributable to the acquisition / construction of the qualifying assets are capitalized as part of the cost of such assets till such time the assets are ready for their intended use. All other borrowing costs are recognized as an expense in the period in which

they are incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(vi) Cash flow statement:

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

(vii) Investments:

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

(viii) Revenue recognition:

- a) Revenue from power generation is recognized on accrual basis as per the terms of Power Sale Agreements.
- b) Interest income is accounted on an accrual basis.

(ix) Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

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 substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

(x) Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present 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 their present values and are determined based on the best estimate required to settle the obligations 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 in the financial statements and are disclosed in the Notes. A contingent asset is neither recognised nor disclosed in the financial statements.

(xi) **Impairment:**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for Impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. 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 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, except in case of revalued assets.

(xii) **Earning per share:**

Basic earnings per share is computed by dividing the profit/(loss) after tax 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 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.

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Tata Power Renewable Energy Limited
Notes forming part of the financial statements

Note 3 Share Capital

	31st March, 2013		31st March, 2012	
	Nos.	₹	Nos.	₹
Authorized Equity shares of ₹10/- each	200,000,000	2,000,000,000	200,000,000	2,000,000,000
Total Issued share capital Equity shares of ₹ 10 each	48,709,100	487,091,000	27,061,100	270,611,000
Total Issued share capital	48,709,100	487,091,000	27,061,100	270,611,000
Subscribed and fully paid up Equity shares of ₹ 10/- each fully paid	48,708,000	487,080,000	27,060,000	270,600,000
Total subscribed and fully paid up share capital	48,708,000	487,080,000	27,060,000	270,600,000

a Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

	31st March 2013		31st March 2012	
	Nos.	₹	Nos.	₹
At the beginning of the year	27,060,000	270,600,000	110,000	1,100,000
Issued during the year-Rights Issue	21,648,000	216,480,000	26,950,000	269,500,000
Outstanding at the end of the year	48,708,000	487,080,000	27,060,000	270,600,000

Terms/ights attached to equity shares

The company has issued only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company can declare/pay dividend to the shareholders subject to fulfillment of various conditions as laid down in the common loan agreement entered into by the company with the project lenders. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company declares and pays dividend in Indian Rupees.

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

c. 48,708,000 shares (31st March 2012 - 27,060,000 shares) being entire share capital is held by the The Tata Power Company Limited.

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

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

	31st March 2013		31st March 2012	
	Numbers of shares held	% Holding in the class	Numbers of shares held	% Holding in the class
Equity shares of ₹ 10/- each fully paid The Tata Power Company Limited, holding company	48,708,000	100%	27,060,000	100%

Note 4 Reserves and surplus

	31st March, 2013	31st March, 2012
	₹	₹
As in the Statement of Profit and Loss		
Opening Balance	8,622,330	(908,268)
Profit for the year	11,145,801	9,630,588
Closing Surplus in the statement of profit and loss	19,768,131	8,622,330
Total	19,768,131	8,622,330

Note 6 Long-term Borrowings

	31st March, 2013		31st March, 2012	
	Non Current ₹	Current	Non Current	Current
Debtentures - Unsecured				
Compulsorily Convertible Debtentures	28,900,000	-	-	-
Term Loans from Banks - Secured				
Rupee loans from State Bank of India	1,140,000,000	102,500,000	1,068,000,000	19,500,000
Rupee loans from Exim Bank of India	1,140,000,000	83,000,000	1,068,000,000	19,500,000
Rupee loans from State Bank of Patiala	596,263,678	-	-	-
Loans and Advances from related parties - Unsecured				
Subordinate loan from The Tata Power Company Limited	712,500,000	-	712,500,000	-
Inter Corporate Deposit from The Tata Power Company Limited	500,141,458	-	-	-
Other Loans and Advances - Unsecured				
Subordinate loan from Tata Chemicals	76,100,000	-	-	-
	<u>4,193,905,136</u>	<u>185,500,000</u>	<u>2,848,500,000</u>	<u>39,000,000</u>

- a. Rupee loans from State Bank of India and Export-Import Bank of India are repayable in 44 quarterly installments based on an amortisation schedule commencing from 31st March, 2013.

Security:

- First charge over the entire immovable properties, both present and future, movable assets, both present and future, receivables, all bank accounts including cash in hand, all intangibles present and future pertaining to the Mithapur Project.
 - Pledge of 51% of the equity shares held by the holding company.
 - Unconditional and irrevocable corporate guarantee given by the holding company for a period upto 31st March 2015.
- Upon non-payment of 2 consecutive instalments of the principal and/or interest of the loans from banks and such default not being cured within 30 days by the company, the banks have the right at their option to convert to equity either the whole or any part of the amount of the loans and/or interest in respect of which default shall have been made by the company into fully paid up and voting equity shares of the company at par or book value of such shares, whichever is lower.

- b. Rupee loans from State Bank of Patiala is repayable in 46 quarterly installments based on an amortisation schedule commencing from 30th September, 2014

Security:

- First charge over the entire immovable properties, both present and future, movable assets, both present and future, receivables, all bank accounts including cash in hand, all intangibles present and future pertaining to the Daloth Phase 1 Project.
- Unconditional and irrevocable corporate guarantee given by the holding company, The Tata Power Company Limited for a period of 3 years from the date of commencement of the Daloth project or 31st March, 2017, whichever is later.

- c. Unsecured subordinate loan from The Tata Power Company Limited is repayable only after full repayment of all secured loans from banks in Note (a) above. The final instalment of the secured loans from banks is due to be paid on 31st December, 2023.

- d. Unsecured subordinated loan from Tata Chemicals Limited is repayable only after full repayment of all Secured Loans from Banks in Note (a) above. The final instalment of the Secured Loans from Banks is due to be paid on 31st December, 2023.

- e. The Company will pay (and not accrue) interest to the investors of Unsecured Compulsorily Convertible debentures at a rate equivalent to dividend as percent of equity share capital (the "Applicable Rate") paid to shareholders of the company. In case the cumulative interest paid to the investor at the end of a year is lower than the total interest to be paid in terms of section 372A of the Companies Act, 1956 (the "Minimum Rate"), the Company will accrue the balance interest. The conversion date of these debentures is at the end of five years from 25th January 2012 which is the commercial operation date of Mithapur Project or earlier if approved by the Government of Gujarat. The conversion date of Unsecured Compulsorily Convertible Debentures is at the end of five years from 25th January 2012 which is the commercial operation date of Mithapur Project or earlier if approved by the Government of Gujarat.

- f. Unsecured Inter Corporate Deposit (ICD) from The Tata Power Company Limited is availed to fund capital expenditure for Daloth and Pethshvapur Wind Projects.

Tata Power Renewable Energy Limited
Notes forming part of the financial statements

Note 6 Deferred Tax liabilities/assets

Deferred tax liabilities
Relating to fixed assets

Deferred tax assets
Unabsorbed depreciation

31st March, 2013 ₹	31st March, 2012 ₹
24,571,000	4,871,000
24,571,000	
	<u>4,871,000</u>

The Company on the basis of prudence has considered deferred tax assets to the extent that there are compensating timing differences, reversal of which will result in sufficient income against which this can be realized

Note 7 Other long term liabilities

Interest accrued but not due on borrowings
Holding Company
Subordinate loan
Inter Corporate Deposit
Others

27,169,012	31,309,851
1,910,668	
<u>29,079,680</u>	<u>31,309,851</u>

Note 8 Other current liabilities

Current maturities of long term debt - secured (Refer Note 5)
Interest accrued and due on borrowings
Banks
Subordinate loan from holding company
Others

31st March, 2013 ₹	31st March, 2012 ₹
185,500,000	39,000,000
11,608,016	10,390,839
99,253,045	
6,589,585	

Other payables

Payables on purchase of fixed assets
Statutory liabilities
Reimbursement of expenses - holding company

455,721,728	441,002,299
21,507,683	4,004,180
	<u>10,622,547</u>
<u>780,180,057</u>	<u>505,019,865</u>

Note 9 Short term provisions

Provision for tax (net of advance tax Nil)

31st March, 2013 ₹	31st March, 2012 ₹
	3,785,000
	<u>3,785,000</u>

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Tata Power Renewable Energy Limited
Notes forming part of the financial statements

Note-10 Tangible assets

	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01-04-2012	Additions	Adjustments Refer subnote (i)	Deductions	As at 31-03-2013	As at 01-04-2012	For the year	Deductions	As at 31-03-2013
1. Freehold land	-	155,279,892	-	-	155,279,892	-	-	-	155,279,892
2. Leasehold land	5,346,919	16,298,824	-	-	21,645,743	53,469	254,895	-	21,337,379
	-	5,220,355	116,584	-	5,346,919	-	53,469	-	5,293,450
3. Buildings - plant	39,547,641	2,774,705	-	-	42,322,346	576,407	2,898,302	-	3,474,709
	-	36,586,472	2,951,169	-	39,547,641	-	576,407	-	36,971,234
4. Plant and machinery	9,311,606,860	1,240,018,946	26,068,413	-	4,577,694,219	48,266,870	247,482,522	-	295,759,192
	-	3,241,686,512	69,920,348	-	3,311,606,860	-	48,266,870	-	3,263,340,190
5. Roads	4,676,212	4,575,339	100,873	-	4,676,212	132,220	276,374	-	4,267,618
	-	-	-	-	4,676,212	-	132,220	-	4,543,992
6. Transmission lines and cable network	43,706,312	42,826,354	(21,890,000)	-	64,642,666	709,894	4,894,942	-	5,604,836
	-	47,646,271	1,058,041	-	48,706,312	-	709,894	-	47,996,418
- 2012-2013	3,409,383,944	1,457,298,721	4,238,413	-	4,871,421,078	49,738,660	255,817,035	-	4,565,365,383
- 2011 - 2012	-	3,335,726,949	74,156,995	-	3,409,883,944	-	49,738,660	-	3,360,145,284

(i) Fixed Assets having Gross Block of ₹ 1,946,254,728 (31st March 2012 - Nil) (Net Block ₹ 1,340,068,079 (31st March 2012 - Nil)) are on Leasehold land/Freehold land for which agreements are pending finalisation.
(ii) Adjustment comprising of borrowing cost of ₹ 26,068,413 (31st March 2012 - Nil) ₹ 74,156,995 net of profit on sale of current investments of ₹ 1,742,915) capitalised during the year and ₹ (21,890,000) (31st March 2012 - Nil) on account of part recovery of asset cost.
(iii) # Includes in respect of previous year ₹ 9,730,975
(iv) Figures in italics are in respect of previous year

Tata Power Renewable Energy Limited
Notes forming part of the financial statements

Note 11 Long term loans and advances

	31st March, 2013 ₹	31st March, 2012 ₹
Unsecured, considered good		
Capital advances	501,770,240	1,981,373
Security deposit	110,025,500	105,025,000
Advance income tax (Net of Provision for tax of ₹ 1,570,000 (As at 31st March 2012 - Nil))	9,566,610	-
	<u>621,362,350</u>	<u>107,006,373</u>

Note 12 Current Investments (Valued at lower of cost and fair value)

	Face value	Quantity	31st March, 2013 ₹	Quantity	31st March, 2012 ₹
Mutual funds (Unquoted)					
ICICI Prudential Liquid Super Institutional Plan-Growth	10	1,286,046	219,543,683	260,997	40,674,016
			<u>219,543,683</u>		<u>40,674,016</u>

Note 13 Trade receivables

	31st March, 2013 ₹	31st March, 2012 ₹
Outstanding for a period of six months from the date they are due for payment	-	-
Other trade Receivables - Unsecured, considered good	119,438,855	136,935,976
	<u>119,438,855</u>	<u>136,935,976</u>

Note 14 Cash and bank balances

	31st March, 2013 ₹	31st March, 2012 ₹
Balances with banks:		
In Current accounts	117,978,981	14,324,695
In Deposit accounts (maturity is less than 3 months)	117,510,000	10,000
Cash and cash equivalents as per AS 3 "Cash Flow Statement"	235,488,981	14,334,695
	<u>235,488,981</u>	<u>14,334,695</u>

Note 15 Short term loans and advances

	31st March, 2013 ₹	31st March, 2012 ₹
Unsecured, considered good		
Security deposit given	-	823,115
Recoverable towards reimbursement of costs	1,166,899	-
	<u>1,166,899</u>	<u>823,115</u>

Note 16 Other current assets

	31st March 2013 ₹	31st March 2012 ₹
Interest accrued on deposit with bank	226,667	-
	<u>226,667</u>	<u>-</u>

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Tata Power Renewable Energy Limited
Notes forming part of the financial statements

Note 17 Revenue from operations

	31st March, 2013 ₹	31st March, 2012 ₹
Sale of products		
Revenue from power supply	644,586,570	136,935,975
Less: Cash discount	(7,680,317)	-
	<u>636,906,253</u>	<u>136,935,975</u>

Note 18 Other Income

	31st March, 2013 ₹	31st March, 2012 ₹
Interest Income from bank deposit	3,145,546	-
Profit on sale of current Investments	11,395,442	7,416,931
Less: capitalised	-	(1,742,915)
	<u>14,540,988</u>	<u>5,674,016</u>

Note 19 Finance costs

	31st March, 2013 ₹	31st March, 2012 ₹
(a) Interest expense on:		
Loans from banks	272,018,007	64,688,428
Subordinate loans:		
Holding company	75,492,439	35,136,191
Others	7,321,759	-
Inter Corporate deposit from holding company	30,489,846	-
Inter Corporate deposit from fellow subsidiary	-	3,732,268
Debentures	2,122,964	-
Others	2,126	-
	<u>387,447,141</u>	<u>103,556,887</u>
Less: capitalised	(31,262,001)	(52,821,093)
	<u>356,185,140</u>	<u>50,735,794</u>
(b) Other borrowing costs:		
Other finance costs	15,261,199	23,078,817
Less: capitalised	(10,395,120)	(23,078,817)
	<u>4,866,079</u>	<u>-</u>
	<u>361,051,219</u>	<u>50,735,794</u>

Tata Power Renewable Energy Limited
Notes forming part of the financial statements

Note 20 Other expenses

	31st March, 2013 ₹	31st March, 2012 ₹
Rent	60,000	-
Insurance	3,042,258	636,992
Rates and taxes	214,524	-
Travelling and conveyance	784,536	-
Legal charges	1,408,150	-
Service connection charges [Refund received ₹ 2,576,575 in respect of earlier years (31st March 2012 - Nil)]	(2,576,575)	5,824,410
Cost of services	29,409,325	2,471,920
Other operation expenses	3,204,281	320,642
Tata Brand Equity [Write back ₹ 213,915 in respect of earlier years(31st March 2012 - Nil)]	(213,915)	213,915
Stamp duty and other expenses	-	13,890,980
Payment to cost auditor	112,360	-
Payment to auditors (Refer details below)	1,000,208	590,090
	36,445,152	23,948,949
Less: capitalised	9,710,966	-
	<u>26,734,186</u>	<u>23,948,949</u>

Payment to auditor comprises (inclusive of service tax):

	31st March, 2013 ₹	31st March, 2012 ₹
As auditors - statutory audit	674,160	561,800
For Tax audit	196,630	-
For other services	129,418	28,290
	<u>1,000,208</u>	<u>590,090</u>

Tata Power Renewable Energy Limited
Notes Forming Part of the Condensed Financial Statements

- 21 No enterprises have been identified as "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006. The aforesaid identification has been done on the basis of information, to the extent provided by the vendors to the Company. This has been relied upon by the Auditors.
- 22 As at 31st March 2013, the Company has received an amount of ₹ 357,770,450 towards share application money from the holding company (As at 31st March 2012- Nil). The Company has sufficient authorized share capital to cover the allotment of shares.
- 23 Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" as notified under the Companies (Accounting Standards) Rules, 2006 is as follows

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

Name of the Related Party	Country of Origin
Holding Company:	
The Tata Power Company Limited (TPCL)	India
Fellow Subsidiaries (where transactions have taken place)	
Industrial Energy Limited (IEL)	India
Tata Power Solar Systems Limited (with effect from 28th June 2012)	India

(b) Details of Transactions / Balances Outstanding:

Particulars	Amount in ₹		
	The Tata Power Company Limited	Industrial Energy Limited	Tata Power Solar Systems Limited
Purchase of fixed assets	-	-	3,071,252
			2,160,538,352
Receiving of services	30,091,244	-	-
	21,700,000	-	-
Guarantees given on behalf of TPREL	1,361,000,000	-	-
	3,084,930,000	-	-
Guarantees matured	166,400,000	-	-
	126,000,000	-	-
Interest expenditure	105,982,285	-	-
	36,136,191	3,732,268	-
Subordinate loan received	-	-	-
	712,500,000	-	-
Inter Corporate Deposits accepted	587,641,458	-	-
	-	385,000,000	-
Inter Corporate Deposits refunded	87,500,000	-	-
	-	385,000,000	-
Equity Contribution (Including Share Application Money pending for allotment)	574,260,450	-	-
	289,600,000	-	-
Balance outstanding			
Loans received ((Including interest of ₹ 12,642,205) 31st March 2012 ₹ 31,309,851)	1,339,063,615	-	-
	743,809,861	-	-
Other payables	19,006,968	-	2,602,128
	17,807,338	-	202,105,853
Guarantees given on behalf of TPREL	4,054,530,000	-	-
	2,859,930,000	-	-

Note: Previous year's figures are in Italic

- 24 Capital commitment not provided for are estimated at ₹ 4,997,463,212 (31st March, 2012 ₹ 304,25,99,981)

26 Earnings per Share:

	31st March, 2013	31st March, 2012
Basic		
Net profit for the year attributable to equity shareholders (₹)	11,145,801	9,530,588
The Weighted Average Number of Equity Shares for Basic EPS (nos)	40,108,110	15,754,945
Par value per equity share (₹)	10.00	10.00
Basic Earnings Per Share (₹)	0.28	0.60
Diluted		
Net profit for the year attributable to equity shareholders (₹)	11,145,801	9,530,588
Add: Interest expense on secured loans and Compulsorily Convertible Debentures debited to Statement of Profit & Loss (₹)	273,368,817	40,222,603
Profit attributable to equity shareholders on dilution (₹)	284,514,618	49,753,191
The weighted average number of equity shares for Basic EPS (Nos)	40,108,110	15,754,945
Add: Effect of potential equity shares on conversion of secured loans and compulsorily convertible debentures and share application money pending allotment (Nos)	285,217,045	57,469,262
The weighted average number of equity shares for Diluted EPS (nos)	325,325,155	73,224,207
Par value per equity share (₹)	10.00	10.00
Diluted Earnings Per Share (₹) - Anti Dilutive for the year ended 31st March, 2013 and 31st March 2012	0.87	0.68
Diluted earnings per share restricted to basic Earning Per Share (₹)	0.28	0.60

26 Segment reporting:

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

27 Previous year's figures have been regrouped / reclassified, wherever necessary to correspond with the current year's classification / disclosure. The company has commenced its commercial operations from 25th January, 2012 and accordingly the figures for the previous year are not comparable.

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