

TATA POWER RENEWABLE ENERGY LIMITED

Directors' Report

To The Members of
Tata Power Renewable Energy Limited

The Directors hereby present their Seventh Annual Report on the business of the Company and the statement of accounts for the period ended 31st March 2014.

1. FINANCIAL PERFORMANCE

₹ Crore

		2013-14	2012-13
A	FINANCIAL RESULTS		
	<i>Generation MUs</i>	80.62	24.57
	<i>Sales Mus</i>	78.95	24.04
(a)	Revenue from Power Supply	89.65	63.69
(b)	Other Income	2.59	1.45
(c)	Total Income	92.24	65.14
(d)	Finance Charges	47.06	36.11
(e)	Depreciation	33.69	25.58
(f)	Operating & Other Expenses	4.12	2.67
(g)	Total Expenditure	84.87	64.36
(h)	Profit Before Tax	7.36	0.78
(i)	Provision for Taxation	2.95	(0.33)
(j)	Net Profit After Tax	4.41	1.11
(k)	Balance brought forward from previous year	1.98	0.86
(l)	Balance carried to Balance Sheet	6.39	1.98

2. OPERATIONS

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

The 21 MW wind capacity commissioned in March 2013 at Dalot in Rajasthan has performed well during FY14 with generation higher than estimate.

The Company has placed orders on Regen Powertech Ltd. for turnkey solutions for engineering, procurement and construction of a 49.5 MW Wind Power Plant at Pethshivpur, Maharashtra. The Pethshivpur wind project which was delayed due to delay in securing forest land approvals, now has all the necessary approvals and work has commenced at site. The Pethshivpur project is expected to be commissioned in FY15.

TATA POWER RENEWABLE ENERGY LIMITED

The Company's 28.8 MW solar project at Palaswadi in Maharashtra was ready for commissioning before 31st March 2014, but could not be commissioned as the State transmission company could not arrange a shut-down of the line where the interconnection was to be made. The plant was commissioned on 31st May 2014 after availing shut-down of the lines.

During the year, the Company acquired 100% stake in NewGen Saurashtra Windfarms Limited (NSW) (formerly known as AES Saurashtra Windfarms Private Limited). NSW owns and operates a 39.2 MW windfarm in Jamnagar district of Gujarat. It has executed a 25 year PPA with GUVNL to sell its power at a tariff of ₹ 3.56/kWh. Additionally, the plant is eligible to claim Generation Based Incentive ("GBI") at a tariff of ₹ 0.5/kWh from IREDA. The project is registered under the UNFCCC scheme and eligible to receive CDM revenue. NSW is a 100% subsidiary of the Company. The Company intends to merge NSW with itself in the current financial year.

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

The Company is also in the process of identifying and acquiring land for solar power projects in Rajasthan, Maharashtra, Gujarat and other states in readiness for development when the cost of generation of solar power plants approaches grid parity. The Company completed acquisition of 213.78 acres in Ramdevra in Rajasthan.

During the year, the Company has agreed to place a turnkey order for a total of 192.8 MW for Wind power projects which are going to be set up and commissioned in the FY 15 and FY 16. These projects are as follows

- 54 MW at Rojmal, Gujarat at a total cost not exceeding ₹ 308 crore on Inox Wind Limited.
- 50 MW at South Bhud, Maharashtra at a total cost not exceeding ₹ 320 crore on Inox Wind Limited.
- 88.8 MW at Devulgaonghat, Maharashtra at a total cost not exceeding ₹ 606 crore on Kenersys India (P) Limited.

3. RIGHTS ISSUE

During the year the Company came out with an Issue of Equity Shares on Rights basis twice:

- (1) For 2,63,02,320 Equity Shares of ₹ 10 each in the ratio 27:50 for cash at par aggregating to ₹ 26,30,23,200.
- (2) For 12, 00, 16,512 Equity Shares of ₹ 10 each in the ratio 8:5 for cash at par aggregating to ₹ 120, 01, 65,120.

4. CREDIT RATING

TATA POWER RENEWABLE ENERGY LIMITED

During the year, the Company received the following credit rating from CARE rating agency.

- a. "CARE A+ (SO) [Single A plus (Structured Obligations)]" for long term borrowing facilities
- b. "CARE A [single A]" for fund based limits (i.e. cash credit)
- c. "CARE A1 [A one]" for the non fund based facilities

5. DIRECTORS

The following Directors were appointed as Additional Directors by virtue of Section 260 of the Companies Act, 1956 and hold office upto the date of the ensuing Annual General Meeting:

Name of the Director	Date of Appointment
Mr. Sanjay Dube	27.09.2013
Mr. Ashish Khanna	27.09.2013
Mr. Anil Sardana (Also appointed as Chairman)	01.03.2014

A notice under Section 160 of the Companies Act, 2013 (the Act) has been received from a member signifying its intention to propose appointment of the Mr. Sanjay Dube, Mr. Ashish Khanna and Mr. Anil Sardana as Directors.

Mr. S. Ramakrishnan and Mr. Deepak Mahendra resigned from the Board of the Company on 1st March 2014 and 17th September 2013, respectively. The Board placed on record their sincere appreciation for the valuable services rendered by them during their tenure as Directors of the Company.

In accordance with section 152 of the the Act and the Articles of Association of the Company, Mr. P. K. Ghose will retire by rotation and will be eligible for re-appointment.

6. AUDIT COMMITTEE

The Company has an Audit Committee comprising of Mr. P. K. Ghose, Chairman, Mr. N. Kannan and Mr. Sanjay Dube, Members.

During the year, the Audit Committee met 5 times on the following dates:

23rd May 2013, 19th July 2013, 1st November 2013, 20th January 2014 and 31st January 2014.

7. AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants, the existing Auditors of the company hold office till the conclusion of the Annual General Meeting. Members are requested to appoint Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W / W-100018) the retiring Auditors of the Company, as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the Tenth Annual General Meeting of the Company to

TATA POWER RENEWABLE ENERGY LIMITED

examine and audit the accounts of the Company at Mumbai and the Divisions under Section 139(1) of the Companies Act, 2013.

8. AUDITORS' REPORT

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

9. COST AUDITOR

M/s. N. I. Mehta & Co, Cost Accountants, was appointed Cost Auditors of your Company for FY14.

In accordance with the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956, your Company carries out an audit of cost accounts relating to electricity every year. The Cost Audit Report of your Company for the Financial Year ended 31st March, 2013, by Krishan Singh Berk, Cost Accountant, which was due for filing with the Ministry of Corporate Affairs by 30th September, 2013, was filed on 26th July, 2013.

10. PARTICULARS OF EMPLOYEES

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

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

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

Technology Absorption : Nil

Foreign exchange earnings and outgo : Nil

12. DIRECTORS RESPONSIBILITY STATEMENT

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

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

TATA POWER RENEWABLE ENERGY LIMITED

for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

On behalf of the Board of Directors

Sd/-

Sd/-

Director

Director

Place: Mumbai

Date : 31st July 2014

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TATA POWER RENEWABLE ENERGY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA POWER RENEWABLE ENERGY LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2014, 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. 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.

Deloitte Haskins & Sells LLP

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R.K. Banga

(R.A. BANGA)
(Partner)

(Membership No. 037915)

MUMBAI, 22nd May, 2014

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)

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

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanation 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.

- (ii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

- (iii) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

- (v) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies Cost Accounting Records (Electricity Industry) 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 accounts and cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.

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Haskins & Sells LLP**

- (b) There were no undisputed amounts payable in respect of income-tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) Details of dues of income tax which have not been deposited as on 31st March 2014 on account of dispute are given below.

Name of the statute	Nature of dues	Amount	Period for which the amount relates	Forum where dispute
Income Tax Act, 1961	Income Tax	Rs. 114,760	FY 2011-12	Assessing Officer

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (ix) According to information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment of term loans of Rs 526,281,200 pending application in bank current account and bank deposits.
- (xi) 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 as at 31st March, 2014, we report that funds raised on short term basis aggregating to Rs.347,302,371 have been used for long-term investments in fixed assets for new project.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration Number: 117366W/W-100018)

R.K. Banga
R.A. BANGA
Partner
(Membership Number: 037915)

MUMBAI, 22nd May, 2014

Tata Power Renewable Energy Limited
Balance Sheet as at 31st March, 2014

	Notes	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,950,268,320	487,080,000
Reserves and surplus	4	63,890,212	19,768,131
		2,014,158,532	506,848,131
Share application money pending allotment		844,381,534	357,770,450
Non-current liabilities			
Long-term borrowings	5	6,504,790,975	4,193,905,136
Deferred tax liabilities (net)	6	14,500,000	-
Other long term liabilities	7	65,124,708	29,079,680
		6,584,415,683	4,222,984,816
Current liabilities			
Short-term borrowings	8	680,627,426	-
Trade payables (Refer Note 22)		15,003,757	7,150,425
Other current liabilities	9	1,603,849,157	780,180,057
		2,299,480,340	787,330,482
TOTAL		11,742,436,089	5,874,933,879
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	8,172,439,790	4,565,865,383
Capital work-in-progress		851,388,549	111,841,041
		9,023,828,339	4,677,706,424
Non-current Investments	11	474,418,462	-
Long-term loans and advances	12	491,811,319	621,362,350
		9,990,058,120	5,299,068,774
Current assets			
Current investments	13	150,783,470	219,543,683
Trade receivables	14	160,399,997	119,438,855
Cash and bank balances	15	894,418,654	235,488,981
Short-term loans and advances	16	511,396,329	-
Other current assets	17	35,379,519	1,393,586
		1,752,377,969	575,865,105
Total		11,742,436,089	5,874,933,879

See accompanying notes forming part of the financial statements

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

R.K. Banga

R. A. BANGA
Partner

Mumbai, 22nd May, 2014

For and on behalf of the Board

Sanjay Dube
Sanjay Dube - Director

Rahul Shah
Rahul Shah - Director & Manager

Nilufer Irani
Nilufer Irani - Secretary

Mumbai, 22nd May, 2014

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Tata Power Renewable Energy Limited
Statement of Profit and Loss for the year ended 31st March, 2014

	Notes	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
Income			
Revenue from operations	18	896,479,140	636,906,253
Other income	19	25,885,834	14,540,988
Total revenue		922,364,974	651,447,241
Expenses			
Finance costs	20	470,589,957	361,051,219
Depreciation	10	336,921,802	255,817,035
Other expenses	21	41,231,134	26,734,186
Total expenses		848,742,893	643,602,440
Profit before tax		73,622,081	7,844,801
Current tax		15,000,000	1,570,000
Deferred tax		14,500,000	(4,871,000)
Total tax expense / (credit)		29,500,000	(3,301,000)
Profit for the year		44,122,081	11,145,801
Basic earnings per equity share (in ₹) (face value ₹ 10 per share)		0.51	0.28
Diluted earnings per equity share (in ₹) (face value ₹ 10 per share)		0.42	0.28

See accompanying notes forming part of the financial statements

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

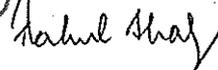
R.K. Banga

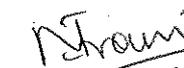
R. A. BANGA
Partner

Mumbai, 22nd May, 2014

For and on behalf of the Board


Sanjay Dube - Director


Rahul Shah - Director & Manager


Nilufer Irani - Secretary

Mumbai, 22nd May, 2014

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Tata Power Renewable Energy Limited
Cash Flow Statement for the year ended 31st March, 2014

	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
A. Cash Flow from operating activities		
Profit before tax	73,622,081	7,844,801
Adjustments for:		
Depreciation	336,921,802	255,817,035
Finance cost	470,589,957	361,051,219
Share issue expenses	10,898,000	-
Interest income	(7,160,546)	(3,145,546)
Profit on sale of current investments	(18,725,288)	(11,395,442)
	792,523,925	602,327,266
Operating profit before working capital changes	866,146,006	610,172,067
Adjustments for decrease in operating assets:		
Trade receivables	(40,961,142)	17,497,120
Long-term loans and advances	(16,327,375)	(5,000,500)
Short term loans and advances	(29,098,005)	(343,784)
Other current assets	(31,133,937)	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	7,853,332	(863,076)
Other current liabilities	1,230,820	6,880,956
	(108,436,307)	18,170,716
Cash generated from operations	757,709,699	628,342,783
Taxes paid (net)	(28,422,543)	(14,921,610)
Net cash generated from operating activities	729,287,156	613,421,173
B. Cash flow from Investing activities		
Capital expenditure on fixed assets including capital advances	(3,647,666,926)	(1,995,988,304)
Purchase of long term investment in subsidiary	(474,418,462)	-
Purchase of current investments	(410,000,000)	(998,000,000)
Sale of current investments	497,485,501	830,525,776
Loans to subsidiary	(494,833,839)	-
Loans repaid by subsidiary	12,535,515	-
Interest received	4,308,550	2,918,859
	(4,512,589,661)	(2,160,543,669)
Net cash used in Investing activities	(4,512,589,661)	(2,160,543,669)
C. Cash flow from financing activities		
Proceeds received from issue of equity shares (including share application money pending for allotment)	1,949,799,404	574,250,450
Proceeds from long-term borrowings	3,063,447,859	1,011,263,678
Repayment of long term borrowings	(738,262,020)	(19,500,000)
Proceeds from short-term borrowings	1,650,427,426	587,641,458
Repayment of short term borrowings	(969,800,000)	(87,500,000)
Interest paid	(477,062,344)	(282,617,505)
Share issue expenses paid	(10,898,000)	-
Other finance cost paid	(25,420,147)	(15,261,199)
	4,442,232,178	1,768,276,882
Net cash generated from financing activities	4,442,232,178	1,768,276,882
Net (decrease) / Increase in Cash and cash equivalents (A+B+C)	658,929,673	221,154,386
Cash and cash equivalents at the beginning of the year	235,488,881	14,334,595
Cash and cash equivalents at the end of the year # (Refer Note 15)	894,418,654	235,488,981

Cash and cash equivalents comprises

Balance with banks
(a) in current account
(b) in deposit account

462,483,430

117,978,981

431,935,224

117,510,000

894,418,654

235,488,981

Note

(i) During the year the Company has acquired 42,153,966 shares amounting to ₹ 474,418,462 in AES Saurashtra Windfarms Private Limited making it a wholly owned subsidiary of the Company.

See accompanying notes forming part of financial statements.

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

R.K. Banga

R. A. BANGA
Partner

For and on behalf of the Board,

Banjay Dube
Banjay Dube - Director

Rahul Shah
Rahul Shah - Director and Manager

N. Irani
N. Irani - Secretary

Mumbai, 22nd May, 2014

Mumbai, 22nd May, 2014

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1 Corporate Information:

Tata Power Renewable Energy Limited is a wholly owned subsidiary of The Tata Power Company Limited. The principal business of the company is to engage in the business of generation and sale of power from renewable energy sources. The Company had commissioned 25 MW Solar based power plant at Mithapur in Gujarat and 21 MW Wind Power Project at Dalot, Rajasthan in earlier year. In the year, the Company has successfully commissioned 24 MW Wind Power Project at Visapur in Maharashtra and has also capitalised the 28.8 MW Solar Power Plant Project in Palaswadi as the unit was ready to commence commercial production.

2 Significant Accounting Policies

(i) Basis of Preparation:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) Use of estimates:

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

(iii) 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.

(iv) 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.

(v) Depreciation and amortisation

Depreciation on assets others than Roads and Leasehold land, has been provided on straight line method and at rates/methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) Regulations and relevant state Commission Tariff Orders. Roads are being depreciated on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 and leasehold land is being depreciated over the period of lease.

(vi) Revenue recognition

Revenue from power generation is recognized on accrual basis as per the terms of Power Purchasing Agreements and included unbilled revenues upto the end of the accounting year.

(vii) Income from Delayed payment charges/ liquidated damages

Income from Delayed payment charges/ liquidated damages are recognised on grounds of prudence as and when recovered /confirmed by consumers/vendors.

(viii) Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(ix) Incentive under generation based incentive scheme

Income from Generation benefit incentive scheme is accounted on accrual basis considering eligibility of project for availing the incentive.

(x) Fixed Assets (Tangible / Intangible)

Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. 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 on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(xi) Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

(xii) Borrowing costs

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

(xiii) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) 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.

(xiv) Taxes on income

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

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

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

(xv) Impairment of 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.

(xvi) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the 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 disclosed in the Notes. Contingent assets are not recognised in the financial statements

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17
2

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

Note 3 Share Capital

	As at 31st March 2014		As at 31st March 2013	
	Nos.	₹	Nos.	₹
Authorised				
Equity shares of ₹ 10/- each	1,350,000,000	13,500,000,000	200,000,000	2,000,000,000
Issued				
Equity shares of ₹ 10/- each fully paid	195,027,932	1,950,279,320	48,709,100	487,091,000
Total Issued share capital	195,027,932	1,950,279,320	48,709,100	487,091,000
Subscribed and fully paid-up				
Equity shares of ₹ 10/- each fully paid	195,026,832	1,950,268,320	48,708,000	487,080,000
Total Subscribed share capital	195,026,832	1,950,268,320	48,708,000	487,080,000

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

Equity Shares

	As at 31st March 2014		As at 31st March 2013	
	Nos.	₹	Nos.	₹
At the beginning of the year	48,708,000	487,080,000	27,060,000	270,600,000
Issued during the year-Rights issue	146,318,832	1,463,188,320	21,648,000	216,480,000
Outstanding at the end of the year	195,026,832	1,950,268,320	48,708,000	487,080,000

b. Terms/rights attached to equity shares

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

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

c. 195,026,832 shares (31st March, 2013 - 48,708,000 shares) being entire share capital is held by the The Tata Power Company Limited (The Holding Company).

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

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

	As at 31st March 2014		As at 31st March 2013	
	Numbers of shares held	% Holding in the class	Numbers of shares held	% Holding in the class
Equity shares of ₹ 10/- each fully paid	195,026,832	100%	48,708,000	100%
	195,026,832	100%	48,708,000	100%

Note 4 Reserves and Surplus

	31st March, 2014	31st March, 2013
	₹	₹
Surplus In the statement of Profit and Loss		
Opening Balance	19,768,131	8,622,330
Profit for the year	44,122,081	11,145,801
Closing Surplus in the statement of profit and loss	63,890,212	19,768,131
Total Reserve and Surplus	63,890,212	19,768,131

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

Note 5 Long-term borrowings

	As at 31st March 2014		As at 31st March 2013	
	Non Current	Current	Non Current	Current
Debentures - Unsecured				
Compulsorily Convertible Debentures	28,900,000	-	28,900,000	-
Term Loans from Banks - Secured				
Rupee loans from State Bank of India	1,054,300,000	85,700,000	1,140,000,000	102,500,000
Rupee loans from Exim Bank of India	1,054,300,000	85,700,000	1,140,000,000	83,000,000
Rupee loans from State Bank of Patiala	667,863,678	28,400,000	596,263,678	-
Term Loans from Company - Secured				
Rupee loans from IDFC Ltd	2,450,000,000	-	-	-
Loans and Advances from related parties - Unsecured				
Subordinate Loan from Holding Company	1,173,327,297	-	1,212,641,458	-
Other Loans and Advances - Unsecured				
Subordinate Loan from Tata Chemicals Limited	76,100,000	-	76,100,000	-
	<u>6,504,790,975</u>	<u>199,800,000</u>	<u>4,193,905,136</u>	<u>185,500,000</u>

- a. Rupee Loans from State Bank of India and Export-Import Bank of India are repayable in 44 quarterly installments based on an amortisation schedule commencing from 31st March, 2013. The last installment being payable on 31st December, 2023.

Security :

- First charge over the entire immovable properties, both present and future, movable assets, both present and future, receivables, all bank accounts including cash in hand, all intangibles present and future pertaining to the Mithapur Project.
- Pledge of 51% of the equity shares held by the holding company.
- Unconditional and irrevocable corporate guarantee given by the holding company for a period upto 31st March, 2015.

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

- b. Rupee Loans from State Bank of Patiala is repayable in 46 quarterly installments based on an amortisation schedule commencing from 30th September, 2014. The last installment is payable on 31st December, 2025.

Security :

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

- c. Rupee Loans from IDFC Ltd of ₹ 165 crores Palaswadi Project are repayable in 48 quarterly installments based on an amortisation schedule commencing from 15th December, 2015. Last Installment is payable on 15th September, 2027

Security:

- First charge over the entire movable assets, both present and future, cash flows, receivables, book debts, revenues, all bank accounts, all intangibles present and future pertaining to the Palaswadi Project.
- First charge over the entire immovable properties, both present and future and Pledge of 51% of the equity shares held by the holding company (yet to be created).

Upon non-payment of 2 consecutive installments of the principal and/or interest of the Loans, IDFC Ltd has the right at their option to convert to equity either the whole or any part of the amount of the Loans and/or interest in respect of which default shall have been made by the Company into fully paid up equity shares of the Company at par.

- d. Rupee Loans from IDFC Ltd of ₹ 80 crores for Pethshivpur Project are repayable in 45 quarterly installments based on an amortisation schedule commencing from 15th March, 2016. Last Installment is payable on 15th March, 2027.

Security:

- First charge over the entire movable assets, both present and future, cash flows, receivables, book debts, revenues, all bank accounts, all intangibles present and future pertaining to the Pethshivpur Project.
- First charge over the entire immovable properties, both present and future and Pledge of 51% of the equity shares held by the holding company (yet to be created).

Upon non-payment of 2 consecutive installments of the principal and/or interest of the Loans, IDFC Ltd has the right at their option to convert to equity either the whole or any part of the amount of the Loans and/or interest in respect of which default shall have been made by the Company into fully paid up equity shares of the Company at par.

- e. Unsecured subordinate loan from The Tata Power Company Limited for respective projects is repayable only after full repayment of all Secured Loans from Banks & Companies for the respective Projects as mentioned in Note (a),(b),(c),(d).

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

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

- h. Subordinate Loan from The Tata Power Company Limited is availed to fund capital expenditure for Daloth, Pethshivpur, Visapur and Palaswadi Projects and has no repayment schedule.

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

Note 6 Deferred Tax Liability

	<u>As at 31st March, 2014</u> ₹	<u>As at 31st March, 2013</u> ₹
Deferred tax liability		
Relating to fixed assets	44,922,206	24,571,000
Deferred tax assets		
Unabsorbed depreciation	30,422,206	24,571,000
	<u>14,500,000</u>	<u>-</u>

Note 7 Other Long Term Liabilities

	<u>As at 31st March, 2014</u> ₹	<u>As at 31st March, 2013</u> ₹
Interest accrued but not due on borrowings		
Holding Company	60,874,086	27,169,012
Others	4,250,622	1,910,668
	<u>65,124,708</u>	<u>29,079,680</u>

Note 8 Short Term Borrowings

Inter Corporate deposit from Holding Company	680,627,426	-
	<u>680,627,426</u>	<u>-</u>

Note 9 Other Current Liabilities

	<u>As at 31st March, 2014</u> ₹	<u>As at 31st March, 2013</u> ₹
Current Maturities of long term debt - Secured (Refer Note 5)	199,800,000	185,500,000
Interest accrued and due on borrowings		
Banks	17,351,887	11,608,016
Holding company	97,414,917	99,253,045
Others	8,042,001	6,589,585
Other Payables		
Payables on Purchase of Fixed Assets	1,258,501,849	455,721,728
Statutory Liabilities	22,738,503	21,507,683
	<u>1,603,849,157</u>	<u>780,180,057</u>

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Note 10 Tangible Assets

	GROSS BLOCK					DEPRECIATION					NET BLOCK
	As at 1st April, 2013	Additions #	Adjustments	Deductions	As at 31st March, 2014	As at 1st April, 2013	For the year	Deductions	As at 31st March, 2014	As at 31st March, 2014	
1. Freehold land	155,279,892	229,580,831	(12,224,124) *	-	372,636,599	-	-	-	-	372,636,599	
	-	155,279,892	-	-	155,279,892	-	-	-	-	155,279,892	
2. Leasehold land	21,645,743	118,000	(12,224,124) *	-	9,539,619	308,364	491,540	-	799,904	8,739,715	
	5,346,919	16,298,824	-	-	21,645,743	53,469	254,895	-	308,364	21,337,379	
3. Buildings - plant	42,322,346	257,099	-	-	42,579,445	3,474,709	3,219,662	-	6,694,371	35,885,074	
	39,847,641	2,774,705	-	-	42,322,346	576,407	2,898,302	-	3,474,709	38,847,637	
4. Plant and machinery	4,577,694,219	3,694,053,554	-	-	8,261,747,773	295,759,192	327,842,034	-	623,601,226	7,638,146,547	
	3,371,605,860	1,266,087,359	-	-	4,577,694,219	48,266,670	247,492,522	-	295,759,192	4,281,935,027	
5. Roads	4,676,212	-	-	-	4,676,212	408,594	327,395	-	735,929	3,940,283	
	4,676,212	-	-	-	4,676,212	132,220	276,374	-	408,594	4,267,678	
6. Transmission lines and cable network	69,802,666	63,053,620	(9,118,647) \$	-	123,737,639	5,604,836	5,041,231	-	10,646,067	113,091,572	
	48,706,312	42,926,354	(21,830,000)	-	69,802,666	709,894	4,894,942	-	5,604,836	64,197,830	
	-2013-2014	4,871,421,078	3,977,063,104	(33,566,895)	-	8,814,917,287	305,555,695	336,921,802	-	642,477,497	8,172,439,790
	-2012-2013	3,409,883,944	1,483,367,134	(21,830,000)	-	4,871,421,078	49,738,660	285,877,035	-	305,555,695	4,565,985,383

* Consequent to project being kept on hold.

\$ On account of recovery of part cost of the project.

Additions to Plant and Machinery and Transmission Lines and cable network includes ₹ 47,280,068 (31st March 2013 - ₹ 28,068,413) being finance cost capitalised during the year and Expenses ₹ 28,429,764 (31st March 2013 - ₹ 9,710,966) capitalised during the year.

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

Note 11 Non-Current Investments

	Face value	Quantity	As at 31st March, 2014 ₹	Quantity	As at 31st March, 2013 ₹
Trade Investments (valued at cost less provision for diminution other than temporary, if any)					
Investment in Subsidiary					
Ordinary Shares - (Unquoted) fully paid up					
AES Saurashtra Windfarms Private Limited	10	42,153,966	474,418,462	-	-
			<u>474,418,462</u>		<u>-</u>

Note 12 Long Term Loans and Advances - Unsecured, considered good

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Capital Advances	342,469,291	501,770,240
Security Deposit	112,352,875	110,025,500
Advance Income Tax [Net of Provision for tax of ₹ 20,355,000 (As at 31st March 2013 - ₹ 5,355,000)]	22,989,153	9,566,610
Other Advances	14,000,000	-
	<u>491,811,319</u>	<u>621,362,350</u>

Note 13 Current Investments (valued at lower of cost and fair value)

	Face value	Quantity	As at 31st March, 2014 ₹	Quantity	As at 31st March, 2013 ₹
Mutual Funds (Unquoted)					
ICICI Prudential Liquid Super Institutional Plan-Growth	100	831,197	150,783,470	1,286,046	219,543,683
			<u>150,783,470</u>		<u>219,543,683</u>

Note 14 Trade Receivables - Unsecured, considered good

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Outstanding for a period of six months from the date they are due for payment	-	-
Other trade receivables	160,399,997	119,438,855
	<u>160,399,997</u>	<u>119,438,855</u>

Note 15 Cash and bank balances

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Balances with banks:		
In Current Accounts	482,483,430	117,978,981
In Deposit Accounts (maturity is less than 3 months)	431,935,224	117,510,000
	<u>894,418,654</u>	<u>235,488,981</u>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements	894,418,654	235,488,981

Note 16 Short Term Loans and Advances - Unsecured, considered good

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Loan to Subsidiary	482,298,324	-
VAT Receivable	27,974,405	-
Prepaid Expenses	1,123,600	-
	<u>511,396,329</u>	<u>-</u>

Note 17 Other Current Assets

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Unbilled Revenue	18,584,942	-
Interest accrued on deposit with bank	532,834	226,687
Interest accrued on Loan to Subsidiary	2,545,849	-
Insurance Claim Receivable	1,895,208	-
Other Recoverable	1,132,724	-
Recoverable towards reimbursement of costs	10,687,982	1,166,899
	<u>35,379,519</u>	<u>1,393,586</u>

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22

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

Note 18 Revenue from Operations

	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
(a) Sale of products		
Revenue from power supply	851,744,352	644,586,570
Less: Cash Discount	-	(7,680,317)
	<u>851,744,352</u>	<u>636,906,253</u>
(b) Other operating revenue		
Incentive under generation based incentive scheme	18,584,942	-
Compensation towards generation loss	25,000,000	-
Income on sale of voluntary emission reduction	1,149,846	-
	<u>44,734,788</u>	<u>-</u>
	<u>896,479,140</u>	<u>636,906,253</u>

Note 19 Other Income

	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
Interest income from bank deposit	6,883,635	3,145,546
Interest income from subsidiary	2,545,849	-
Profit on sale of current investments	18,725,288	11,395,442
	<u>28,154,772</u>	<u>14,540,988</u>
Less: capitalised	(2,268,938)	-
	<u>25,885,834</u>	<u>14,540,988</u>

Note 20 Finance Costs

	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
(a) Interest Expense on:		
Loans from banks	334,145,373	272,018,007
Subordinate Loans:		
Holding company	106,203,661	75,492,439
Others	8,437,718	7,321,759
Inter Corporate deposit from Holding company	46,713,392	30,489,846
Debentures	2,600,010	2,122,964
Others	20,365,377	2,126
	<u>518,465,531</u>	<u>387,447,141</u>
Less: Capitalised	(57,168,753)	(31,262,001)
	<u>461,296,778</u>	<u>356,185,140</u>
(b) Other borrowing costs:		
Other Finance costs	25,420,147	15,261,199
Less: Capitalised	(16,126,968)	(10,395,120)
	<u>9,293,179</u>	<u>4,866,079</u>
	<u>470,589,957</u>	<u>361,051,219</u>

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

Note 21 Other Expenses

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹	₹
Rent	16,613	60,000
Insurance	3,974,347	3,042,258
Rates and Taxes	-	214,524
Repair and maintenance	3,089,207	-
Travelling and conveyance	2,709,650	784,536
Legal Charges	1,836,669	1,408,150
Service connection charges (refund received 31st March, 2013 ₹ 25,76,575/-)	-	(2,576,575)
Other Fees	9,542,938	-
Share Issue Expense	10,898,000	-
Cost of services	37,338,668	29,409,325
Other operation expenses	961,212	3,204,281
Tata Brand Equity	2,404,504	(213,915)
Donation	8,000	-
Payment to cost auditor	112,360	112,360
Payment to auditors (Refer details below)	1,387,761	1,000,208
	<u>74,279,929</u>	<u>36,445,152</u>
Less: Other expenses capitalised	33,048,795	9,710,966
	<u><u>41,231,134</u></u>	<u><u>26,734,186</u></u>

Payment to auditor comprises (inclusive of service tax):

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹	₹
As auditors - Statutory Audit	674,160	674,160
For Tax Audit	196,630	196,630
For other services	516,971	129,418
	<u><u>1,387,761</u></u>	<u><u>1,000,208</u></u>

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

- 22 No enterprises have been identified as "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006. The aforesaid identification has been done on the basis of information, to the extent provided by the vendors to the Company. This has been relied upon by the Auditors.
- 23 As at 31st March 2014, the Company has received an amount of ₹ 844,381,534 towards share application money from the holding company (As at 31st March 2013 - ₹ 357,770,450). The Company has sufficient authorized share capital to cover the allotment of shares.
- 24 Contingent Liabilities:
As at 31st March 2014 - Nil
As at 31st March 2013 - Nil
- 25 Capital commitment not provided for are estimated at ₹ 2,850,667,504 (31st March, 2013 ₹ 4,997,463,212)
- 26 Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" as notified under the Companies (Accounting Standards) Rules, 2006 is as follows

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

Name of the Related Party	Country of Origin
Holding Company	
The Tata Power Company Limited (TPCL)	India
Fellow Subsidiaries (where transactions have taken place)	
Tata Power Solar Systems Limited (with effect from 28th June 2012) (TPSSL)	India
Powerlinks Transmission Limited (PTL)	India
Subsidiary Company	
AES Seurashtra Windfarms Private Limited (ASW)	India

(b) Details of Transactions / Balances Outstanding:

Particulars	TPCL	ASW	PTL	Amount in ₹
				TPSSL
Purchase of Fixed Assets	815,494	-	-	1,922,825,725
				3,071,252
Project Management Service	20,482,776	-	1,490,004	-
	14,291,235	-	-	-
Receiving of Services	11,583,993	-	-	-
	30,091,244	-	-	-
Guarantees given on behalf of TPREL	136,040,000	-	-	-
	1,361,000,000	-	-	-
Interest Expenditure	152,917,053	-	-	-
	105,982,285	-	-	-
Interest Income	-	2,545,849	-	-
	-	-	-	-
Borrowings Received	2,163,875,285	-	-	-
	587,641,458	-	-	-
Borrowings Repaid	1,522,562,020	-	-	-
	87,500,000	-	-	-
Equity Contribution (including Share Application Money pending for	1,949,799,404	-	-	-
	574,250,450	-	-	-
Loans Given	-	494,833,839	-	-
	-	-	-	-
Loans Repaid	-	12,535,515	-	-
	-	-	-	-
Balance Outstanding				
Loans Received (including Interest thereon)	2,012,243,726	-	-	-
	1,339,063,515	-	-	-
Loans Given (including Interest thereon)	-	484,844,173	-	-
	-	-	-	-
Other Payables	33,580,569	-	1,172,586	221,618,228
	19,006,968	-	-	2,602,128
Other Receivable	1,132,724	-	-	-
	-	-	-	-
Guarantees given on behalf of TPREL	4,186,430,000	-	-	-
	4,054,530,000	-	-	-

Note: Previous year's figures are in Italics

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27 Earnings per Share:

	31st March, 2014	31st March, 2013
Basic		
Net profit for the year attributable to equity shareholders (₹)	44,122,081	11,145,801
The Weighted Average Number of Equity Shares for Basic EPS (nos)	86,514,482	40,108,110
Par value per equity share (₹)	10.00	10.00
Basic Earnings Per Share (₹)	0.51	0.28
Diluted		
Net profit for the year attributable to equity shareholders (₹)	44,122,081	11,145,801
Add: Interest expense on secured loans and Compulsorily Convertible Debentures debited to Statement of Profit & Loss (₹)	229,218,521	218,673,731
Profit attributable to equity shareholders on dilution (₹)	273,340,602	229,819,532
The weighted average number of equity shares for Basic EPS (Nos)	86,514,482	40,108,110
Add: Effect of potential equity shares on conversion of secured loans and compulsorily convertible debentures and share application money pending allotment (Nos)	560,328,153	285,217,045
The weighted average number of equity shares for Diluted EPS (nos)	646,842,635	325,325,155
Par value per equity share (₹)	10.00	10
Diluted Earnings Per Share (₹)	0.42	0.71
Diluted Earnings Per Share restricted to (₹)	0.42	0.28

28 Segment Reporting:

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

29 The Company has been granted permission to use the generating unit set up at Palaswadi and completion certificates for other related activities. Accordingly the company has capitalised cost amounting to Rs 241.33 crores relating to Palaswadi solar project on the basis that the project was ready to commence commercial production on March 31, 2014. However due to certain constraints the plant has not commenced commercial production as on 31st March 2014.

30 Previous year's figures have been regrouped / reclassified, wherever necessary to correspond with the current year's classification / disclosure.

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