

TATA POWER RENEWABLE ENERGY LIMITED

INDEPENDENT AUDITOR'S 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, 2016, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 29 to the financial statements which describes the "Scheme of Amalgamation" ("the Scheme") between NewGen Saurashtra Windfarms Limited ("the transferor company"), a wholly owned subsidiary, with the Company, effective from 1st April, 2014 (appointed date). The Scheme is approved by the Hon'ble High Court of Judicature at Bombay vide its Order dated 4th December, 2015 and is effective from 12th February, 2016. The entire undertaking of the transferor company has been transferred to the Company as a going concern. Consequent to approval of the Hon'ble High Court, effect of the Scheme has been given in the financial statements, as stated in Note 29, which is in variance with Accounting Standards 14 "Accounting for Amalgamations", which states that the identity of the reserves is preserved and they appear in the financial statements of the transferee company in the same form in which they appeared in the financial statements of the transferor company.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in term of Section 143 (11) of the Act, we give in the “Annexure B” a statement on the matters specified in paragraph 3 and 4 of the Order.

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



Gurbinder Singh
Partner
Membership Number: 110128

MUMBAI, 14th May, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **TATA POWER RENEWABLE ENERGY LIMITED** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Deloitte Haskins & Sells LLP

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Deloitte
Haskins & Sells LLP

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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



Gurvinder Singh
Partner
Membership Number: 110128

MUMBAI, 14th May, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Tata Power Renewable Energy Limited ('the Company')

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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 explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / transfer deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date except in respect of land valued at Rs. 3.08 crores which is in the process of being transferred in the name of the Company.

In respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreements.
- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees which are covered under section 185 and 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have unclaimed deposits as at 31st March, 2016 and accordingly, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act are not applicable to the Company.

41

- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of income-tax, sales tax, service tax, customs duty, excise duty and value added tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates (Financial Year)	Rupees
Income Tax Act, 1961	Income tax	Appellate Authority – upto Commissioner level	2011-12	147,760

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government and dues to debentures holders.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

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- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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



Gurvinder Singh
Partner
Membership Number: 110128

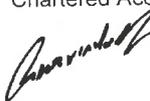
MUMBAI, 14th May, 2016

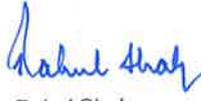
Tata Power Renewable Energy Limited
Balance Sheet as at 31st March, 2016

	Notes	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	5,061,077,150	4,876,077,150
Reserves and surplus	4	455,565,820	126,995,403
		<u>5,516,642,970</u>	<u>5,003,072,553</u>
Non-current liabilities			
Long-term borrowings	5	11,035,747,878	6,396,800,780
Deferred tax liabilities (net)	6	63,048,359	54,849,396
Other long term liabilities	7	8,669,883	6,573,051
		<u>11,107,466,120</u>	<u>6,458,223,227</u>
Current liabilities			
Short-term borrowings	8	1,077,251,757	-
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		60,553,417	35,873,207
Other current liabilities	9	3,807,625,624	2,173,521,434
		<u>4,945,430,798</u>	<u>2,209,394,641</u>
TOTAL		<u><u>21,569,539,888</u></u>	<u><u>13,670,690,421</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	15,572,083,486	9,078,785,887
Capital work-in-progress		1,929,693,987	1,241,446,199
		<u>17,501,777,473</u>	<u>10,320,232,086</u>
Non-current Investments	11	1,751,500	474,418,462
Long-term loans and advances	12	1,258,110,930	1,490,259,061
		<u>18,761,639,903</u>	<u>12,284,909,609</u>
Current assets			
Current investments	13	1,382,652,205	1,095,000,377
Trade receivables	14	421,534,230	85,450,668
Cash and bank balances	15	79,135,622	51,281,107
Short-term loans and advances	16	71,238	50,000
Other current assets	17	924,506,690	153,998,660
		<u>2,807,899,985</u>	<u>1,385,780,812</u>
TOTAL		<u><u>21,569,539,888</u></u>	<u><u>13,670,690,421</u></u>

See accompanying notes forming part of the financial statements (Note 1 - 30).

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

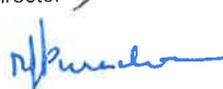

Gurvinder Singh
Partner


Rahul Shah
CEO & Director


Jinendra V Patil
Chief Financial Officer

For and on behalf of the Board


Ramesh Subramanyam
Director


Mona Purandare
Company Secretary

Mumbai 14th May 2016

Mumbai 14th May 2016

Tata Power Renewable Energy Limited
Statement of Profit and Loss for the year ended 31st March, 2016

	Notes	For year ended 31st March, 2016 ₹	For year ended 31st March, 2015 ₹
Income			
Revenue from operations	18	2,404,349,227	1,486,195,834
Other income	19	99,595,338	181,325,288
Total revenue		2,503,944,565	1,667,521,122
Expenses			
Employee Benefit Expenses	20	342,098	-
Finance costs	21	984,092,531	842,974,213
Depreciation	10	949,879,879	595,482,731
Other expenses	22	239,262,555	95,609,589
Total expenses		2,173,577,063	1,534,066,533
Profit before tax		330,367,502	133,454,589
Current tax		72,000,000	30,000,000
Deferred tax		64,900,000	40,349,396
Total tax expense		136,900,000	70,349,396
Profit for the year		193,467,502	63,105,193

Basic earnings per equity share (in '₹') (face value '₹ 10 per share)	0.39	0.19
Diluted earnings per equity share (in '₹') (face value '₹ 10 per share)	0.39	0.19

See accompanying notes forming part of the financial statements (Note 1 - 30).

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

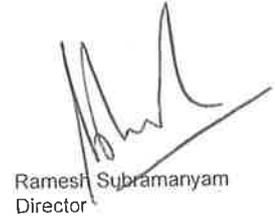


Gurvinder Singh,
Partner

For and on behalf of the Board



Rahul Shah
CEO & Director



Ramesh Subramanyam
Director



Jinendra V Patil
Chief Financial Officer



Mona Purandare
Company Secretary

Mumbai, 14th May 2016

Mumbai, 14th May 2016

	For year ended 31st March, 2016 ₹	For year ended 31st March, 2015 ₹
A Cash Flow from Operating Activities		
Profit before tax	330,367,502	133,454,589
Adjustments for:		
Depreciation	949,879,879	595,482,731
Finance cost	984,092,531	842,974,213
Interest income	(3,392,997)	(133,610,274)
Provision for Doubtful Deposits	7,325,875	-
Loss on Sale of Fixed Assets	179,374	-
Profit on sale of current investments	(90,149,995)	(29,073,004)
	<u>1,847,934,667</u>	<u>1,275,773,666</u>
Operating profit before working capital changes	2,178,302,169	1,409,228,255
Adjustments for (decrease) / increase in operating assets:		
Trade receivables	(226,959,931)	(12,988,959)
Short term loans and advances	35,560	(23,377,375)
Long-term loans and advances	(11,115)	(1,391,430)
Other current assets (Refer note 28)	<u>524,477,870</u>	<u>(33,759,536)</u>
	297,542,384	(71,517,300)
Adjustments for (decrease) / increase in operating liabilities		
Trade payables	18,968,230	20,869,450
Other current liabilities	<u>25,890,077</u>	<u>9,704,574</u>
	44,858,307	30,574,024
Cash generated from / (used in) operations	2,520,702,860	1,368,284,979
Taxes paid	(81,944,511)	(28,708,101)
Net Cash generated from Operating Activities	<u>2,438,758,349</u>	<u>1,339,576,878</u>
B Cash flow from investing activities		
Capital expenditure on fixed assets including capital advances (Refer Note 28)	(5,552,860,151)	(3,050,412,168)
Purchase of current investments	(5,175,044,261)	190,400,000
Sale of current investments	4,977,542,426	(2,356,400,000)
Loans to subsidiary	-	1,447,540,003
Loans repaid by subsidiary	-	482,298,324
Investment in Subsidiary Companies	(1,751,500)	-
Sale of Fixed Assets	675,000	-
Bank balances not considered as Cash and Cash Equivalents	5,000	-
Interest received from:		
Subsidiaries	-	14,789,362
Bank deposits	3,673,311	39,173,243
Advances to vendor	-	89,300,000
	<u>(5,747,760,175)</u>	<u>(3,143,311,236)</u>
Net Cash used in Investing Activities	<u>(5,747,760,175)</u>	<u>(3,143,311,236)</u>
C Cash Flow from Financing Activities		
Proceeds received from issue of equity shares	185,000,000	895,000,000
Application money pending for allotment	7,642,200,000	2,173,735,022
Proceeds from long-term borrowings	(4,409,772,052)	(676,926,650)
Repayment of long-term borrowings	17,251,757	100,000,000
Proceeds from short-term borrowings	-	(780,627,426)
Repayment of short-term borrowings	-	-
Loan from the Holding Company	1,060,000,000	-
Interest paid	(1,182,180,942)	(732,471,817)
Other finance cost paid	<u>(35,212,099)</u>	<u>(18,112,318)</u>
	3,277,286,664	960,596,811
Net cash flow from financing activities	<u>3,277,286,664</u>	<u>960,596,811</u>
Net decrease in cash and cash equivalents	<u>(31,715,152)</u>	<u>(843,137,547)</u>
Cash and cash equivalents at the beginning of the year	<u>51,281,107</u>	<u>894,418,654</u>
Cash equivalents acquired on amalgamation (Refer Note 29)	<u>59,494,677</u>	<u>-</u>
Cash and cash equivalents at the end of the year (Refer Note 15) #	<u>79,060,622</u>	<u>51,281,107</u>

Cash and cash equivalents comprises
 Balance with banks
 (a) in current account
 (b) in deposit account

79,060,622
 51,271,107
 10,000
 79,060,622
 51,281,107

Note: 1) Previous year figures have been regrouped wherever necessary.
 2) The amalgamation is a non-cash transaction and hence, has no impact on the Company's cash flow for the year (Refer Note 29).

See accompanying notes forming part of the financial statements (Note 1 - 30).

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
 Chartered Accountants

Gurvinder Singh
 Partner
 Mumbai, 14th May 2016

For and on behalf of the Board

Rahul Shah
 CEO & Director

Ramesh Subramanyam
 Director

Jinendra V Patil
 Chief Financial Officer

Mona Purandare
 Company Secretary

Mumbai, 14th May 2016

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

1. Corporate Information:

Tata Power Renewable Energy Limited is a wholly owned subsidiary of The Tata Power Company Limited. The principal business of the Company is to engage in business of generation and sale of renewable electricity. Accordingly, the Company has 264 MW of Renewable assets comprising of operating wind asset of 210.2 MW in the states of Maharashtra, Gujarat, Rajasthan and Madhya Pradesh and 53.8 MW of Solar asset in Gujarat and Maharashtra.

Further the Company is in the process of implementation of renewable (Wind) power projects at Nimbagallu (100 MW) in Andhra Pradesh and at Rojmal Phase II (50 MW) in Gujarat.

Power generated at the above projects is being sold / would be sold under long term power sale agreements with the State Distribution Companies and Holding Company.

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 specified under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the 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 the purpose of Cash Flow Statement):**
Cash comprises of 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 at rates/methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) Regulations & relevant state Commission Tariff Orders.
Road is depreciated on straight line method at the rate prescribed in Schedule II to the Companies Act, 2013 and leasehold land is 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 recognized 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 based incentive scheme is accounted on accrual basis considering eligibility of project for availing the incentive.
- (x) **Fixed Assets:**
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. 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. Fixed assets are capitalised at cost plus freight, insurance, sales tax, customs duty, erection/installation charges and consultancy fees.
- 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 includes 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 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.
- (xiii) **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 (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 set 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. Potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.
- (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 applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable laws.
- Minimum Alternate Tax (MAT) paid in accordance with the laws, which gives future benefits in the form of adjustment to future income tax liability, is considered as 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 and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(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.

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

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

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

(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 (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements and are disclosed in the Notes. Contingent asset is neither recognised nor disclosed in the financial statements.

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

Note 3 Share Capital

	As at 31st March, 2016		As at 31st March, 2015	
	Nos.	₹	Nos.	₹
Authorised				
Equity shares of ₹ 10/- each	1,392,500,000	13,925,000,000	1,350,000,000	13,500,000,000
Issued				
Equity shares of ₹ 10/- each fully paid	506,108,815	5,061,088,150	487,608,815	4,876,088,150
Total Issued share capital	506,108,815	5,061,088,150	487,608,815	4,876,088,150
Subscribed and fully paid-up				
Equity shares of ₹ 10/- each fully paid	506,107,715	5,061,077,150	487,607,715	4,876,077,150
Total Subscribed share capital	506,107,715	5,061,077,150	487,607,715	4,876,077,150

Note:

- a. The authorised share capital was increase to 1,392,500,000 equity shares of Rs. 10 each pursuant to the amalgamation of NewGen Saurashtra Windfarms Limited (NSW) vide Order dated 04th December, 2015 of the Hon'ble High Court of Judicature at Bombay
- b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at 31st March, 2016		As at 31st March, 2015	
	Nos.	₹	Nos.	₹
Equity Shares				
At the beginning of the year	487,607,715	4,876,077,150	195,026,832	1,950,268,320
Issued during the year	18,500,000	185,000,000	292,580,883	2,925,808,830
Outstanding at the end of the year	506,107,715	5,061,077,150	487,607,715	4,876,077,150

- c. 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 fulfilment 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.

- d. 506,107,715 Shares (31st March, 2015 - 487,607,715 shares) being entire share capital is held by The Tata Power Company Limited (The Holding Company).
- e. 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, 2016		As at 31st March, 2015	
	Numbers of shares held	% Holding in the class	Numbers of shares held	% Holding in the class
Equity shares of ₹ 10/- each fully paid	506,107,715	100%	487,607,715	100%

Note 4 Reserves and Surplus

	31st March, 2016	31st March, 2015
	₹	₹
A. Capital Reserve pursuant to the Scheme of Amalgamation (Refer note 29(a))	80,763,455	NIL
B. Debenture Redemption Reserve		
Opening Balance	-	NIL
Add: Amount transfer from Surplus in Statement of Profit and Loss	134,300,000	NIL
Closing Balance	134,300,000	NIL
C. Surplus in the Statement of Profit and Loss		
Opening Balance	126,995,403	63,890,210
Add: Deferred tax assets created as at 01st April 2014 (Pursuant to the Scheme of Amalgamation (Refer note 29))	56,276,560	-
Less : Loss for the Financial Year 2014-15 and deferred tax impact (Pursuant to the Scheme of Amalgamation (Refer note 29 (b)))	(1,937,100)	-
Add: Profit for the year	193,467,502	63,105,193
Less: Transfer to Debenture Redemption Reserve	(134,300,000)	-
Closing Surplus in the statement of profit and loss	240,502,365	126,995,403
Total Reserve and Surplus	455,565,820	126,995,403

Note 5 Long-term borrowings

	Notes	As at 31st March, 2016		As at 31st March, 2015	
		₹		₹	
		Non Current	Current	Non Current	Current
Debentures - Unsecured					
Compulsorily Convertible Debentures	(i)	28,900,000	-	28,900,000	-
Redeemable Non Convertible Debentures	(j)	4,250,000,000	-	-	-
Term Loans from Banks - Secured					
State Bank of India	(g)	-	-	2,198,279,520	107,619,180
Exim Bank of India	(g)	-	-	961,700,000	92,600,000
State Bank of Patiala	(a)	798,559,140	56,492,120	855,051,260	51,722,090
IDFC Bank Limited *	(b) and (c)	2,839,437,000	137,201,000	-	-
Kotak Mahindra Bank	(f)	1,506,225,000	3,775,000	-	-
Term Loans from Others - Secured					
IDFC Infra Debt Fund Limited	(b)	337,995,000	12,005,000	-	-
L&T Infrastructure Finance Co Limited	(d) and (e)	1,274,631,738	78,234,000	-	-
IDFC Limited *		-	-	2,276,770,000	366,230,000
Other Loans and Advances - Unsecured					
Loan from Tata Chemicals Limited	(k)	-	-	76,100,000	-
		11,035,747,878	287,707,120	6,396,800,780	618,171,270

* Consequent to conversion of IDFC Limited to a scheduled bank - IDFC Bank Limited

Notes:

a. Loan of Rs. 90.67 crores from State Bank of Patiala for Daloth Project is repayable in 46 quarterly instalments based on an amortisation schedule commencing from 30th September, 2014. The last Instalment is payable on 31st December, 2025. The loan facility is with the unconditional and irrevocable corporate guarantee given by the Holding Company, The Tata Power Company Limited for a period of 3 years from the date of commencement of the Daloth project or 31st March, 2017, whichever is later.

b. Loans of Rs.165 crores from IDFC Bank Ltd and IDFC Infra Debt Fund Ltd for Palaswadi Project are repayable in 48 quarterly instalments based on an amortisation schedule commencing from 15th December, 2015. Last Instalment is payable on 15th September, 2027

c. Loans of Rs 216 crores from IDFC Bank Ltd for Rojmal Phase I Project are repayable in 48 structured quarterly instalments based on an amortisation schedule commencing from September 15, 2016. Last Instalment is payable on June 15, 2028.

d. Loans of Rs 88 crores from L&T Infrastructure Finance Co Ltd for Dangri Project are repayable in 76 structured quarterly instalments based on an amortisation schedule commencing from March 2016. Last Instalment is payable on 31st March 2035.

e. Loans of Rs 128 crores from L&T Infrastructure Finance Co Ltd for Saurashtra Project are repayable in 50 structured quarterly instalments based on an amortisation schedule commencing from June 2015. Last Instalment is payable on 31st March 2027.

f. Loans of Rs 265 crores from Kotak Mahindra Bank Ltd for Lahori Project are repayable in 48 structured quarterly instalments based on an amortisation schedule commencing from March 2017. Last Instalment is payable on 31st December 2029.

Security for above loans:

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) except for State Bank of Patiala & Kotak Mahindra Bank Ltd.

Upon non-payment of 2 consecutive instalments of the principal and/or Interest of the Loans, lender 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 except for State Bank of Patiala & Kotak Mahindra Bank Ltd.

g. Rupee Loans from State Bank of India and Export-Import Bank of India are repayable in 44 quarterly instalments based on an amortisation schedule commencing from 31st March, 2013. The last instalment being payable on 31st December, 2023. Loan is repaid during the current year.

h. Rupee Loans from IDFC Ltd of Rs 80 crores for Pethshivpur Project are repayable in 45 quarterly instalments based on an amortisation schedule commencing from 15th March, 2016. Last Instalment is payable on 15th March, 2027. Loan is repaid during the current year.

2

Security for above loans :

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.

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.

Unconditional and irrevocable corporate guarantee given by the holding company for a period upto 31st March, 2015, except for loan facility from IDFC Ltd.

- i. 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.
- j. During the year, the Company has issued Non Convertible Debentures (NCD) of Rs. 425 crores with bullet repayment in three equal instalments payable at the end of 7th, 8th and 9th year from the allotment date i.e, 22nd January 2016. NCD has put/call option at the end of 5th year from the date of allotment. The facility is backed by unconditional and irrevocable Corporate Guarantee (CG) from The Tata Power Company Ltd for all amounts due under the facility including but not limited to interest, principal amount, penal interest and any other costs/charges under the issue. CG shall remain valid till the issue is completely redeemed.
- k. Unsecured subordinated loan from Tata Chemicals Limited is repayable only after full repayment of all Secured Loans availed for Mithapur Project from State Bank of India and EXIM Bank.

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

Note 6 Deferred Tax Liability (net)

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Deferred tax liability Relating to Fixed Asset	86,929,703	74,649,063
Deferred tax asset Unabsorbed depreciation	(23,881,344)	(19,799,667)
	63,048,359	54,849,396

Note 7 Other Long Term Liabilities

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Interest accrued but not due on borrowings Others	8,669,883	6,573,051
	8,669,883	6,573,051

Note 8 Short Term Borrowings

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Bank Overdraft	17,251,757	-
Loan from Tata Power Company Limited	1,060,000,000	-
	1,077,251,757	-

Note 9 Other Current Liabilities

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Current Maturities of long term debt - Secured (Refer Note 5)	287,707,120	618,171,270
Interest accrued and due on borrowings Banks	-	28,173,865
Interest accrued but not due on borrowings Banks	18,457,292	2,584,712
Holding company	13,275,124	252,332,860
Debentures	76,650,956	15,299,070
Other Payables Payables on Purchase of Fixed Assets	3,351,777,514	1,224,516,580
Statutory Liabilities	59,757,618	32,443,077
	3,807,625,624	2,173,521,434

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

Note 10 Tangible Assets

Amount in ₹

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2015	Acquisition under scheme of amalgamation (Refer Note 29)	Additions	Deductions	As at 31st March 2016	Depreciation under scheme of amalgamation (Refer Note 29)	For the year	Deductions	As at 31st March 2016	As at 31st March 2016
1. Freehold land #	371,764,904 372,636,599	-	30,058,075 (871,695)	-	401,822,979 371,764,904	-	-	-	-	401,822,979 371,764,904
2. Leasehold land #	14,039,346 9,539,619	-	25,348,840 4,499,727	-	39,388,186 14,039,346	-	918,116 386,553	-	2,104,573 1,166,457	37,283,613 12,882,889
3. Buildings - plant	44,789,331 42,579,445	-	2,209,866	-	44,789,331 44,789,331	-	3,091,474 5,172,450	-	14,998,285 11,866,821	29,631,036 32,922,510
4. Building others	-	1,013,838	-	(1,013,838)	-	120,546	38,918	(159,464)	-	-
5. * Plant and machinery	9,727,261,768 8,261,747,773	1,965,166,255	5,761,328,778 1,465,513,996	-	17,453,756,802 9,727,261,768	508,613,669	931,239,833 580,890,739	-	2,644,345,567 1,204,491,965	14,809,411,235 8,522,769,804
6. Roads	4,676,212 4,676,212	-	12,689,775	-	17,365,987 4,676,212	-	1,437,690 327,334	-	2,500,983 1,063,263	14,865,034 3,612,949
7. Transmission lines and cable network	154,214,553 123,737,639	-	157,160,506 30,476,914	-	311,375,059 154,214,553	-	13,153,748 8,705,655	-	32,505,470 19,351,722	278,880,529 134,862,831
- 2015-2016	10,316,746,115	1,965,166,093	5,996,565,974	(1,013,838)	18,268,498,344	508,734,215	949,879,879	(159,464)	2,696,414,858	15,572,083,486
- 2014-2015	8,814,917,287	-	1,501,828,828	-	10,316,746,115	-	595,482,731	-	1,237,960,238	9,078,785,887

Notes:

- * Reversal of excess provision consequent to receipt of invoices from vendor.
- # Includes land pending registration of title in favour of the company.

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Note 11 Non-Current Investments

	Face Value	Quantity	As at 31st March, 2016 ₹	Quantity	As at 31st March, 2015 ₹
Trade Investments (valued at cost less provision for diminution other than temporary, if any)					
Investment in Subsidiaries					
Ordinary Shares - (Unquoted) fully paid up				42,153,966	474,418,462
NewGen Saurashtra Windfarms Limited	10	50,000	251,500	-	-
Tata Power Green Energy Limited	10	50,000	500,000	-	-
Supa Windfarms Limited	10	50,000	500,000	-	-
Nivade Windfarms Limited	10	50,000	500,000	-	-
Poolavadi Windfarms Limited	10	50,000	500,000	-	-
			<u>1,751,500</u>		<u>474,418,462</u>

Note 12 Long Term Loans and Advances-Unsecured

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
(a.) Capital Advances, considered good (Refer Note 28)	1,064,677,532	1,302,392,122
(b.) Security Deposit		
Considered good	106,418,430	113,744,305
Doubtful	7,325,875	-
	<u>113,744,305</u>	<u>113,744,305</u>
Less: Provision for Doubtful Deposits	<u>(7,325,875)</u>	<u>-</u>
	106,418,430	113,744,305
(c.) Advance Income Tax [Net of Provision for tax of ₹ 122,355,000 (As at 31st March 2015 - ₹ 50,355,000)]	34,578,473	21,697,254
(d.) Value added tax receivable, considered good	52,436,495	52,425,380
	<u>1,258,110,930</u>	<u>1,490,259,061</u>

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

	Face Value	Quantity	As at 31st March, 2016 ₹	Quantity	As at 31st March, 2015 ₹
Mutual Funds (Unquoted)					
Religare Invesco Liquid Fund - Growth	100	186,787	383,129,430	231,546	435,700,288
DSP BlackRock Liquidity Fund - Institutional Plan - Growth	1000	42,926	87,630,200	115,003	226,179,772
JM High Liquidity - Growth	10	3,452,312	137,481,027	2,517,814	92,868,867
UTI Liquid Fund - Cash Plan - Growth	1000	73,931	179,657,675	34,441	77,470,984
ICICI Prudential Liquid - Regular Plan - Growth	100	1,873,923	411,251,635	1,353,417	262,780,466
Axis Liquid Fund - Regular - Growth	1000	43,826	72,741,000	-	-
DHFL Pramerica Insta Cash Plus Fund - Direct - Growth	100	246,433	47,561,238	-	-
LIC Nomura Liquid Fund - Growth Plan	1000	23,981	63,200,000	-	-
			<u>1,382,652,205</u>		<u>1,095,000,377</u>

Note 14 Trade Receivables - Unsecured, considered good

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Trade receivables outstanding for a period of six months from the date they are due for payment	43,784,386	-
- For Power Sale	17,916,480	-
- Generation Base Incentive	359,833,364	85,450,668
Other Trade receivables	<u>421,534,230</u>	<u>85,450,668</u>

Note 15 Cash and bank balances

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
A. Cash and Cash Equivalents:		
Balances with banks:		
In Current Accounts	79,060,622	51,271,107
In Deposit Accounts (maturity is less than 3 months)	-	10,000
Cash and cash equivalents as per AS 3 Cash Flow Statements	<u>79,060,622</u>	<u>51,281,107</u>
B. Other Balances with Banks:		
In Deposit Accounts (remaining maturity of more than twelve months)	75,000	-
	<u>75,000</u>	<u>-</u>
	<u>79,135,622</u>	<u>51,281,107</u>

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

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Other Advances	71,238	50,000
	<u>71,238</u>	<u>50,000</u>

Note 17 Other Current Assets

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Unbilled revenue	173,442,962	153,998,660
Receivable on Sale of Current Investments	12,588,000	-
Other recoverable (Refer note 28)	738,475,728	-
	<u>924,506,690</u>	<u>153,998,660</u>

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

Note 18 Revenue from Operations

	For year ended 31st March, 2016	For year ended 31st March, 2015
	₹	₹
(a) Sale of products		
Revenue from power supply	2,147,675,606	1,325,801,052
	<u>2,147,675,606</u>	<u>1,325,801,052</u>
(b) Other operating revenue		
Incentive under generation based incentive scheme	115,650,000	29,253,816
Compensation towards generation loss	128,385,651	130,000,000
Income on sale of voluntary emission reduction	-	1,140,966
Income on sale of carbon credits	12,637,970	-
	256,673,621	160,394,782
	<u>2,404,349,227</u>	<u>1,486,195,834</u>

Note 19 Other Income

	For year ended 31st March, 2016	For year ended 31st March, 2015
	₹	₹
Interest income from bank deposit	3,392,997	38,640,409
Interest income from subsidiary	-	12,243,513
Interest recovered on advance to vendor	-	89,300,000
	3,392,997	140,183,922
Profit on sale of current investments	90,149,995	35,356,907
Miscellaneous Income	6,052,346	-
Compensation received on project cancellation (net)	-	18,642,010
	99,595,338	194,182,839
Less: Capitalised	-	(12,857,551)
	<u>99,595,338</u>	<u>181,325,288</u>

Note 20 Employee Benefit Expenses

Salary and Wages	297,337	-
Staff Welfare Expenses	44,761	-
	<u>342,098</u>	<u>-</u>

Note 21 Finance Costs

	For year ended 31st March, 2016	For year ended 31st March, 2015
	₹	₹
(a) Interest Expense on:		
Loans from Banks and Financial Institutions	874,518,051	691,831,943
Subordinate Loans:		
Holding company	-	114,087,985
Others	7,098,670	8,561,250
Interest on Corporate deposit from Holding company	14,703,994	31,128,141
Other interest and commitment charges	18,968,362	1,312,129
Debentures	78,981,562	2,580,414
	994,270,639	849,501,862
Less: Capitalised	(44,727,283)	(16,925,699)
	949,543,356	832,576,163
(b) Other borrowing costs:		
Other Finance costs	35,212,099	18,112,318
Less: Capitalised	(662,924)	(7,714,268)
	34,549,175	10,398,050
	<u>984,092,531</u>	<u>842,974,213</u>

Note 22 Other Expenses

	For year ended 31st March, 2016	For year ended 31st March, 2015
	₹	₹
Rent	232,220	38,466
Insurance	10,108,299	5,052,841
Rates and taxes	1,604,591	944,298
Repair and maintenance	91,624,906	31,812,453
Travelling and conveyance	3,200,603	3,469,337
Cost of services	60,403,420	30,653,461
Electricity Consumed	11,278,091	8,504,936
Tata Brand Equity	5,750,436	4,313,706
Payment to auditors	3,951,188	3,367,238
Payment to cost auditors	236,910	134,832
Other Fees	15,696,777	5,847,865
Legal Charges	6,249,737	3,045,411
Provision for Doubtful Deposits	7,325,875	-
Other operation Expenses	229,185	1,667,540
Cash discount	8,699,048	5,509,664
Director fees	2,192,950	-
Business Development Expenses	7,699,178	-
Corporate Social Responsibility Expense	1,500,000	798,000
Miscellaneous Expenses	1,099,767	868,502
Loss on Sale of Fixed Assets	179,374	-
	239,262,555	106,028,550
Less: Other Expenses Capitalised	-	(10,418,961)
	<u>239,262,555</u>	<u>95,609,589</u>

Note:

Payment to auditors comprises (inclusive of Service tax)

	For year ended 31st March, 2016	For year ended 31st March, 2015
	₹	₹
As Auditors - Statutory audit	3,185,875	2,696,640
For Taxation Matters	574,504	642,508
For Other services	190,809	28,090
	<u>3,951,188</u>	<u>3,367,238</u>

- 23 Contingent Liabilities:
As at 31st March, 2016 - Rs. 9,840,536/- in respect of Income tax disputes (31st March, 2015 Rs. 147,756/-).
For cashflows in respect of above matter is determinable on receipt of judgments / decisions pending at various forums / authorities.
- 24 a) Capital Commitment :
Estimated amount of contracts remaining to be executed (net of capital advance) on Capital account and not provided for ₹ 7,190,959,029 / - (31st March, 2015 ₹ 1,610,075,364).
- b) Other commitment :
The Company on 8th March 2016, has entered into Share Purchase Agreement (SPA) with Indo Rama Renewables Limited – Holding Company (IRRL) to acquire 100% shareholding of its subsidiary - Indo Rama Renewables Jalh Limited (IRRJL) including repayment of related unsecured loans, subject to fulfilment of certain Condition Precedents and receipt of regulatory and other necessary approvals which are yet to be fulfilled.
- 25 Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" as notified under the Companies (Accounts) Rules, 2014 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
100% Subsidiaries	
Tata Power Green Energy Limited	India
Newgen Saurashtra Windfarm Limited (NSW) #	India
Supa Windfarms Limited	India
Nivade Windfarms Limited	India
Poolavadi Windfarms Limited	India
Fellow Subsidiaries (where transactions have taken place)	
Tata Power Solar Systems Limited (TPSSL)	India
Powerlinks Transmission Limited (PTL)	India
Tata Power Trading Company Limited (TPTCL)	India
Af-Taab Investment Company Limited	India
Key Management Personnel	
Rahul Shah (CEO & Director)	India

(b) Details of Transactions / Balances Outstanding:

Particulars	Amount in ₹								
	TPCL	TPTCL	TPSSL	NSW #	Supa	Nivade	Poolavadi	Af-Taab	Key Management Personnel
Project Management Service	19,147,922 5,694,130								
Receiving of Services	50,092,749 15,313,962		35,894,876 20,485,266						
Purchase of goods - Supply		20,287	467,188						
Purchase of Fixed asset	347,998		1,922,825,725						
Sale of Fixed asset		190,400,000,00							
Guarantees given on including corporate guarantee	5,000,000,000 244,349,336								
Guarantees returned including corporate guarantee	(2,771,908,104) 513,100,000								
Interest Expenditure	14,703,994 145,216,126								
Interest Income				12,243,513					
Borrowings Received	1,060,000,000 113,100,000								
Borrowings Repaid	780,627,426								
Equity Contribution (including Share Application Money pending for allotment)	185,000,000 894,999,994								
Sale of Power	659,223,109 403,845,020								
Cash Discount given	8,520,939 5,509,664								
Loans repaid	780,627,425			482,293,324					
Pledge commission	5,914,240 2,261,825								
DSRA commission	148,851								
Formation expenses recoverable					23,900	23,900	23,900		
Remuneration *									12,530,970 1,044,000
Income from Project Management Services		4,042,000							
Purchase of Investment								251,500	
Balance Outstanding									
Loans taken (including interest thereon)	1,073,275,123 252,332,660								
Other Payables	25,484,905 14,727,605	20,287	15,133,111 20,968,718						
Other Receivable	60,280,398 63,289,409				27,368	27,368	27,368		
Guarantees given on behalf of TPREL	6,145,741,232 3,917,649,336								
Guarantees given on behalf of NSW				54,000,000					

Note: Previous year/s/ period's figures are in Italics.
Refer note 29
* Reimbursement of deputation cost to holding company.

26 Earnings per Share:

	For the Year ended 31st March, 2016 ₹	For the Year ended 31st March, 2015 ₹
Basic		
Net profit for the year attributable to equity shareholders (₹)	193,467,502	63,105,193
Weighted Average Number of Equity Shares for Basic EPS (Nos)	493,067,831	331,801,035
Par value per equity share (₹)	10.00	10.00
Basic Earnings Per Share (₹)	0.39	0.19
Diluted		
Net profit for the year attributable to equity shareholders (₹)	193,467,502	63,105,193
Add: Interest expense on Compulsorily Convertible Debentures debited to Statement of Profit and Loss (₹)	1,832,632	2,039,546
Profit attributable to equity shareholders on dilution (₹)	195,300,134	65,144,739
The weighted average number of equity shares for Basic EPS (Nos)	493,067,831	331,801,035
Add: Effect of potential equity shares on conversion of compulsorily convertible debentures	2,890,000	2,890,000
Weighted average number of equity shares for Diluted EPS (Nos)	495,957,831	334,691,035
Par value per equity share (₹)	10.00	10.00
Diluted Earnings Per Share (₹)	0.39	0.19

27 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 (Accounts) Rules, 2014.

- 28 Company had given a Capital Advance of Rs. 1,288,392,122/- to ReGen Powertech Pvt. Ltd for 49.50 MW Wind Project at Pethshivpur, Maharashtra. Given the uncertainties related to the land acquisition for the project, now the Company has decided to not to pursue the project further and ReGen Powertech Ltd has agreed to refund the Capital advance with interest, consequently, during the current year the balance outstanding amount of Rs. 738,392,122/- is regrouped from Capital Advances and disclosed under Other Current Assets.

29 Scheme of Amalgamation:

The "Scheme of Amalgamation" ("the Scheme") between NewGen Saurashtra Windfarms Limited (NSW) ("transferor Company") a wholly owned subsidiary with the Company under Section 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 and Companies Act, 2013, has been approved by the Hon'ble High Court in Mumbai vide its order dated 4th December, 2015 ("Order") and is effective from 12th February 2016 (appointed date 1st April, 2014).

(a) All the assets, debts, liabilities and obligations of the transferor company have been vested in the Company with effect from appointed date as per the Order and have been recorded at their respective book values. As on 1st April, 2014, the book value of total assets and liabilities were Rs. 1,849,071,787/- and Rs. 1,293,889,870/- respectively.

The surplus of the value of assets over liabilities of Rs. 555,181,917/- of the transferor company over the investment value of Rs. 474,418,462/- of the Company is shown as Capital Reserve of Rs. 80,763,455/- under Reserves and Surplus of the Company.

(b) Loss after tax of the transferor company for the year from 1st April, 2014 to 31st March, 2015 amounting to Rs. 1,937,100/- (net of taxes) has been debited to the Surplus in Statement of Profit and Loss of the Company.

(c) Comparative figures do not include the figures of the transferor company. Consequently, the comparative figures are not comparable with the figures for the year ended 31st March, 2016.

The scheme, accounted for as per the Order, is at variance with the accounting treatment required by the pooling of interest method specified under Accounting Standard 14 -Accounting for Amalgamations (AS 14). AS 14 which states that the identity of the reserves is preserved and they appear in the financial statements of the transferee company in the same form in which they appeared in the financial statements of the transferor company. As stated above and in order to comply with the Order, the Share premium Rs. 411,539,655/- and deficit in Statement of profit and loss Rs. 277,897,398/- of the transferor company is not accounted for separately but has been netted and treated as Capital Reserve.

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