

**TATA POWER SOLAR SYSTEMS LIMITED**

**TATA POWER SOLAR SYSTEMS LIMITED**

**DIRECTORS' REPORT**

**TO THE MEMBERS,**

The Directors hereby submit the Twenty Fourth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2013.

**1. FINANCIAL RESULTS**

Sl. No.	Particulars	Rs. In Cr.	
		For the year 2012-13	For the year 2011-12
1.	Revenue from Operations	504.97	932.69
2.	Total Operating and other expenses	547.27	886.72
3.	<b>Operating Profit</b>	(42.30)	45.97
4.	Add: Other Income	5.50	5.64
5.	Profit before Interest, Depreciation and Tax	(36.80)	51.61
6.	Less : Interest	25.34	30.31
7.	Profit before Depreciation	(62.14)	21.30
8.	Less: Depreciation	48.51	49.02
9.	<b>Profit before Tax</b>	(110.65)	(27.72)
10.	Less: Provision for Taxation	(27.93)	(9.14)
11.	<b>Profit after Tax</b>	(82.72)	(18.58)
12.	Balance brought forward from previous year	103.06	146.01
13.	Amount available for appropriation	20.34	127.43
14.	Appropriations :		
	Proposed Preference Dividend		1.22
	Tax on preference Dividend		0.20
	Proposed Equity Dividend		
	Tax on Equity Dividend		
	General Reserve		
	Capital Redemption Reserve		22.95
15.	Balance carried forward	20.34	103.06

**2. GENERAL OVERVIEW**

The year under review had major challenges – both externally and internally. Some of the major events during the year include:

- Huge reduction in the prices of wafers, cell and modules
- Large Project business not picking up as expected
- Mismatch in demand v/s supply of products
- Continued dumping of modules by China, Taiwan etc., at very low prices
- Inverted Duty structure continuing making domestic manufacturing expensive compared to imports

However the company has concrete plans to improve the performance in 13-14. Some of the steps taken by the company which will bear fruits in 13-14 include:

- Advocacy on anti-dumping
- Advocacy on inverted duty structure
- EU taking steps for anti-dumping of Chinese and Taiwanese modules
- Tamil Nadu and Andhra having announced Large Projects development in 13-14, Company has strengthened the EPC capabilities.
- Reorganization of the Company to meet customer expectations
- Major actions taken for cost reduction in various activities including cell and module manufacturing
- Effective steps taken to convince the Government on domestic content for Solar Programmes of National Solar Missions. It is expected that Government will announce the next phase of National Solar Mission in May 2013 which will have domestic content of cell and module manufacturing.

### **3. FINANCIAL HIGHLIGHTS**

During the year, there has been drop in the turnover of the Company by 45% to Rs.505 Cr.(2011-12 – 933 Cr). Loss before tax was at Rs.111 Cr. (2011-12 – Loss of Rs.28 Cr.) Loss after tax was at Rs.83 Cr. (2011-12 – Loss of Rs.19 Cr.) During the year 2012-13, exports accounted for Rs.34 Cr. (2011-12 - Rs.42 Cr.).

### **4. MARKET SCENARIO**

Overall Revenue short fall was largely driven by lower project (Large Grid Projects) business. Apart from this there was almost 4 months delay in start of subsidy driven roof-top projects under Off Grid in Industrial Segment which impacted revenue for the year 2012-13.

Added to this during the year, the price realization for modules further came down due to competition from China. While there was reduction in major raw material prices like wafers and cells this was not good enough to compete with the Chinese Module Price. This resulted in the underutilization of the cell & module plant facility resulting to loss during the year.

### **5. DIVIDEND**

Since there was loss during the year, no dividend on equity and preference share was declared for the year ended 31<sup>st</sup> March 2013

## 6. OPERATIONS

The production of Solar Cells was 22058 KW in 2012-13 as against 22538 KW in 2011 – 2012 resulting in 29% capacity utilization.

The production of Solar Modules in 2012-2013 was 30957 KW as against 55977 KW in 2011 – 2012 bringing down the utilization of the plant from 56% in 2011-12 to 31% in 2012-13.

## 7. HEALTH, SAFETY, SECURITY AND ENVIRONMENT

- The Company continues to follow the policy of HSSE as an integral part of the work culture.
- The Company has been able to sustain and improve HSSE performance through continued focus on Total Employee Involvement and Coaching & Mentoring. During 2012–13, special focus was given to Integrity Management and Control of Work standards implementation.
- The company continued its focus on Project HSSE Review (pHSSEr) for execution of customer projects at various sites.

## 8. ENVIRONMENT PROTECTION

The Company continued its drive for improving the environmental performance by adopting '3R concept' (Reduce, Reuse and Recycle).

- Energy conservation projects initiated in various units
- Waste reduction measures continued across the company.

## 9. HUMAN RESOURCES

Based on the Competency Mapping Exercise done earlier, the Company continued training & development initiative to achieve strategic organization objectives and meeting individual aspirations. Major reorganization of executives was done during the year by strengthening customer facing functions.

The relation with all the Employees including employees of Bargaining Category has been very cordial.

## 10. FINANCE

During the year the interest cost was Rs25.3 Cr. (2011-12 – Rs.30.3 Cr.). Interest cost includes Rs.21.5Cr. towards long term loan and Rs.3.8 Cr. towards working capital borrowing. (2011-12 Rs.20.8 Cr. towards long term loan and Rs.9.5Cr. towards working capital borrowing). Company also earned interest of Rs.5.4 Cr. during 2012-13 from short term deposits. (2011-12 Rs.4.5Cr.) Company capitalized interest of Rs.0.74 cr. on capitalization of Cell Lines 4-6.

Company has a defined forex management policy. Company adhered to the policy guidelines on the forex exposure coverage. Company booked a net forex loss of Rs.0.21cr for the year 2012-13. This was mainly on account of forex loss of Rs.1.23 Cr on account of re-instatement of the exposure as of year end.

On Cash flow front, company did well with cash inflow from operations to the tune of Rs. 80.00 crores (2011-12: Rs. 100.61 crores). This is inspite of having higher level of losses. This has been mainly achieved by better working capital management. Further the Company could pay up all working capital borrowings and as at year end the short term borrowing for operations stood at nil (2011-12: Rs. 93.40 crores).

## 11. GROSS BLOCK

The Gross Block as at 31<sup>st</sup> March 2013 stood at Rs.586.50Cr. (31<sup>st</sup> March 2012: Rs.458.71 Cr.) with additions of Rs. 134.95 Cr. during the year (2011 - 2012: Rs. 7.82 Cr. The major addition of Rs.132.60 Cr. during the year is mainly on account of capitalization of Cell Lines 4-6 of 96 MW in March 2013.

## 12. INCOME TAX

Due to the business loss, there is no Income tax payable by the company.

## 13. DIRECTORS

Mr Prasad Menon was appointed as the Chairman.  
Mr Prasad Menon, Mr Anil Sardana and S Ramakrishnan were reappointed as Directors of the Company during the year.

#### 14. SHARE CAPITAL

Post announcement of buying 51% of equity held by BP Alternative Energy Holdings Limited by Tata Power on 27<sup>th</sup> December 2011, Tata Power obtained the approval from The Competition Commission in February 2012. On completion of all other related formalities and procedures Tata Power concluded the deal of buying out the 51% holding on 28<sup>th</sup> June 2012. With this Tata Power Solar Systems Limited became 100% subsidiary of Tata Power Company Limited.

Subsequently Tata BP Solar applied to ROC for change of name and got approval on 29<sup>th</sup> August 2012 to be re-named as "Tata Power Solar Systems Limited"

#### 15. CORPORATE GOVERNANCE

##### (a) Remuneration to Mr.K Subramanya, CEO- Manager under Companies Act, 1956

During the year 2012-13 CEO Mr. Subramanya resigned from the Company effective 2-May-2012. Accordingly the salary paid for 2012-13 was for a proportionate period from 1st April 2012 till 2<sup>nd</sup> May 2012. The Remuneration Committee, Board and Shareholders approved the following remuneration for the year 2012-13. The details are as under:

Sl.No	Particulars	2012-13 (1-04-2012 to 2-05-2012) (Rs.)	2011-12 (Rs.)
1	Basic Salary	286,628	2,991,744
2	Allowance (70% of (1))	200,640	2,094,221
3	Guaranteed cash (1+2)	487,268	5,085,965
4	Car expenses	54,899	1,069,000
5	Company's contribution to Provident Fund and other Funds – 31.81% of salary	91,176	951,674
6	VPP	-	1,500,000
7	Leave Encashment	897,523	241,002
8	<b>Total CTC (3+4+5+6)</b>	<b>1,530,866</b>	<b>8,847,641</b>
9	One time Ex-Gratia	2,500,000	
10	<b>Total Salary</b>	<b>4,030,866</b>	<b>8,847,641</b>
11	<b>Salary for Companies Act Compliance</b>		
A	Salary of Subramanya for the purpose of Schedule XIII (excludes Retirals)	39,39,710	7,895,967
B	Salary limit as per Schedule XIII	420,822	4,800,000

(b) During the year 2012-13 Mr. Ajay Goel joined the Company as Chief Executive Officer with effect from 6-August-2012. Accordingly the salary paid for 2012-13 was for a proportionate period from 6<sup>th</sup> August 2012 till 31<sup>st</sup> March 2013. The Remuneration Committee, Board and Shareholders approved the following remuneration for the year 2012-13. The details are as under:

Sl.No	Particulars	2012-13 (6-08-2012 to 31-03-2013) (Rs.)
1	Basic Salary	48,90,411
2	Allowance (70% of (1))	34,23,288
3	Guaranteed cash (1+2)	83,13,699
4	Car expenses	7,71,631
5	Company's contribution to Provident Fund and other Funds – 31.81% of salary	15,55,640
6	VPP	-
7	Leave Encashment	-
8	<b>Total CTC (3+4+5+6+7)</b>	<b>1,06,40,970</b>
9	<b>One time sing in bonus</b>	<b>20,00,000</b>
10	<b>Total Salary (8+9)</b>	<b>1,26,40,970</b>
11	<b>Salary for Companies Act Compliance</b>	<b>1,26,40,970</b>
A	Salary of Ajay Goel for the purpose of Schedule XIII (excludes Retirals)	1,10,85,330
B	Salary limit as per Schedule XIII	31,29,863

**b) Commission and Sitting Fees to Directors**

An amount of Rs.285,000 was given as sitting fees for 2012-13. (2011-12 : Rs.345,000). No commission was given to directors for the year 2012-13 (2011-12 : Nil)

**17. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that—

- In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements 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 financial year and of the profit of the Company for that year;
- 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- They have prepared the annual accounts on a going concern basis.

#### 18. PARTICULARS OF EMPLOYEES

The information to be given in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is attached herewith and forms an integral part of this Report.

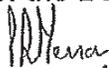
#### 19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are given in the Annexure to this Report.

#### 20. AUDITORS

At the Annual General Meeting, the Members are requested to appoint Auditors for the current year and to fix remuneration. M/s. Deloitte Haskins & Sells., Chartered Accountants, the present auditors, have, under Section 224 (1) of the Companies Act, 1956, furnished a Certificate of their eligibility for reappointment. Attention of the Members is invited to Item No. 2 of the Notice convening the Annual General Meeting

On behalf of the Board of Directors



CHAIRMAN

MUMBAI , Dated 22<sup>nd</sup> April 2013

## TATA POWER SOLAR SYSTEMS LIMITED

### ANNEXURE TO DIRECTORS' REPORT

The details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as under:

#### A. CONSERVATION OF ENERGY

##### a) Energy conservation measures taken:

The measures for conservation of energy have been taken into consideration at the planning stage itself and efforts for conservation of energy are made on a continuous basis. The Company has installed its own Solar Campus Lights, Solar Garden Lights, Solar Studs, Solar Water Pumps, Solar Operated Gates, BIPV modules, Solar Flashers etc., in its premises. Moreover, the Company manufactures Solar Cells, Solar Photovoltaic Modules and Systems and Solar Water Heating Systems. Through the sale of Photovoltaic Systems which operate on solar energy, the Company has helped the country to save 69,000 MWH p.a of conventional energy.

##### (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

It is proposed to install additional Solar Modules and Systems for in-house generation of electricity.

##### (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and the consequent impact on cost of production of goods:

The measures for reduction of energy consumption undertaken by the Company have resulted in direct energy savings.

(d) Total Energy consumption per unit of Production :

i. Power and Fuel consumption

	2012-2013	2011-2012
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
Units (Nos.)	12,614,698	11,297,032
Total Amount (Rs.)	77,837,672	67,614,931
Rate/Unit (Rs.)	6.17	5.99
<b>(b) Own generation</b>		
<b>(i) Through diesel generator</b>		
Units (Nos.)	211022	194,554
Units per ltr of diesel oil (Nos.)	3	2.42
Cost/Unit (Rs.)	16	18.8
<b>(ii) Through steam turbine/generator</b>		
Units	Nil	Nil
Units per ltr of fuel oil/gas		
Cost/Unit		
<b>(c) Coal (specify quality and where used)</b>	Nil	Nil
Quantity (tonnes)		
Total Cost		
Average rate		
<b>d) Furnace Oil</b>	Nil	Nil
Quantity (K. Ltrs)		
Total amount		
Average rate		
<b>e) Others / Internal generation</b>	Nil	Nil
Quantity		
Total cost		
Rate/Unit		

## II. Consumption per unit of production

	Standards (if any)	2012-2013	2011-2012
Products (with details) Unit	None	Solar Photovoltaic Modules & Systems	Solar Photovoltaic Modules & Systems
		Solar Cells	Solar Cells
Electricity	-	0.41Units/Watt	0.21Units/Watt
Furnace	-		-
Coal (specify quality)	-	-	-
Others (specify)		-	

### (iii) Expenditure on R & D:

	Rs. Cr.
a. Capital	-
b. Recurring (Revenue)	0.44
c. Total	
d. Total R & D expenditure as a percentage of total turnover	0.09%

## B. TECHNOLOGY ABSORPTION

### (i) Research and Development (R & D):

During the year, the following Product Developments were completed:-

- a) Large Projects: Inverter ratings upgraded from 500 to 630kW; DC:AC ratio up to 15% implemented (this optimizes the AC evacuation cost); new type of structure and foundation developed in partnership with Tata International (TIL) and executed successfully bringing in cost reduction and speed of execution; new partner for SCADA (Inaccess) identified and projects executed ; pre-engineered buildings introduced into the offer and accepted by clients.
- b) Industrial Solution: 20% cost reduction achieved from the previous year base through frugal design approach: revised purlin based structure design, inverter negotiation, cable optimization and changeover to AI, DC:AC ratio implementation, elimination of junction boxes, cost reduction in Installation and Commissioning.

- c) Small Inverters: 100VA size solar inverters developed and installed successfully in TEDA (TN) project. Supply chain established. Following this project 1kVA solar inverters also developed with two suppliers and launched successfully in ANERT (Kerala) project.
- d) Optimizers: In partnership with Cirel, TPS is developing a new product called "I-opt" which will improve energy harvest from a given solar array. This has now reached pilot testing phase.  
Also, in partnership with navsemi, TPS developed decentralized MPPT solution for battery based (off-grid) application and implemented in one pilot project.

**(ii) Benefits derived as a result of the above R & D :**

The R & D efforts have resulted in expansion of Company's product range, improving cost position and consequently potential access to new market segments.

**(iii) Future Plan of Action :**

- a) Competitive edge in Large projects:
  - Upgrade inverter ratings to 1000kW in large projects which will drive down AC evacuation costs. Already being implemented.
  - Cost reduction in structures by using special (thinner) sections
  - Block evacuation through conventional outdoor transformer system to drive cost reduction
- b) Commercialise inverter range 100VA to 1000VA in household solar power packs and similar applications.
- c) Implement optimizer solution for telecom package and rooftops

**(iv) Information regarding imported technology:**

- (a) Technology : -
- (b) Year of import : -
- (c) Has technology been fully absorbed : -
- (d) If not fully absorbed, areas where this has not taken place reason therefore and future plans : -

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The foreign exchange of the Company earnings during the year were Rs. 343,618,447 (2011-12 - Rs.423,993,416), and were mainly contributed by export of products

The foreign exchange outflow during the year was Rs. 3,698,013,472 this includes ECB Loan of Rs.1,921,199,240 paid (2011-12 - Rs. 4,751,926,391), and was mainly an account of purchase of imported raw materials.

On behalf of the Board of Directors



CHAIRMAN

MUMBAI , Dated 22<sup>nd</sup> April 2013

Information as per section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2013.

A. Employed throughout the financial year under review and were in receipt of remuneration for the financial year in aggregate of not less than Rs. 6,000,000/-

Sl. no.	Name	Age (Yrs)	Designation	Remuneration	Experience (Years)	Date of commencement of Employment	Last Employment held & Designation
1	D Guru	52	Chief Financial Officer & Company Secretary	85,75,353	26	06-Apr-92	Bharat Electronics Ltd. Assistant Manager
2	Keshav Prasad	51	Executive Vice President Operations, Expansion Project & HSSE	64,39,497	28	01-Apr-90	Vikram Sarabhai Space Centre ISRO Scientist
3	Prakash P Suratkar	52	GM-Cell & Module Technology and Process Engineering	60,17,883	28	12-May-08	Infineon Technologies India (P) Ltd. Senior Manager

B. Employed for part of the financial year under review and were in receipt of remuneration for any part of the financial year at the rate which in aggregate was not less than Rs.500,000 per month

Sl. no.	Name	Age (Yrs)	Designation	Remuneration	Experience (Years)	Date of commencement of Employment	Last Employment held & Designation
1	K Subramanya	60	Manager & Chief Executive Officer	49,02,124	35	01-Apr-90	Tata International Ltd. Deputy Manager
2	Ajay Goel	44	Manager & Chief Executive Officer	1,11,21,171	22	06-Aug-12	Sun Edison- VP (Business development, Strategic Sourcing and Product Operations)

**Notes:**

1. The remuneration shown above is subject to tax and comprises salary, allowances, premature retirement, monetary value of perquisites as per income-tax rules and Company's contribution to Provident and Superannuation Funds.
2. In addition to the above remuneration, these employees are also entitled to Medical and Health Insurance benefits, etc., in accordance with the Company's rules. Gratuity is payable to some employees as per the rules of the Company.
3. All the employees have adequate experience to discharge the responsibilities assigned to them.
4. The nature of employment in all cases is contractual.
5. None of the employees mentioned above is a relative of any the Directors of the Company

On behalf of the Board of Directors



CHAIRMAN

MUMBAI, Dated 22<sup>nd</sup> April 2013

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF TATA POWER SOLAR SYSTEMS LIMITED (FORMERLY TATA BP SOLAR INDIA LIMITED)

#### Report on the Financial Statements

We have audited the accompanying financial statements of **TATA POWER SOLAR SYSTEMS LIMITED (Formerly TATA BP SOLAR INDIA LIMITED)** ("the Company"), which comprise the Balance Sheet as at March 31, 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"). This responsibility includes the design, implementation and maintenance of internal control 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 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 control 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.

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**Opinion**

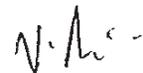
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss 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 March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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. 008072S)



**V. Balaji**  
Partner

(Membership No. 203685)

MUMBAI, April 22, 2013  
VB/JST/PJ/MAR2013

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

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

- i. Having regard to the nature of the Company's business/activities, clauses iii (b) to (d), iii(f), iii(g), v, vi, ix(b), xii, xiii, xiv, xix and xx of CARO are not applicable.
- ii. 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.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii. 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.
- iv. 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.
- v. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of 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.

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## Deloitte Haskins & Sells

- vi. In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- vii. 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.
- viii. According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it with the appropriate authorities during the year.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.
- ix. In our opinion and according to the information and explanations given to us, the Company does not have accumulated losses at the end of the financial year and the Company has incurred cash losses only in the current financial year but not in the immediately preceding financial year.
- x. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- xi. In our opinion and 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.
- xii. 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.
- xiii. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- xiv. 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 Act.

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**Deloitte  
Haskins & Sells**

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

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 008072S)



**V. Balaji**  
Partner  
(Membership No. 203685)

**MUMBAI**, April 22, 2013  
VB/JST/PJ/MAR2013



TATA POWER SOLAR SYSTEMS LIMITED  
(FORMERLY TATA BP SOLAR INDIA LIMITED)  
BALANCE SHEET AS AT 31ST MARCH 2013

	Note No.	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
<b>A EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	3	898,256,700	898,256,700
(b) Reserves & Surplus	4	2,366,108,043	3,193,304,101
		3,264,364,743	4,091,560,801
<b>2 NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	5	1,239,062,500	719,950,000
(b) Deferred tax liabilities (net)	40 i	-	279,300,000
(c) Other long-term liabilities	6	63,246,675	46,729,296
(d) Long-term provisions	7	221,831,411	141,790,434
		1,524,140,586	1,187,769,730
<b>3 CURRENT LIABILITIES</b>			
(a) Short-term borrowings	8	-	934,011,296
(b) Trade payables	9	1,643,527,478	1,084,819,422
(c) Other current liabilities	10	1,318,119,052	1,885,848,580
(d) Short-term provisions	11	75,933,820	287,173,489
		3,037,580,350	4,191,852,787
<b>TOTAL</b>		<b>7,826,085,679</b>	<b>9,471,183,318</b>
<b>B ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	12.A.	3,524,327,270	2,660,225,010
(ii) Intangible assets	12.B.	1,756,221	3,073,293
(iii) Capital work-in-progress		-	1,314,588,626
		3,526,083,491	3,977,886,929
(b) Long-term loans and advances	13	271,876,462	215,682,227
(c) Other non-current assets	14	82,208,332	12,792,696
		3,880,168,285	4,206,361,852
<b>2 CURRENT ASSETS</b>			
(a) Inventories	15	1,007,972,908	1,223,600,625
(b) Trade receivables	16	1,773,235,329	2,097,831,019
(c) Cash and cash equivalents	17	1,046,906,545	890,063,719
(d) Short-term loans and advances	18	87,767,948	141,190,924
(e) Other current assets	19	30,034,664	912,135,179
		3,945,917,394	5,264,821,466
<b>TOTAL</b>		<b>7,826,085,679</b>	<b>9,471,183,318</b>

See accompanying notes forming part of the financial statements

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

V. BALAJI  
PARTNER



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

DIRECTOR

AJA KUMAR GOEL  
MANAGER & CHIEF  
EXECUTIVE OFFICER

DIRECTOR

D. GURU  
CHIEF FINANCIAL OFFICER  
COMPANY SECRETARY

Place: MUMBAI  
Date: APRIL 22, 2013

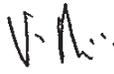
Place: MUMBAI  
Date: 22nd APRIL 2013.

**TATA POWER SOLAR SYSTEMS LIMITED**  
**(FORMERLY TATA BP SOLAR INDIA LIMITED)**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

	Note No.	For the Year ended 31-Mar-13 Rs.	For the Year ended 31-Mar-12 Rs.
1 Revenue from operations (gross)		5,051,322,753	9,327,839,418
Less: Excise duty		1,597,903	929,028
Revenue from operations (net)	20	5,049,724,850	9,326,910,390
2 Other income	21	54,954,885	56,408,607
<b>3 TOTAL REVENUE (1+2)</b>		<b>5,104,679,735</b>	<b>9,383,318,997</b>
4 Expenses			
(a) Cost of materials consumed	22.A	4,045,400,230	7,089,160,866
(b) Changes in inventories of finished goods and work-in-progress	22.B	(53,007,912)	308,998,206
(c) Employee benefits expense	23	455,661,508	427,469,995
(d) Finance costs	24	253,373,092	303,142,429
(e) Depreciation and amortisation expense	12	485,126,529	490,240,910
(f) Other expenses	25	955,135,124	1,041,549,745
<b>TOTAL EXPENSES</b>		<b>6,141,688,571</b>	<b>9,660,562,151</b>
<b>5 PROFIT / (LOSS) BEFORE TAX (3 - 4)</b>		<b>(1,037,008,836)</b>	<b>(277,243,154)</b>
6 <b>EXCEPTIONAL ITEMS</b> Exceptional items (Refer Note 42)		69,487,222	
<b>7 PROFIT / (LOSS) BEFORE TAX (5 - 6)</b>		<b>(1,106,496,058)</b>	<b>(277,243,154)</b>
8 <b>TAX EXPENSE:</b>			
(a) Current tax expense for current year		(279,300,000)	(91,400,000)
(b) Deferred tax		(279,300,000)	(91,400,000)
<b>9 PROFIT / (LOSS) FOR THE YEAR (7 - 8)</b>		<b>(827,196,058)</b>	<b>(185,843,154)</b>
9.i Earnings Per share ( Equity Share par value Rs 100 each) Basic & Diluted [ Refer Note 39]		(125.45)	(31.89)
9.ii Weighted Average number of Equity Shares used in computation of Basic & 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

  
**V. BALAJI**  
PARTNER



Place: **MUMBAI**  
Date: **APRIL 22, 2013**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

  
DIRECTOR  
**AJAY KUMAR GOEL**  
MANAGER & CHIEF  
EXECUTIVE OFFICER

  
DIRECTOR  
**D. GURU**  
CHIEF FINANCIAL OFFICER &  
COMPANY SECRETARY

Place: **MUMBAI**  
Date: **22<sup>nd</sup> APRIL 2013.**

**TATA POWER SOLAR SYSTEMS LIMITED**  
**(FORMERLY TATA BP SOLAR INDIA LIMITED)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

Particulars	For the Year ended 31-Mar-13		For the Year ended 31-Mar-12	
	Rs.		Rs.	
<b>A. Cash Flow from Operating Activities</b>				
Profit/(Loss) before Tax for the year		(1,106,496,058)		(277,243,154)
<b>Adjustments for:</b>				
Depreciation and amortisation expense	485,126,529		490,240,910	
Interest income	(54,219,162)		(48,929,005)	
Finance costs	253,373,092		303,142,429	
Loss/(Profit) on Sale of Asset	1,377,987		(1,162,418)	
Unrealised Foreign Exchange (Gain) / Loss (Net)	(12,235,083)		10,217,263	
Provision for doubtful trade and other receivables, loans and advances (Net)	41,048,620		67,628,878	
Provision for contingencies	(200,000,000)		-	
Loss on Insurance	142,148,482		-	
Realised Foreign Exchange (Gain)/Loss on loan repayment/SWAP	127,338,740		-	
Provision for warranty (net)	69,488,871	853,448,076	51,360,372	872,498,429
Operating profit / (loss) before working capital changes		(253,047,982)		595,255,275
<b>Changes in working capital:</b>				
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Inventories	215,627,717		1,228,446,722	
Trade receivables	221,800,025		(785,829,151)	
Short-term loans and advances	53,422,982		87,609,867	
Long-term loans and advances	(14,651,139)		(11,186,827)	
Other current assets	(1,721,682)	474,477,903	2,269,219	521,309,830
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
Trade payables	563,212,265		(6,605,910)	
Other current liabilities	41,126,101		(33,509,238)	
Other long-term liabilities	16,517,379		10,718,050	
Short-term provisions	(52,239,669)		17,180,176	
Long-term provisions	51,552,106	620,168,182	-	(12,216,922)
Cash Inflow/(Outflow) from operations		841,598,103		1,104,348,183
Income Tax (payments) / refunds - Net		(41,543,096)		(98,248,940)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>800,055,007</b>		<b>1,006,099,243</b>
<b>B. Cash Flow from Investment Activities</b>				
Capital expenditure on fixed assets, including capital advances		(43,214,577)		(66,993,854)
Proceeds from Sale of Fixed Asset		188,905		4,279,015
Interest received on deposits		53,290,999		43,759,712
Proceeds from Insurance on assets destroyed (Refer Note 42)		527,555,878		-
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>537,821,205</b>		<b>(18,955,127)</b>
<b>C. Cash Flow from Financial Activities</b>				
Redemption of Preference Share Capital		-		(229,500,000)
Proceeds from Long Term Borrowing		1,525,000,000		-
Repayment of Long Term Borrowings		(1,518,648,998)		(207,589,460)
Net increase/(decrease) in working capital borrowings		(934,011,296)		61,975,829
Finance cost [Gross of interest capitalised Rs. 7,355,674 (P Y: Rs.Nil)]		(253,373,092)		(235,036,605)
Dividends paid and Tax on dividend		-		(124,638,183)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(1,181,033,386)</b>		<b>(734,788,419)</b>
<b>D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>156,842,826</b>		<b>252,355,697</b>
F. Cash and cash equivalents as at the beginning of the year		890,063,719		637,708,022
<b>G. Cash and cash equivalents as at the end of the year</b> (Refer Note No. 17 for details of cash and cash equivalents)		<b>1,046,906,545</b>		<b>890,063,719</b>
See accompanying notes forming part of the financial statements				

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

V. BALAJI  
PARTNER



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

*AN Hena*  
DIRECTOR  
AJAY KUMAR GOEL  
MANAGER & CHIEF  
EXECUTIVE OFFICER

*JR*  
DIRECTOR  
D. GURU  
CHIEF FINANCIAL OFFICER &  
COMPANY SECRETARY

Place: MUMBAI  
Date: APRIL 22, 2013

Place: MUMBAI  
Date: 22nd APRIL 2013

**TATA POWER SOLAR SYSTEMS LIMITED  
(FORMERLY TATA BP SOLAR INDIA LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**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 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 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.

**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  
(FORMERLY TATA BP SOLAR INDIA LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**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 commissioning of the project.

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**

Depreciation has been provided on the straight-line method at the rate of depreciation based on the useful life of the assets, as estimated by the management, which is summarized below :-

	Rate of Depreciation on assets as at 31-Mar-08 On Straight Line Method	Rate of Depreciation on additions from 01-Apr-08 On Straight Line Method
<b>Tangible Assets</b>		
Office Equipment	20.00%	20.00%
Computers	33.33%	33.33%
Furniture and Fixtures	10.00%	20.00%
Vehicles	20.00%	25.00%
Plant & Machinery	10.34%	14.29%
Building	3.34%	3.34%
Fully Depreciating Value of Assets :	Less than Rs.5000	Less than Rs.225,000

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

**Intangible Assets**

Technical Know-how	25.00%	Fully charge off
Software	33.33%	33.33%

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.



**TATA POWER SOLAR SYSTEMS LIMITED  
(FORMERLY TATA BP SOLAR INDIA LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**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 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.

**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.

Service income is recognised as per terms of the contract.

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 recognised 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:**

Discounts/Premium 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.

**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



**TATA POWER SOLAR SYSTEMS LIMITED  
(FORMERLY TATA BP SOLAR INDIA LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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.

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 is added to the cost of the assets. 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.



**TATA POWER SOLAR SYSTEMS LIMITED  
(FORMERLY TATA BP SOLAR INDIA LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**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 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 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 other than unabsorbed depreciation and carry forward business 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, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize 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 equity shares are determined independently for each period presented. The number of equity shares and



**TATA POWER SOLAR SYSTEMS LIMITED  
(FORMERLY TATA BP SOLAR INDIA LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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 financials 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. Operating Cycle**

Based in the nature of the products/activities of the company and the normal time between acquisition of assets and the their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



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	As at 31-Mar-13		As at 31-Mar-12	
	Number of Shares	Rs.	Number of Shares	Rs.
<b>NOTE 3 :</b>				
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
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
<b>ISSUED, SUBSCRIBED, CALLED UP AND FULLY PAID-UP</b>				
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	2,205,000	220,500,000	2,205,000	220,500,000
	8,982,567	898,256,700	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	Bonus	Buy back / Redemption	Closing Balance
<b>Equity shares with voting rights</b>					
Period ended 31 March, 2013					
- Number of shares	6,777,567	-	-	-	6,777,567
- Amount (Rs.)	677,756,700	-	-	-	677,756,700
Year ended 31 March, 2012					
- Number of shares	6,777,567	-	-	-	6,777,567
- Amount (Rs.)	677,756,700	-	-	-	677,756,700
<b>Redeemable Cumulative Non-Convertible Preference Shares</b>					
Period ended 31 March, 2013					
- Number of shares	2,205,000	-	-	-	2,205,000
- Amount (Rs.)	220,500,000	-	-	-	220,500,000
Year ended 31 March, 2012					
- Number of shares	4,500,000	-	-	(2,295,000)	2,205,000
- Amount (Rs.)	450,000,000	-	-	(229,500,000)	220,500,000

(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 19th July 2016, which ever is earlier.

(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, 2013 and for the period 20 July, 2011 to 31st March, 2013 was Rs. 39,177,809/- and Rs. 23,064,355/-, respectively. This amount has been considered in determining the earnings per share.

**Equity Shares:**

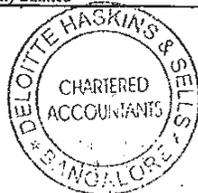
The Company has only one class of Equity Share, having a par value of Rs. 100/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution 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	
<b>As at 31 March, 2013</b>		
The Tata Power Company Limited and its nominees	6,777,567	2,205,000
<b>As at 31 March, 2012</b>		
BP Alternative Energy Holdings Limited, the holding company	3,456,567	-

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

Class of shares / Name of shareholder	As at 31-Mar-13		As at 31-Mar-12	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
BP Alternative Energy Holdings Limited	-	0%	3,456,567	51%
Tata Power Company Limited and its nominees	6,777,567	100%	3,321,000	49%
<b>Redeemable preference shares</b>				
BP Alternative Energy Holdings Limited	-	0%	-	0%
Tata Power Company Limited	2,205,000	100%	2,205,000	100%



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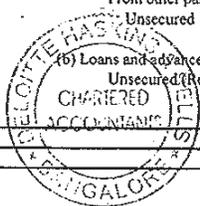
	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.	
<b>NOTE 4 RESERVES AND SURPLUS</b>			
(a) Capital Reserve (State Investment Subsidy)	1,014,000	1,014,000	
(b) Capital redemption reserve			
Opening balance	229,500,000	-	
Add: Additions during the year			
Transferred from Surplus / (Deficit) in Statement of Profit and Loss	-	229,500,000	
Less: Utilised during the year			
Closing balance	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	1,030,581,507	1,460,110,174	
Add: Profit / (Loss) for the year	(827,196,058)	(185,843,154)	
Less: Dividend on preference shares		(12,205,479)	
Tax on dividend		(1,980,034)	
Transferred to:			
General reserve			
Capital redemption reserve		(229,500,000)	
Closing balance	203,385,449	1,030,581,507	
	<b>2,366,108,043</b>	<b>3,193,304,101</b>	
<b>NOTE 5 LONG-TERM BORROWINGS</b>			
(a) Term Loans (Secured)			
From Banks (Refer note (i) below)	1,239,062,500	-	
(b) Term Loans (Unsecured)			
From Banks (Refer note (i) below)			
Term Loan from BNP Paribas Bank (net of foreign currency swap gain Rs. Nil (As at 31 March, 2012 Rs.78,115,000))	-	359,890,000	
Term Loan from CA-CIB (net of foreign currency swap gain Rs.Nil (As at 31 March, 2012 Rs. 77,945,000))	-	360,060,000	
	<b>1,239,062,500</b>	<b>719,950,000</b>	
(i) Details of terms of repayment for the other long-term borrowings :			
Particulars	Terms of Repayment /Security	As at 31-Mar-13	As at 31-Mar-12
		Secured *	Unsecured *
		Rs.	Rs.
<b>Term loans from banks:</b>			
BNP Paribas Bank	BNP Paribas Bank & Calyon Bank The loans are repayable on a half year basis commencing from March 31, 2011 in the following ratio : 1st & 2nd Installment : 5% each 3rd Installment : 10% 4th ,5th ,6th Installment : 15% each 7th (final) Installment : 35%	467,857,000	647,802,000
Calyon Bank	HSBC Bank: The loan is repayable on a quarterly basis for 16 quarters	360,060,000	576,096,000
HSBC Bank	The Company has secured the loan from HSBC against the tangible fixed assets of the Company. Consequently the Company has also secured the loans from BNP Paribas and CA-CIB on a pari-passu charge on such tangible assets. (In the previous year, the loans were unsecured)	1,525,000,000	-
<b>Total - Term loans from banks</b>		<b>2,352,917,000</b>	<b>1,223,898,000</b>
<b>Loans and advances from related parties: (Refer Note 37)</b>			
BP Alternative Energy Holdings Limited	Refer Note 42.2	-	1,205,802,000
<b>Total - Loans and advances from related parties</b>			<b>1,205,802,000</b>
<b>Term loans from other parties:</b>			
Indian Renewable Energy Development Agency Limited	The terms require the amount to be repaid on an annual basis over a period of 10 years, of which one installment is pending as at March 31, 2012.	-	4,573,258
<b>Total - Term loans from other parties</b>			<b>4,573,258</b>
<b>Total - Other loans and advances</b>		<b>2,352,917,000</b>	<b>2,434,273,258</b>

\* Includes the current maturities of long-term borrowings, amounting to Rs.1,113,854,500/- ( March 31, 2012 : Rs. 1,714,323,258/-) refer item (a) in Note 10 Other current liabilities.



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	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.	
<b>NOTE 6</b>			
<b>OTHER LONG-TERM LIABILITIES</b>			
(a) Provision for employee benefits:			
(i) Provision for gratuity (net) [Funded liability] (Refer Note 34.b)	63,246,675	46,729,296	
	<b>63,246,675</b>	<b>46,729,296</b>	
<b>NOTE 7</b>			
<b>LONG-TERM PROVISIONS</b>			
(a) Provision for employee benefits:			
(i) Provision for Retirement benefit plans (net) (Refer Note 34.b)	37,713,290	16,513,200	
(ii) Provision for Compensated Absences (net) (Refer Note 34.c)	30,352,016	-	
(b) Provision - Others:			
(i) Provision for tax [net of advance tax Rs. 485,492,151 (As at 31 March, 2012 Rs. 485,492,151)]	46,500,559	46,500,559	
(ii) Provision for warranty. (Refer Note 41(i))	107,265,546	78,776,675	
<b>Total</b>	<b>221,831,411</b>	<b>141,790,434</b>	
<b>NOTE 8</b>			
<b>SHORT-TERM BORROWINGS</b>			
(b) Loans repayable on demand			
From banks			
Secured	-	934,011,296	
(Refer Note (i) below)	-	<b>934,011,296</b>	
Note:			
(i) Details of security for the secured short-term borrowings:			
Particulars	Nature of security	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
Loans repayable on demand from banks:			
State Bank of India	Secured through a pari passu charge through hypothecation of stores, raw materials, work in progress, finished goods and book debts	-	934,011,296
<b>Total - from banks</b>		-	<b>934,011,296</b>
<b>NOTE 9</b>			
<b>TRADE PAYABLES</b>			
Trade payables:			
Acceptances	84,345,977	124,438,399	
Other than Acceptances	1,559,181,501	960,381,023	
	<b>1,643,527,478</b>	<b>1,084,819,422</b>	
<b>NOTE 10</b>			
<b>OTHER CURRENT LIABILITIES</b>			
(a) Current maturities of long-term debt (Refer Note (i) below)	1,113,854,500	1,714,323,258	
(b) Interest accrued but not due on borrowings	34,885,986	66,912,174	
(c) Other payables			
(i) Statutory remittances	16,225,749	11,916,251	
(ii) Payables on purchase of fixed assets	8,510,820	16,897,691	
(iii) Interest accrued on trade payables, including micro and small enterprises	6,624	42,767	
(iv) Trade / security deposits received	3,700,000	1,200,000	
(v) Advances from customers	140,935,373	74,556,439	
	<b>1,318,119,052</b>	<b>1,885,848,580</b>	
Note (i): Current maturities of long-term debt (Refer Note (i) in Note 5 - Long-term borrowings for details of security and repayment).			
Particulars	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.	
(a) Term loans			
From banks			
Secured (net of Foreign currency swaps gain Rs. 243,423,000/- (As at 31 March, 2012 R. Nil))	1,113,854,500	-	
Unsecured (net of Foreign currency swaps gain Rs. Nil/- (As at 31 March, 2012 Rs.109,259,000))	-	503,948,000	
From other parties			
Unsecured	-	4,573,258	
(b) Loans and advances from related parties (Refer Note 37)			
Unsecured (Refer Note 42.2)	-	1,205,802,000	
<b>Total</b>	<b>1,113,854,500</b>	<b>1,714,323,258</b>	



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	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
<b>NOTE 11</b>		
<b>SHORT-TERM PROVISIONS</b>		
(a) Provision for employee benefits:		
(i) Provision for compensated absences	1,485,236	54,540,989
(ii) Provision for Retirement benefit plans (net), (Refer Note 34.b)	3,448,584	2,632,500
	4,933,820	57,173,489
(b) Provision - Others:		
(i) Provision for warranty (Refer Note 41.i)	71,000,000	30,000,000
(ii) Provision for other contingencies (Refer Note 41.ii)	-	200,000,000
	71,000,000	230,000,000
	<b>75,933,820</b>	<b>287,173,489</b>



TATA POWER SOLAR SYSTEMS LIMITED  
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NOTE 12  
FIXED ASSETS

PARTICULARS OF ASSETS	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	As at 1-Apr-12	Additions during the year	Disposals during the Year	As at 31-Mar-13	Upto 31-Mar-12	Depreciation / Amortisation For the year	Eliminated on Disposal of Assets	Upto 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
<b>A. TANGIBLE ASSETS</b>										
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)	32,567,046 (32,567,046)
BUILDINGS <i>Previous Year balance</i>	630,399,336 (630,399,336)	-	-	630,399,336 (630,399,336)	112,608,236 (91,552,898)	21,055,338 (21,055,338)	-	133,663,574 (112,608,236)	496,735,762 (517,791,100)	517,791,100 (538,846,438)
LEASEHOLD IMPROVEMENTS <i>Previous Year balance</i>	2,083,561	(2,083,561)	-	2,083,561 (2,083,561)	625,068	833,424 (625,068)	-	1,458,492 (625,068)	625,069 (1,458,493)	1,458,493
PLANT AND MACHINERY <i>Previous Year balance</i>	3,593,437,293 (3,612,697,591)	1,329,899,391 (42,149,471)	37,414,816 61,409,769	4,885,921,868 (3,593,437,293)	1,541,183,278 (1,158,353,541)	434,398,584 (441,132,321)	36,268,722 58,302,584	1,939,313,140 (1,541,183,278)	2,946,608,728 (2,052,254,015)	2,052,254,015 (2,454,434,405)
OFFICE EQUIPMENTS <i>Previous Year balance</i>	145,722,522 (144,162,098)	15,843,142 (3,498,465)	33,996,673 1,938,041	127,568,991 (145,722,522)	135,654,721 (122,543,379)	13,575,656 (15,049,383)	33,164,325 1,938,041	116,066,052 (135,654,721)	11,502,939 (10,067,801)	10,067,801 (21,618,719)
FURNITURE & FIXTURES <i>Previous Year balance</i>	74,729,149 (47,809,297)	2,738,256 (26,982,598)	35,039 62,746	77,432,366 (74,729,149)	28,642,594 (18,653,618)	12,537,085 (10,042,310)	35,039 53,334	41,144,640 (28,642,594)	36,287,726 (46,086,555)	46,086,555 (29,155,679)
VEHICLES <i>Previous Year balance</i>	78,605 (78,605)	-	78,605	- (78,605)	78,605	-	78,605	- (78,605)	- (78,605)	- (78,605)
<b>SUB TOTAL - A</b> <i>Previous Year</i>	4,479,017,512 (4,467,713,973)	1,348,480,789 (74,714,095)	71,525,133 63,410,556	5,755,973,168 (4,479,017,512)	1,818,792,502 (1,391,182,041)	482,400,087 (487,904,420)	69,546,691 60,293,959	2,231,648,898 (1,818,792,502)	3,524,327,270 (2,660,225,010)	2,660,225,010
<b>B. INTANGIBLE ASSETS</b>										
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>	17,332,885 (13,868,888)	997,820 (3,463,997)	-	18,330,705 (17,332,885)	14,259,592 (11,923,102)	2,726,442 (2,336,490)	411,550	16,574,484 (14,259,592)	1,756,221 (3,073,293)	3,073,293 (1,945,786)
<b>SUB TOTAL - B</b> <i>Previous Year</i>	108,072,325 (104,608,328)	997,820 (3,463,997)	-	109,070,145 (108,072,325)	104,999,032 (102,662,542)	2,726,442 (2,336,490)	411,550	107,313,924 (104,999,032)	1,756,221 (3,073,293)	3,073,293
<b>GRAND TOTAL</b> <i>Previous Year</i>	4,587,089,837 (4,572,322,301)	1,349,478,609 (78,178,092)	71,525,133 63,410,556	5,865,043,313 (4,587,089,837)	1,923,791,534 (1,493,844,583)	485,126,529 (490,240,910)	69,958,241 60,293,959	2,338,959,822 (1,923,791,534)	3,526,083,491 (2,663,298,303)	2,663,298,303

Note: The above assets represent the assets owned by the Company and there are no assets taken on finance lease or given on operating lease.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
(FORMERLY TATA BP SOLAR INDIA LIMITED)

	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
<b>NOTE 13</b> <b>LONG-TERM LOANS AND ADVANCES</b>		
(a) Security deposits		
Unsecured, considered good	51,524,203	49,012,324
considered doubtful	739,282	1,508,039
	52,263,485	50,520,363
Less: Provision for doubtful deposits	739,282	1,508,039
	51,524,203	49,012,324
(b) Prepaid Expenses - Unsecured, considered good	12,139,260	-
(c) Advance income tax [net of provisions Rs. 402,230,000 (As at 31 March, 2012 Rs. 402,230,000)]	208,212,999	166,669,903
	<b>271,876,462</b>	<b>215,682,227</b>
<b>NOTE 14</b> <b>OTHER NON-CURRENT ASSETS</b>		
(a) Long-term trade receivables		
Unsecured, considered good	82,208,332	12,792,696
	<b>82,208,332</b>	<b>12,792,696</b>
<b>NOTE 15</b> <b>INVENTORIES</b> (At lower of cost and net realisable value)		
(a) Raw materials.		
Goods-in-transit	519,474,538	635,524,087
	11,844,176	164,430,256
	531,318,714	799,954,343
(b) Work-in-progress (Solar Photovoltaic Modules & Systems)	16,222,513	1,751,835
(c) Finished goods	460,431,681	421,894,447
	<b>1,007,972,908</b>	<b>1,223,600,625</b>
<b>NOTE 16</b> <b>TRADE RECEIVABLES</b>		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	314,481,131	40,268,272
Considered doubtful	223,815,886	182,767,265
	538,297,017	223,035,537
Less: Provision for doubtful trade receivables	223,815,886	182,767,265
	314,481,131	40,268,272
(b) Other Trade Receivables		
Unsecured, considered good	1,458,754,198	2,057,562,747
	<b>1,773,235,329</b>	<b>2,097,831,019</b>
<b>NOTE 17</b> <b>CASH AND CASH EQUIVALENTS</b>		
(a) Cash on hand	389,485	431,153
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	171,517,060	275,332,566
(ii) In demand deposit accounts	875,000,000	614,300,000
	<b>1,046,906,545</b>	<b>890,063,719</b>
(i) of the above, the balances that meet the definition of cash and cash equivalent as per AS 3 cash flow statement is	1,046,906,545	890,063,719
(ii) Balance with banks include deposits with remaining maturity of more than 12 months from the balance sheet date:	Nil	Nil



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	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
<b>NOTE 18</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(a) Advance to suppliers Unsecured, considered good	26,080,222	82,928,035
(b) Loans and advances to employees Unsecured, considered good	1,457,304	1,015,215
(c) Prepaid expenses - Unsecured, considered good	57,286,561	56,628,819
(d) Balances with government authorities - Unsecured, considered good		
- Cenvat Credit	99,937	230,338
- VAT Credit	2,791,409	-
- Duty Drawback	52,515	388,517
	<b>87,767,948</b>	<b>141,190,924</b>
<b>NOTE 19</b>		
<b>OTHER CURRENT ASSETS</b>		
(a) Accruals Interest accrued on fixed deposits	6,358,470	5,430,307
(b) Others		
Insurance claims	-	669,704,360
Forwards/ Swaps	-	215,046,000
Earnest Money Deposits		
- considered good	23,676,194	21,954,512
- considered doubtful	8,480,015	7,711,258
	32,156,209	29,665,770
Provision for doubtful deposits	8,480,015	7,711,258
	23,676,194	21,954,512
	<b>30,034,664</b>	<b>912,135,179</b>



**TATA POWER SOLAR SYSTEMS LIMITED**  
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		For the Year ended 31-Mar-13 Rs.	For the Year ended 31-Mar-12 Rs.
	<b>NOTE 20</b>		
	<b>REVENUE FROM OPERATIONS</b>		
(a)	Sale of products (Refer Note (i) below)	5,033,014,281	9,305,427,700
(b)	Sale of services (Refer Note (ii) below)	5,664,094	6,037,387
(c)	Other operating revenues (Refer Note (iii) below)	12,644,378	16,374,331
	Less:	5,051,322,753	9,327,839,418
(d)	Excise duty	1,597,903	929,028
		<b>5,049,724,850</b>	<b>9,326,910,390</b>
<b>Note</b>	<b>Particulars</b>		
(i)	<b>Sale of products comprises :</b>		
	Manufactured goods		
	Solar Cells	143,482,272	-
	Solar Photovoltaic Modules / Systems	4,486,314,915	8,927,721,147
	Balance of Systems	403,217,094	377,706,553
	<b>Total - Sale of products</b>	<b>5,033,014,281</b>	<b>9,305,427,700</b>
(ii)	<b>Sale of services comprises :</b>		
	Technical Support Service	-	2,997,073
	Operation & Maintenance	5,664,094	3,040,314
	<b>Total - Sale of services</b>	<b>5,664,094</b>	<b>6,037,387</b>
(iii)	<b>Other operating revenues comprise:</b>		
	Sale of scrap	12,644,378	16,374,331
	<b>Total - Other operating revenues</b>	<b>12,644,378</b>	<b>16,374,331</b>
	<b>NOTE 21</b>		
	<b>OTHER INCOME</b>		
(a)	Interest income (Refer Note (i) below)	54,396,952	50,395,414
(b)	Other non-operating income (Refer Note (ii) below)	557,933	6,013,193
		<b>54,954,885</b>	<b>56,408,607</b>
<b>Notes</b>	<b>(i) Interest income comprises:</b>		
	Interest from banks on deposits	54,219,162	44,644,334
	Interest on Income tax refunds	-	4,284,671
	Interest on delays in customer payments	177,790	1,466,409
		<b>54,396,952</b>	<b>50,395,414</b>
(ii)	<b>Other non-operating income comprises:</b>		
	Net Profit on sale of fixed assets [net of expenses directly attributable Rs. Nil (Year ended 31 March, 2012 Rs. Nil)]	-	1,162,418
	Miscellaneous income [net of expenses directly attributable Rs. Nil (Year ended 31 March, 2012 Rs. Nil)]	557,933	4,850,775
		<b>557,933</b>	<b>6,013,193</b>



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		For the Year ended 31-Mar-13 Rs.	For the Year ended 31-Mar-12 Rs.
<b>A.</b>	<b>NOTE 22</b>		
	<b>COST OF MATERIALS CONSUMED</b>		
	Opening Stock	799,954,343	1,719,402,859
	Add : Purchases	3,776,764,601	6,169,712,350
		4,576,718,944	7,889,115,209
	Less : Closing Stock	531,318,714	799,954,343
		<b>4,045,400,230</b>	<b>7,089,160,866</b>
	<b>Materials consumed comprise :</b>		
	1) Wafers	317,588,568	630,995,159
	2) Cells	364,926,604	1,466,361,231
	3) Batteries	515,766,537	423,291,309
	4) Module Materials, Electronic and Mechanical Components	2,373,977,354	3,414,276,520
	5) Packing Materials	63,888,973	78,239,264
	6) Silver and Aluminium Paste	133,739,024	183,749,764
	7) Others	275,513,171	892,247,619
	<b>4,045,400,230</b>	<b>7,089,160,866</b>	
<b>B.</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
	Inventories at the end of the year:		
	Finished goods	460,431,681	421,894,447
	Work-in-progress	16,222,513	1,751,835
		476,654,194	423,646,282
	Inventories at the beginning of the year:		
	Finished goods	421,894,447	546,590,372
	Work-in-progress	1,751,835	186,054,116
		423,646,282	732,644,488
	<b>Net (Increase) / Decrease</b>	<b>(53,007,912)</b>	<b>308,998,206</b>
<b>NOTE 23</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries and wages	346,047,417	336,383,669
	Contributions to provident and other funds ( refer note 34)	87,559,259	51,966,042
	Staff welfare expenses	22,054,832	39,120,284
		<b>455,661,508</b>	<b>427,469,995</b>



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		For the Year ended 31-Mar-13 Rs.	For the Year ended 31-Mar-12 Rs.
	<b>NOTE 24</b>		
	<b>FINANCE COSTS</b>		
(a)	Interest expense on:		
	(i) Borrowings	253,366,468	294,482,341
	(ii) Other interest (including on delayed payment of taxes)	-	6,042,341
(b)	Other borrowing costs	6,624	2,617,747
		<b>253,373,092</b>	<b>303,142,429</b>
	<b>NOTE 25</b>		
	<b>OTHER EXPENSES</b>		
	Power and Fuel	81,214,024	71,272,546
	Effluent Processing Charges	14,961,077	14,464,392
	Rent	41,845,169	38,760,642
	Consumption of Stores and Spare-parts	17,961,323	16,379,951
	Repairs and Maintenance		
	Buildings	773,311	1,842,507
	Machinery	39,589,959	25,061,693
	Others	124,002,446	71,485,470
	Contract Labour Cost	54,410,526	54,741,096
	Insurance	47,008,662	40,065,520
	Rates and Taxes	4,420,204	9,168,182
	Communication Expenses	20,509,985	15,718,491
	Travelling and Conveyance	78,387,788	72,077,656
	Legal and Professional Fees	36,849,716	23,178,006
	Payments to auditors (Refer Note (i) below)	3,085,810	3,007,421
	Sales Commission	41,756,375	58,194,362
	Selling Expenses	29,939,786	20,220,548
	Carriage Outwards	74,523,028	126,663,743
	Bank and Financial Charges	17,523,827	20,010,200
	Net loss on fixed assets sold / scrapped / written off	1,377,987	-
	Donations and contributions	180,183	-
	Miscellaneous Expenses	96,841,379	66,792,850
	Net loss on foreign currency transactions and translation	2,173,099	148,781,732
	Bad Debts/Advances	-	17,500,835
	Provision for Doubtful Debts/ Advances	41,048,620	50,128,043
	Provision for Warranty ( net of reversal of Rs. Nil (Year ended 31 March 2012 Nil) refer note 41 (i))	84,750,840	76,033,859
		<b>955,135,124</b>	<b>1,041,549,745</b>
(i)	<b>Note:</b>		
	Payments to the auditors comprises (including service tax):		
	As auditors - statutory audit	2,584,280	2,584,280
	For taxation matters	140,450	248,175
	For company law matters	103,371	99,270
	Reimbursement of expenses	257,709	75,696
		<b>3,085,810</b>	<b>3,007,421</b>



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

	As at 31 March, 2013 Rs.	As at 31 March, 2012 Rs.
(i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts, in the nature of Income Tax demands Of the above, sums amounting to Rs. 58,862,677 have been paid by the Company under protest and presented under Long-term Loans and Advances	58,862,677	74,909,210
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
(i) Tangible assets	8,054,700	3,832,721
(ii) Intangible assets	-	-
(b) Other commitments :		
(i) Vendor purchase commitments	977,116,825	384,963,126
(ii) The Company has during the course of its business entered in 12 contracts as at March 31, 2013 (March 31, 2012 : 12) to provide future post sale services for periods extending from 3 to 25 years.	795,714,998	801,406,901

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

Particulars	As at 31 March, 2013 Rs.	As at 31 March, 2012 Rs.
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	9,321,884
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	6,624	42,767
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	2,126,136	1,750,723
(iv) The amount of interest due and payable for the year	6,624	42,767
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	6,624	42,767
(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.

**28. Details on derivatives instruments and unhedged foreign currency exposures**

- I. The following derivative positions are open as at 31 March, 2013. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in Notes 2.11 and 2.12.



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(a) 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 31 March, 2013

Currency	Amount	Buy / Sell	Cross Currency
USD / INR	415,044	Buy	Rs. 22,858,521
USD / INR	1,523,405	Buy	Rs. 84,046,243
USD / INR	220,941	Buy	Rs. 12,289,864
USD / INR	2,799,821	Buy	Rs. 155,964,018
USD / INR	19,550,000	Buy	Rs. 827,917,000

(ii) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2012

Currency	Amount	Buy / Sell	Cross Currency
USD / INR	52,300,000	Buy	Rs. 2,214,654,000

(b) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts: 2 (As at 31 March, 2012: 3)

(c) Currency swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate. No. of contracts: Nil (As at 31 March, 2012: Nil)

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, 2013		March 31, 2012	
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency
Export of goods & services	103,479,422	USD 1,916,996	24,705,123	USD 487,184
	1,209,975	EUR 17,615	1,187,956	EUR 17,615

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

Particulars	March 31, 2013		March 31, 2012	
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency
Import of goods and services	11,742,101	EUR 167,076	Nil	Nil
	198,941	JPY 340,244	Nil	Nil
	240,240	GBP 2,889	Nil	Nil
	70,063,421	USD 1,340,462	164,044,366	USD 3,183,473
Capital Imports [including Intangibles]	431,166	USD 7,868	217,869	USD 4228
	3,227,960	EUR 45,930	3,240,516	EUR 46,930
	Nil	Nil	Nil	Nil



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**29. CIF Value of Imports**

Particulars	For the year ended	For the year ended
	31 March, 2013	31 March, 2012
	Rs.	Rs.
1) Materials	1,682,109,405	4,605,346,932
2) a. Spare parts	4,496,938	9,746,708
b. Components	-	-
Total	4,496,938	9,746,708
3) Capital Goods	4,272,462	15,467,314

**30. Expenditure in Foreign Currency:**

Particulars	For the year ended	For the year ended
	31 March, 2013	31 March, 2012
	Rs	Rs
Travel (including amounts capitalised)	2,070,129	2,330,590
Maintenance Expenses	32,543,523	26,761,761
Professional Charges (including amounts capitalized)	16,522,980	1,673,638
Interest Expenses	32,036,215	42,473,667
Others	2,762,580	3,340,159

**31. Details of consumption of imported and indigenous item**

Particulars	For the year ended		For the year ended	
	31 March, 2013		31 March, 2012	
	Rs.	% of Total Consumption	Rs.	% of Total Consumption
<b>Raw Material and components</b>				
Imported	1,782,898,636	45%	3,761,989,052	53%
Indigenous	2,262,501,594	55%	3,327,171,814	47%
<b>Total</b>	<b>4,045,400,230</b>	<b>100%</b>	<b>7,089,160,866</b>	<b>100%</b>
<b>Stores and Spare parts consumed</b>				
Imported	4,496,938	25%	9,746,708	60%
Indigenous	13,464,385	75%	6,633,243	40%
<b>Total</b>	<b>17,961,323</b>	<b>100%</b>	<b>16,379,951</b>	<b>100%</b>

**32. Earnings in Foreign Exchange**

Particulars	For the year ended	For the year ended
	31 March, 2013	31 March, 2012
	Rs.	Rs.
FOB value of Exports	343,618,447	422,361,342
Services	Nil	1,632,074



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33. Amounts remitted in foreign currency during the year on account of dividend:

Particulars	For the year ended	For the year ended
	31 March, 2013	31 March, 2012
	Rs	Rs
Amount of dividend remitted in foreign currency		
Final dividend (Rs.)	Nil	27,652,536
Preference dividend (Rs.)	Nil	26,879,794
Year to which the dividend relates	2012-2013	2010-11 and 2011-12 (upto Jul -11)
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	-	1
Total number of shares held by them on which dividend was due	-	-
Number of shares held by them on which Equity Dividends were paid	-	3,456,567
Number of shares held by them on which Preference Dividends were paid	-	2,295,000

**ADDITIONAL DISCLOSURES UNDER ACCOUNTING STANDARDS**

34. Employee benefit plans

a. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions to 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. 21,974,086/- (Year ended 31 March, 2012 Rs. 21,892,377) for Provident Fund contributions, Rs. 13,946,274 (Year ended 31 March, 2012 Rs. 12,947,567) for Superannuation Fund contributions and Rs 4,145 (year ended 31 March, 2012 Rs. 1,383,048) for ESI contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

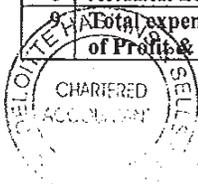
b. Defined benefit plans

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

- i. Gratuity
- ii. Pension (Post retirement benefits, to the erstwhile managing director)

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	
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
<b>I</b>	<b>Components of employer expense</b>				
1	Current Service cost	5,947,740	5,128,636	-	-
2	Interest cost	5,229,634	4,083,732	-	-
3	Expected return on plan assets	(824,125)	(770,031)	-	-
4	Curtailment cost/(credit)	-	-	-	-
5	Settlement cost/(credit)	-	-	-	-
6	Plan Amendment	10,456,705	-	9,403,518	-
7	Past Service Cost	-	-	-	-
8	Actuarial Losses/(Gains)	5,358,596	4,908,036	15,721,205	2,025,000
9	Total expense recognised in the Statement of Profit & Loss	26,168,550	13,351,143	25,124,723	2,025,000

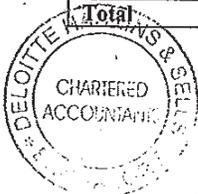


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		Gratuity		Pension	
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
<b>II</b>	<b>Actual Contribution and Benefits Payments for the year</b>				
1	Actual benefit payments	6,904,269	1,259,710	3,108,549	2,025,000
2	Actual Contributions	9,651,111	2,633,153	NA	N.A
<b>III</b>	<b>Net asset/(liability) recognised in balance sheet</b>				
1	Present value of Defined Benefit Obligation (DBO)	77,576,076	57,378,304	41,161,874	19,145,700
2	Fair value of plan assets	14,329,371	10,649,068	-	-
3	Funded status [Surplus/(Deficit)]	(63,246,675)	(46,729,236)	(41,161,874)	(19,145,700)
4	Unrecognised Past Service Costs				
5	Net asset/(liability) recognised in balance sheet	(63,246,675)	(46,729,236)	(41,161,874)	(19,145,700)
<b>IV</b>	<b>Change in Defined Benefit Obligations during the year</b>				
1	Present Value of DBO at beginning of the year	57,378,304	44,652,986	19,145,700	19,145,700
2	Current Service cost	5,947,740	5,128,636	-	-
3	Interest cost	5,229,634	4,083,732	-	-
4	Past service cost	10,456,705	-	-	-
5	Curtailement cost/(credit)	-	-	-	-
6	Settlement cost/(credit)	-	-	-	-
7	Plan amendments	-	-	9,403,518	-
8	Acquisitions	-	-	-	-
9	Actuarial (gains)/ losses	5,467,932	4,772,660	15,721,205	2,025,000
10	Benefits paid	(6,904,269)	(1,259,710)	(3,108,549)	(2,025,000)
11	Present Value of DBO at the end of the year	77,576,046	57,378,304	41,161,874	19,145,700
<b>V</b>	<b>Change in Fair Value of Assets during the year</b>				
1	Plan assets at beginning of period	10,649,068	8,641,740	-	-
2	Acquisition Adjustment			-	-
3	Expected return on plan assets	824,125	770,031	-	-
4	Actuarial Gain / (Losses)	109,336	(136,149)	-	-
5	Actual Company contributions	9,651,111	2,633,153	-	-
6	Benefits paid	(6,904,269)	(1,259,710)	-	-
7	Plan assets at the end of the year	14,329,371	10,649,068	-	-
8	Actual Return on plan assets	933,461	633,885	-	-
	Estimated amount of contribution in the immediate next year	10,000,000	5,000,000		

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

Insurance Managed Fund	31-Mar-13	31-Mar-12
	(%)	(%)
Central Government Securities	31.35%	
State Government Securities	10.71%	
Other Approved Securities ( Government Guaranteed Securities )	1.35%	
Debentures And Bonds	42.85%	
Equity Shares	5.22%	
Fixed Deposits	8.35%	
Cblo ( Money Market Instruments )	0.16%	
<b>Total</b>	<b>100.00%</b>	



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I	Actuarial Assumptions for Gratuity	Gratuity		Pension	
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
1	Discount Rate	8.20%	8.55%	8.20%	8.55%
2	Expected Return on plan assets	7.50%	7.50%	N.A.	N.A.
3	Salary escalation / Pension increase rate	10% for first 2 years and 7.5% thereafter	10% for first 3 years and 7.5% thereafter	5% p.a.	Nil
4	Mortality tables	LIC Mortality (1994-96) Table			
5	Attrition	N.A.			
	21-30 Years	5%	5%		
	31-40 Years	3%	3%		
	41-59 Years	2%	2%		

- 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.
- 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.
- 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.
- 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						
		31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
1	Defined Benefit Obligation	77,576,046	57,378,304	44,652,986	29,591,558	20,246,187
2	Plan Assets	14,329,371	10,649,608	8,641,740	5,980,776	3,497,136
3	Surplus / (Deficit)	(63,246,675)	(46,729,236)	(36,011,246)	(23,610,782)	(16,749,051)
4	Exp. Adj. gain / (loss) on Plan Liabilities	1,962,365	6,368,483	(594,096)	8,657,917	(176,580)
5	Exp. Adj. gain / (loss) on Plan Assets	109,336	(136,146)	(1,187,429)	(189,762)	1,559,249

Experience Adjustments – Pension						
		31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
1	Defined Benefit Obligation	41,161,874	19,145,700	19,145,700	19,145,700	19,145,700
2	Plan Assets	-	-	-	-	-
3	Surplus / (Deficit)	41,161,874	19,145,700	19,145,700	19,145,700	19,145,700
4	Exp. Adj. gain / (loss) on Plan Liabilities	(15,721,205)	(2,025,000)	(2,025,000)	(2,025,000)	(2,025,000)
5	Exp. Adj. gain / (loss) on Plan Assets	-	-	-	-	-

**c. Actuarial Assumptions for Compensated leave absences**

	31-Mar-2013
Discount Rate (P.a.)	8.20%
Escalation (p.a.)	10% for the first 2 years and 7.5% thereafter
Attrition	
21-30 Years	5%
31-40 Years	3%
41-59 Years	2%



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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.

35. Expenses stated in the Statement of Profit and Loss are net of amounts capitalized as fixed assets/ capital work in progress

Particulars	For the year ended 31 March, 2013 Rs.	For the year ended 31 March, 2012 Rs.
(i) Materials Consumed		
Raw Materials and Consumables	7,144,771	-
Less: Value of Goods transferred for commercial production	(2,399,725)	-
	<b>4,745,046</b>	-
(ii) Other Expenses		
Power and Fuel	599,244	-
Miscellaneous Expenses	111,583	-
	<b>710,827</b>	-
(iii) Finance Costs / Other Income		
Borrowing costs capitalised	7,355,674	-
Less: Interest Income, on unutilised funds	-	-
	<b>7,355,674</b>	-
<b>TOTAL EXPENSES CAPITALISED (i+ii+iii)</b>	<b>12,811,547</b>	-

36. Segment Reporting

a) Information about the Primary Business Segments for the Year ended March 31, 2013 and March 31, 2012

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

b) Secondary Segment Information for the year ended March 31, 2013 (In Rs.)

<u>Revenue by Geographical Market</u>	For the year ended 31 March, 2013 Rs.	For the year ended 31 March, 2012 Rs.
USA	-	112,673,603
Spain	-	5,731,585
Others	343,618,447	313,384,389
India	4,706,106,403	8,895,120,813
<b>Total</b>	<b>5,049,724,850</b>	<b>9,326,910,390</b>

<u>Carrying Amount of Segment Assets</u>	As at 31-Mar-2013 Rs.	As at 31-Mar-2012 Rs.
USA	Nil	Nil
Spain	Nil	Nil
Others	104,689,397	26,551,140
India	7,595,391,621	9,277,962,275
<b>Total</b>	<b>7,700,081,018</b>	<b>9,304,513,415</b>



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<b>Cost to acquire tangible and intangible Assets excluding Capital Work in Progress</b>	<b>For the year ended 31 March, 2013</b>	<b>For the year ended 31 March, 2012</b>
	<b>Rs.</b>	<b>Rs.</b>
India	1,349,478,609	78,178,092
USA	-	-
Spain	-	-
Others	-	-
<b>Total</b>	<b>1,349,478,609</b>	<b>78,178,092</b>

Notes:

- (i) The Company has considered business segments as the Primary Segments.  
(ii) The Secondary Segment is determined based on location of the customers, and the segment (others) for segment assets represent the receivables based on location of customer with the balance in India.

**37. Related Party Disclosure**

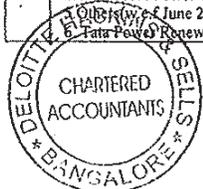
**Names of Related Parties:**

Holding Company	BP Alternative Energy Holdings Ltd , U.K (upto June 27, 2012) The Tata Power Company Limited (w.e.f June 28, 2012)
Entity with Significant Influence	The Tata Power Company Limited (up to June 27, 2012)
Fellow Subsidiaries	BP Solar Arabia(upto June 27, 2012) BP Solar Espana(upto June 27, 2012) BP Solar International Limited (upto June 27, 2012) BP Solar Pty Australia(upto June 27, 2012) Apex BP Solar(upto June 27, 2012) BP Solarex(upto June 27, 2012) BP AG Germany(upto June 27, 2012) BP Oil International Ltd(upto June 27, 2012) BP Singapore PTE Ltd(upto June 27, 2012) BP Solar Malaysia(upto June 27, 2012) Solarex Electric Ltd, Hong Kong (upto June 27, 2012) Castrol India Limited (upto June 27, 2012) BP International Limited, UK (upto June 27, 2012) BP Solar Columbia (upto June 27, 2012) BP Solar Brazil (upto June 27, 2012) BP Corporation NA, Inc (upto June 27, 2012) Deutsche BP Aktiengesellschaft (upto June 27, 2012) NELCO Limited (w.e.f June 28, 2012) Maithon Power Company Limited (w.e.f June 28, 2012) North Delhi Power Limited (w.e.f June 28, 2012) Tata Power Renewable Energy Limited (w.e.f June 28, 2012) Tata Power Delhi Distribution Limited (w.e.f June 28, 2012)
Key Management Personnel & relatives of such personnel	Mr K. Subramanya (Manager) (upto May 02, 2012) Mr Ajay Kumar Goel (Manager) (w.e.f August 6, 2012)



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	Particulars	Fellow Subsidiaries		Company with Significant Influence		Holding Co.		Key Management Personnel & relatives of such personnel	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	<b>Sale of Materials</b>								
	1. BP Solar Espana (upto June 27, 2012)	-	5,051,589	-	-	-	-	-	-
	2. BP Solar International Ltd(upto June 27, 2012)	-	111,903,014	-	-	-	-	-	-
	3. Others (upto June 27, 2012)	-	4,015,691	-	-	-	-	-	-
	4. NELCO Ltd. (w.e.f June 28, 2012)	366,400	-	-	-	-	-	-	-
	5. Tata Power Renewable Energy(w.e.f June 28, 2012)	2,696,189	-	-	-	-	-	-	-
	6. Tata Power Delhi Distribution Ltd. (w.e.f June 28, 2012)	4,682,872	-	-	-	-	-	-	-
	7. Industrial Energy Ltd(w.e.f June 28, 2012)	436,765	-	-	-	-	-	-	-
	8. Tata Power Company Ltd.	-	-	199,300	22,356,216	464,677	-	-	-
2	<b>Services Rendered</b>								
	1. BP Solar Pty Australia(upto June 27, 2012)	-	181,488	-	-	-	-	-	-
	2. BP Solar Espana(upto June 27, 2012)	-	679,996	-	-	-	-	-	-
	3. BP Solar International Ltd(upto June 27, 2012)	-	770,589	-	-	-	-	-	-
	4. Others(upto June 27, 2012)	-	-	-	-	-	-	-	-
	5. Tata Power Company Ltd.	-	-	667,942	2,580,000	2,003,826	-	-	-
	6. Tata Power Delhi Distribution Ltd. (w.e.f June 28, 2012)	225,000	-	-	-	-	-	-	-
3	<b>Services Received</b>								
	1. BP Solar International Ltd(upto June 27, 2012)	-	24,596,940	-	-	-	-	-	-
	2. Others(upto June 27, 2012)	-	248,653	-	-	-	-	-	-
4	<b>Interest Payments</b>								
	BP Alternative Energy Holdings Ltd, U.K. (upto June 27, 2012)	-	-	-	-	-	15,897,571	-	-
7	<b>Loan Repayment</b>								
	BP Alternative Energy Holdings Ltd, U.K. (upto June 27, 2012)	-	-	-	-	-	55,042,000	-	-
5	<b>Dividend Paid</b>								
	1. BP Alternative Energy Holdings Ltd U.K.(upto June 27, 2012)	-	-	-	-	-	63,565,546	-	-
	2. The TATA Power Co. Ltd.	-	-	-	61,072,581	-	-	-	-
6	<b>Remuneration Paid</b>								
	K. Subramanya (upto May 2, 2012)	-	-	-	-	-	-	7,279,974	-
	Ajay Kumar Goel ( w.e.f August 6, 2012)	-	-	-	-	-	-	11,778,745	8,337,621
7	<b>Outstanding Receivables</b>								
	1. BP Solar Espana (upto June 27, 2012)	-	-	-	-	-	-	-	-
	2. BP Solar International Ltd (upto June 27, 2012)	-	-	-	-	-	-	-	-
	3. BP Solar Pty Australia (upto June 27, 2012)	-	-	-	-	-	-	-	-
	4. The TATA Power Co. Ltd. (upto June 28, 2012)	-	-	-	1,758,945	2,834,413	-	-	-
	5. Tata Power Renewable	2,832,186	-	-	-	-	-	-	-



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	Particulars	Fellow Subsidiaries		Company with Significant Influence		Holding Co.		Key Management Personnel & relatives of such personnel	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	Energy(w.e.f June 28, 2012)								
	7. Tata Power Delhi Distribution Ltd. (w.e.f June 28, 2012)	11,054,159	-	-	-	-	-	-	-
	8. Industrial Energy Ltd(w.e.f June 28, 2012)	446,471	-	-	-	-	-	-	-
	9. NELCO Ltd. (w.e.f June 28, 2012)	-	-	-	-	-	-	-	-
8	<b>Outstanding Payables</b>								
	1.BP Solar Espana(upto June 27, 2012)	-	40,475,888	-	-	-	-	-	-
	2.BP Solar International Limited (upto June 27, 2012)	-	-	-	-	-	-	-	-
	3.Solarex Electric Ltd, Hong Kong(upto June 27, 2012)	-	-	-	-	-	-	-	-
	4.BP Alternative Energy Holdings Ltd U.K(upto June 27, 2012))	-	-	-	-	-	7,111,107	-	-
	5. K. Subramanya (upto Msy 02, 2012)	-	-	-	-	-	-	-	1,500,000
	6. Others(upto June 27, 2012)	-	-	-	-	-	-	-	-
	7.NELCO Ltd. (w.e.f June 28, 2012)	13,515	-	-	-	-	-	-	-
9	<b>Outstanding Borrowings</b>								
	BP Alternative Energy Holdings Ltd U.K(upto June 27, 2012)	-	-	-	-	-	1,205,802,000	-	-

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.

**38. 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	For the year ended
	31 March, 2013	31 March, 2012
	Rs.	Rs.
Rent Paid during the year (included under Rent – in Note 25, gross of amount capitalised)	41,845,169	38,760,642
Future minimum lease payments for the non-cancellable period		
Within 1 year	31,770,426	27,778,864
1 – 5 years	25,798,009	41,391,710
More than 5 years	-	-

- 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	For the year ended
	31 March, 2013	31 March, 2012
	Rs.	Rs.
Rent Paid during the year (included under Travelling and Conveyance in Note 25)	6,860,411	6,703,771
Future minimum lease payments for the non-cancellable period		
Within 1 year	6,319,956	6,468,432
1 – 5 years	1,053,326	1,078,072
More than 5 years	-	-



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

Particulars	For the year ended 31 March, 2013 Rs.	For the year ended 31 March, 2012 Rs.
Profit / (Loss) After Tax	(827,196,058)	(185,843,154)
Less: Preference Dividend (including taxes attributable thereof)	23,064,355	30,298,967
<b>Profit attributable to Equity Shareholders (A)</b>	<b>(850,260,413)</b>	<b>(216,142,121)</b>
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
<b>Earnings Per Share (Par Value – Rs. 100 each)</b>		
Earnings Per Share (Basic) (A/B)	(125.45)	(31.89)
Earnings Per Share (Diluted) (A/C)	(125.45)	(31.89)

Note:

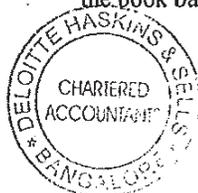
- i. Though the Company has incurred losses during the year, an allocation towards preference shares has been considered to arrive at the loss attributable to the equity shareholders as the preference shares are cumulative in nature.

40. Income Taxes

i) Deferred Tax Liability / (Asset)

	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	730,783,700	678,869,800
Others	-	23,900
<b>Tax effect of items constituting deferred tax liability</b>	<b>730,783,700</b>	<b>678,893,700</b>
<u>Tax effect of items constituting deferred tax assets</u>		
Interest on borrowings for capital assets pending capitalisation	-	(27,223,700)
Provision for compensated absences, gratuity and other employee benefits	(41,082,400)	(47,470,000)
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	(57,975,000)	(35,290,000)
Provision for doubtful debts / advances	(75,608,300)	(62,280,000)
Unabsorbed Depreciation Loss (Note b below)	(535,518,000)	(227,330,000)
Brought forward business losses	(116,790,500)	-
<b>Tax effect of items constituting deferred tax assets</b>	<b>(826,974,200)</b>	<b>(399,593,700)</b>
<b>Net deferred tax liability / (asset) - net</b>	<b>-</b>	<b>279,300,000</b>

- a) As at March 31, 2013 the Company has a net Deferred Tax Asset which has not been recognized as a matter of prudence.
- b) As at March 31, 2012 the Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax



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- ii) As at March 31, 2013 and March 31, 2012, the Company has Minimum Alternate Tax Credit available for carry forward and set off, which has not been recognised as an asset as a matter of prudence, based on the Management's assessment of future taxable profits.

**41. Provisions :**

(i) Warranty Provision

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	Rs.	Rs.
Balance as at Beginning of the year	108,776,675	57,416,303
Provision made during the period	84,750,840	76,033,859
Amounts incurred / utilized	(15,261,969)	(24,673,487)
<b>Balance as at the year end</b>	<b>178,265,546</b>	<b>108,776,675</b>

Of the above the amounts expected to be incurred within a year amounts to Rs.71,000,000/- (March 31, 2012 : Rs. 30,000,000). The warranty expenditure is expected to be incurred over the warranty life of the products as contracted, which varies from 10 to 25 years.

(ii) Provision for Contingencies

Provision for contingencies recorded in the books relate to claims and losses on business operations, the probability of occurrence of which is considered as more likely than not by the Management. The movement in the provision is as follows:

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	Rs.	Rs.
Balance as at Beginning of the year	200,000,000	200,000,000
Provision during the period	-	-
Amounts incurred / utilized	200,000,000	-
<b>Balance as at the year end</b>	<b>-</b>	<b>200,000,000</b>

Provision for contingency of Rs. 200,000,000, recorded in the books relating to claims and losses on business operations, has been reversed during the period on passage of the event.

**42. Exceptional Items include:**

Particulars	Note Ref.	For the year ended 31 March, 2013 Rs.	For the year ended 31 March, 2012 Rs.
Reversal of contingency provision no longer required	41(ii)	(200,000,000)	-
Loss on insurance claim	42.1	142,148,482	-
Foreign exchange loss	42.2	127,338,740	-
		69,487,222	

- 42.1 In October 2008, there was an incidence of fire in one of the Company's manufacturing facilities in which some of the assets and inventory of the Company were damaged / destroyed. The management had estimated the value / cost of such items to be Rs. 1,209,666,160 (31-Mar-2012 : Rs. 1,209,666,160) and had preferred a claim with the Insurance Company with whom the Company had covered the risk, net of Rs. 138,669,414 relating to the minimum amount deductible in the claim as per terms of the insurance policy (which was recorded in the Statement of Profit and Loss as an exceptional item as loss of assets due to fire, during the year of the fire). The Company had till March 31, 2012 recovered an amount of Rs. 401,292,386, retaining a net amount of Rs. 669,704,360 as recoverable from the Insurance Company.



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During the period the final claim has been processed by the Insurance Company and the Company has received an amount of Rs. 524,620,878 towards the full and final settlement of the insurance claim, in addition to vendor settlements of Rs. 2,935,000. Accordingly, the balance of the claim amount of Rs. 142,148,482 has been charged to the Statement of Profit and Loss as an exceptional item.

- 42.2 In June 2012, there was a change in the shareholding, whereby Tata Power Corporation Limited, acquired the entire outstanding shares held by BP Alternative Energy Holdings Limited. This resulted in the Company being a wholly owned subsidiary of Tata Power Corporation Limited. The change in the shareholding resulted in the Company having to repay the external commercial borrowing taken from BP Alternative Energy Holdings Limited, by securing a fresh rupee loan from a local bank. The early repayment and cancellation of the foreign currency swap taken against the loan has resulted in the Company recognizing a net exchange loss of Rs. 127,338,740, which has been disclosed as an exceptional item.
43. Previous year's figures have been regrouped/reclassified to be comparable with current years classification.

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

FOR AND BEHALF OF THE BOARD OF DIRECTORS

  
**V BALAJI**  
PARTNER

  
CHAIRMAN

  
DIRECTOR

  
AJAY KUMAR GOEL  
MANAGER AND  
CHIEF EXECUTIVE  
OFFICER

  
D GURU  
CHIEF FINANCIAL OFFICER  
AND COMPANY SECRETARY

PLACE : MUMBAI  
DATE : APRIL 22, 2013

PLACE : MUMBAI  
DATE : 22<sup>nd</sup> APRIL 2013.

