

TATA POWER RENEWABLE ENERGY LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Power Renewable Energy Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Tata Power Renewable Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 standalone Ind AS 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 standalone Ind AS 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 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 standalone Ind AS 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 standalone Ind AS financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 2" to this report;
 - (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 standalone Ind AS financial statements – Refer Note 26 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



S R B C & CO LLP

**Chartered Accountants
Other Matter**

The comparative financial information of the Company for the year ended March 31, 2017 included in these standalone Ind AS financial statements, prepared in accordance with Ind AS, have been audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 15, 2017 expressed an unmodified opinion on those standalone financial statements.

For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No. 324982E/E300003



per Abhishek Agarwal
Partner

Membership No.: 112773

Place: Mumbai

Date: 24th April 2018



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (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) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to power generation and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax Act, 2002	Value Added Tax	5,512,131	FY 2013-14	The Company is yet to file the appeal

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture 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) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



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- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003



per Abhishek Agarwal

Partner

Membership No.: 112773

Place: Mumbai

Date: 24th April 2018



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TATA POWER RENEWABLE ENERGY LIMITED**Report on the Internal Financial Controls 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 March 31, 2018 in conjunction with our audit of the standalone 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 the 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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.

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 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 pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



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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.

Opinion

In our opinion, 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 March 31, 2018, 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.

For **S R B C & CO LLP**

Chartered Accountants

Firm Registration No. 324982E/E300003



per Abhishek Agarwal
Partner

Membership No.: 112773

Place: Mumbai

Date: 24th April 2018



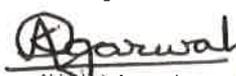
Tata Power Renewable Energy Limited

Balance Sheet as at 31st March, 2018

	Notes	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3	3,75,429.91	2,53,247.39
(b) Capital Work-in-Progress		69,977.94	74,787.82
(c) Financial Assets			
(i) Investments	4 A	3,81,800.93	3,88,791.64
(ii) Loans	5 A	26,195.84	-
(iii) Other Financial Assets	6 A	883.84	21.05
(d) Non-current Tax Assets (Net)	7	1,138.20	714.92
(e) Other Non-current Assets	8 A	2,200.32	1,690.63
Total Non-current Assets		8,57,626.98	7,19,253.45
Current Assets			
(a) Financial Assets			
(i) Investments	4 B	3,326.91	26,654.62
(ii) Trade Receivables	9	6,054.13	3,939.87
(iii) Unbilled Revenue		5,860.11	3,731.57
(iv) Cash and cash Equivalents	10	2,740.51	7,244.19
(v) Bank Balances other than (iv) above	11	0.75	5,111.38
(vi) Loans	5 B	806.16	41,089.63
(vii) Other financial assets	6 B	10,762.13	8,811.64
(b) Other Current Assets	8 B	179.02	96.09
Total Current Assets		29,729.72	96,678.99
TOTAL ASSETS		8,87,356.70	8,15,932.44
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12 A	1,04,510.77	56,610.77
(b) Share Application Money Pending Allotment		-	16,800.00
(c) Unsecured Perpetual Securities	12 B	3,89,500.00	3,89,500.00
(d) Other Equity	13	16,049.25	11,411.94
Total Equity		5,10,060.02	4,74,322.71
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	2,82,690.40	1,66,129.88
(b) Provisions	15	383.45	-
(c) Deferred Tax Liabilities (Net)	16	536.00	1,920.00
(d) Other Non-current Liabilities	17	4,565.36	-
Total Non-current Liabilities		2,88,175.21	1,68,049.88
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	49,559.64	79,475.60
(ii) Trade Payables			
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		2,017.03	1,296.41
(iii) Other Financial Liabilities	19	37,029.93	91,919.44
(b) Provisions	15	11.56	-
(d) Other Current Liabilities	20	503.31	868.40
Total Current Liabilities		89,121.47	1,73,559.85
Total Liabilities		3,77,296.68	3,41,609.73
TOTAL EQUITY AND LIABILITIES		8,87,356.70	8,15,932.44

See accompanying notes forming part of the financial statements

For S R B C & Co LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003


per Abhishek Agarwal
Partner
Membership No.: 112773



For and on behalf of the Board,


Rahul Shah
Director


Jhendra V Patil
Chief Financial Officer


Ramesh Subramanyam
Director


Mona Purandare
Company Secretary

Mumbai, 24th April, 2018

Mumbai, 24th April, 2018

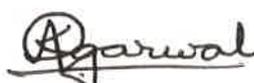
Tata Power Renewable Energy Limited

Statement of Profit and Loss for the year ended 31st March, 2018

	Notes	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
I Revenue from Operations	21	49,435.82	31,807.62
II Other Income	22	17,345.19	8,259.42
III Total Income		66,781.01	40,067.04
IV Expenses			
Employee Benefits Expense	23	567.64	9.07
Finance Costs	24	20,049.72	13,184.16
Depreciation and Amortisation Expenses	3	20,889.54	13,879.77
Other Expenses	25	4,775.07	3,146.65
Total Expenses		46,281.97	30,219.65
V Profit Before Tax		20,499.04	9,847.39
VI Tax Expense			
Current Tax		1,759.75	2,100.00
MAT Credit (refer note 36)		(4,388.00)	-
Deferred Tax (refer note 29)		2,988.00	881.75
		359.75	2,981.75
VII Profit For The Year		20,139.29	6,865.64
VIII Other Comprehensive Income			
A Add/(Less):			
(i) Items that will not be reclassified to profit and loss			
(a) Remeasurement of the Defined Benefit Plans		46.81	-
(ii) Tax relating to items that will not be reclassified to profit or loss			
(a) Current Tax		-	-
(b) Deferred Tax		16.00	-
Total Other Comprehensive Income		30.81	-
IX Total Comprehensive Income for the year (VII + VIII)		20,170.10	6,865.64
X Earnings Per Equity Share (Face Value ₹ 10/- Per Share)			
Basic (₹)	31	2.36	1.30
Diluted (₹)	31	2.25	1.28

See accompanying notes forming part of the financial statements

For S R B C & Co LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

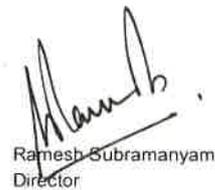

per Abhishek Agarwal
Partner
Membership No.: 112773



For and on behalf of the Board,



Rahul Shah
Director


Ramesh Subramanyam
Director


Jinendra V Patil
Chief Financial Officer


Mona Purandare
Company Secretary

Mumbai, 24th April, 2018

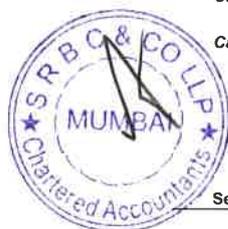
Mumbai, 24th April, 2018

Tata Power Renewable Energy Limited

Cash Flow Statement for the year ended 31st March, 2018

	Amount in ₹ Lakhs	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Cash Flow from Operating Activities		
Profit before tax	20,499.04	9,847.39
Adjustments for :		
Depreciation and Amortisation Expense	20,889.54	13,879.77
Finance Cost	20,049.72	13,259.54
Interest Income	(3,400.48)	(4,752.27)
Gain/loss on Sale of Current Investments	(1,296.69)	(1,682.96)
Dividend income	(12,532.80)	-
Other Non operating Income	-	(1,801.43)
Loss on Sale of non current investment	0.77	-
Provision for Doubtful debts	(50.00)	(22.76)
Amortization of Leasehold Land	17.53	15.77
Amortization of Deferred expense and income	(74.38)	13.91
Operating profit before working capital changes	44,102.25	18,909.57
Working Capital Adjustments		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(2,114.26)	275.46
Other financial assets- current	6,258.77	1,614.77
Other financial assets-non current	(10.25)	21.47
Other current assets	(72.88)	(63.74)
Other non-current assets	(466.61)	276.11
Unbilled revenue	(2,128.54)	(1,997.14)
	1,466.23	126.93
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	720.62	690.88
Other Current Financial Liabilities	-	-
Other Non Current Provisions	383.45	-
Current Provisions	58.37	-
Other current liabilities	(535.63)	270.82
	626.81	961.70
Cash flow from operations	46,195.29	29,845.59
Income tax paid	(2,183.03)	(2,469.14)
Net cash flows from operations	44,012.26	27,376.45
B. Cash Flow from Investing Activities		
Payments for property, plant and equipment	(1,87,728.32)	(1,17,325.79)
Acquisition of lease hold land	(87.92)	(16.16)
Sale of Long-term Investments - in Subsidiary Companies	1.75	-
Payment for Long Term Investment - in Subsidiary Companies	(32.80)	(3,71,018.53)
Payment to acquire non current investment - acquisition cost	(5,163.25)	-
Purchase of Current Investments	(3,35,476.10)	(2,89,466.80)
Proceeds from Sale of Current Investments	3,60,100.50	2,78,572.91
Interest Received	4,657.29	3,210.62
Dividend received from subsidiary company	7,091.73	-
Other Miscellaneous revenue	-	301.43
Loans given to Subsidiaries	(19,792.00)	(82,189.63)
Repayment of loan by subsidiaries	33,879.63	41,100.00
Bank Balance not considered as Cash and Cash Equivalents	5,110.63	(5,111.38)
Net cash flow used in investing activities	(1,37,438.86)	(5,41,943.33)
C. Cash flow from Financing Activities		
Proceeds from issue of Equity shares	31,100.00	16,800.00
Proceeds from Unsecured Perpetual Securities	-	3,89,500.00
Interest and Other Borrowing Cost paid	(17,287.61)	(12,384.57)
Proceeds from Long term borrowings	1,20,000.00	98,481.60
Repayment of Long term borrowings	(2,151.81)	(43,611.56)
Proceeds from Subordinated Loan from Holding Company	-	17,600.00
Repayment of Subordinated Loan from Holding Company	-	(22,200.00)
Proceeds from Short term borrowings	1,77,404.86	1,77,241.27
Repayment of Short term borrowings	(2,10,000.00)	(1,00,285.31)
Dividend Paid (including Dividend Distribution Tax)	(10,091.72)	-
Net cash generated from financing activities	88,973.72	5,21,141.43
Net increase / (decrease) in cash and cash equivalents	(4,452.87)	6,574.55
Cash and cash equivalents at the beginning of the year	7,193.38	618.84
Cash and cash equivalents at the end of the year	2,740.51	7,193.38
Cash and cash equivalents comprises		
Balance with banks		
(a) in current account	2,740.51	755.44
(b) in deposit account	-	6,488.75
(c) in bank overdraft	-	(50.81)
	2,740.51	7,193.38

See accompanying notes forming part of the Condensed Financial Statements



A

Tata Power Renewable Energy Limited

Cash Flow Statement for the year ended 31st March, 2018

Reconciliation of liabilities from financing activities:

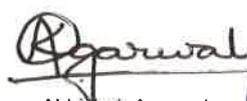
Amount in ₹ Lakhs

Particulars	As at 31.03.2017	Cash Flows		Non-cash Changes / Amortisation	As at 31.03.2018
		Additions	Repayments		
Long term borrowings (including current maturity of long term borrowings)	1,67,442.13	1,20,000.00	(2,151.81)	(725.13)	2,84,565.20
Short term borrowings	79,424.79	1,77,404.86	(2,10,000.00)	2,729.99	49,559.64
Total	2,46,866.92	2,97,404.86	(2,12,151.81)	2,004.86	3,34,124.84

For SRBC & Co LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Abhishek Agarwal
Partner
Membership No.: 112773



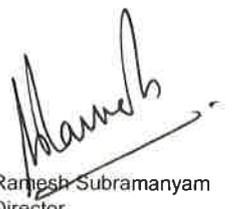
For and on behalf of the Board,



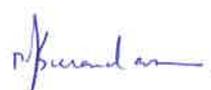
Rahul Shah
Director



Jinendra V Patil
Chief Financial Officer



Ramesh Subramanyam
Director



Mona Purandare
Company Secretary

Mumbai, 24th April, 2018

Mumbai, 24th April, 2018

Tata Power Renewable Energy Limited

Statement of changes in equity for the year ended 31st March, 2018

A. Equity Share Capital

	₹ Lakhs	
	No. of Shares	Amount
Balance as at 1st April, 2016	50,61,07,715	50,610.77
Issue of Equity Shares during the year	6,00,00,000	6,000.00
Balance as at 31st March, 2017	56,61,07,715	56,610.77
Balance as at 1st April, 2017	56,61,07,715	56,610.77
Issue of Equity Shares during the year	47,90,00,000	47,900.00
Balance as at 31st March, 2018	1,04,51,07,715	1,04,510.77

B. Unsecured Perpetual Securities

	₹ Lakhs	
	No. of Securities	Amount
Balance as at 1st April, 2016	NA	-
Issued during the year	NA	3,89,500.00
Balance as at 31st March, 2017		3,89,500.00
Balance as at 1st April, 2017	NA	3,89,500.00
Issued during the year	NA	-
Balance as at 31st March, 2018		3,89,500.00

C. Other Equity

Particulars	Equity Component of compound financial instruments	Deemed Equity Contribution from Holding Company	Retained Earnings	Debenture Redemption Reserve	Capital Reserve	Other Comprehensive Income	Amount in ₹ Lakhs
							Total
Balance as at 1st April, 2017	-	499.59	5,345.72	4,759.00	807.63	-	11,411.94
Profit for the year	-	-	20,139.29	-	-	-	20,139.29
Other comprehensive income	-	-	-	-	-	30.81	30.81
Total comprehensive income	-	499.59	25,485.01	4,759.00	807.63	30.81	31,582.04
Payment of dividends on equity shares - Interim *	-	-	(12,532.80)	-	-	-	(12,532.80)
Payment of dividends on equity shares - Final **	-	-	(2,492.56)	-	-	-	(2,492.56)
Tax on Dividend	-	-	(507.43)	-	-	-	(507.43)
Transfer to debenture redemption reserve	-	-	(5,916.00)	5,916.00	-	-	-
Balance as at 31st March, 2018	-	499.59	4,036.22	10,675.00	807.63	30.81	16,049.25

* Interim Dividend Rs 0.4164 per share on 29th June, 2017, Rs.0.4159 per share on 29th September, 2017 and Rs 0.52 per share on 31st March, 2018.

** Final Dividend Rs 0.3245 per share on 05th September, 2017.

Particulars	Equity Component of compound financial instruments	Deemed Equity Contribution from Holding Company	Retained Earnings	Debenture Redemption Reserve	Capital Reserve	Other Comprehensive Income	Amount in ₹ Lakhs
							Total
Balance as at 1st April, 2016	204.47	-	2,210.94	1,343.00	807.63	-	4,566.04
Profit for the year	-	-	6,865.64	-	-	-	6,865.64
Redemption of compulsory convertible debenture	(519.33)	-	-	-	-	-	(519.33)
Transfer to retained earning	314.86	-	(314.86)	-	-	-	-
Fair value of corporate guarantee	-	499.59	-	-	-	-	499.59
Transfer to debenture redemption reserve	-	-	(3,416.00)	3,416.00	-	-	-
Balance as at 31st March, 2017	-	499.59	5,345.72	4,759.00	807.63	-	11,411.94

See accompanying notes forming part of the financial statements

For S R B C & Co LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Abhishek Agarwal
Partner
Membership No : 112773



For and on behalf of the Board,

Rahul Shah
Director

Jijendra V Patil
Chief Financial Officer

Ramesh Subramanyam
Director

Mona Purandare
Company Secretary

Mumbai, 24th April, 2018

Mumbai, 24th April, 2018

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

Note 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 electricity from renewable sources. Accordingly, the Company has 624.2 MW of operating renewable power generation assets comprising of operating wind power generation assets of 354.2 MW and 270 MW of solar power generation assets across India. Further 100 MW Solar plant capacity is under construction.

In May 2016, the Company acquired all the shares of Indo Rama Renewable Jath Limited (IRRJL) which has 30 MW of wind operating assets in Maharashtra.

Further, in September 2016, the Company has acquired all the shares of Walwhan Renewable Energy Limited (formely: Welspun Renewables Energy Private Limited) which has 1,010 MW of operating portfolio consisting of 864 MW solar power & 146 MW of wind power generating portfolio across India.

Power generated from all the operating and project assets are being sold / would be sold under long term power sale agreements to state distribution companies and the holding company.

The Company is an incorporated and domiciled in India and has its registered office at C/o The Tata Power Company Limited, Corporate Center B, 34 Sant Tukaram Road, Carnac Bunder Mumbai City - 400009.

The financial statements are presented in Indian rupee (₹).

2. Significant accounting policies

2.1 Statement of compliance

The financial statements of the company comprising of balance sheet, statement of profit and loss account, statement of change in equity and cash flow statement together with the notes to accounts have been prepared in accordance with Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2017.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transition date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.



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

2.3 Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the year presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Key uncertainties, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next year, are in reference to impairment of property, plant and equipment, useful lives of property, plant and equipment, valuation of deferred tax liabilities or assets and provisions and contingent liabilities.

The areas involving critical estimates and judgements are estimated life of property, plant and equipment (note 2.9), employee benefits (note 2.7), recognition of deferred tax assets and liability (note 2.8).

2.4 Revenue recognition

2.4.1 Sale of power

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured.

Revenue from generation of power is recognised on an accrual basis on the basis of billings to power procurers and includes unbilled revenues accrued upto the end of the accounting period.

Revenue is reduced for estimated rebates and other similar allowances.

Delayed payment charges and interest on delayed payments are recognized, on grounds of prudence, when recovered.

2.4.2 Dividend and Interest income

Dividend income from investments is recognised when the right to the payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4.3 Unbilled Revenue

Unbilled revenue represents services rendered by the Company but not invoiced as at the balance sheet date.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investments of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.



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

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

2.6 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

Government grants relating to income are determined and recognised in the profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other operating income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected life of the related assets and presented within other operating income.

2.7 Employee Benefits

Defined contribution plans Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

2.7.1 Defined benefits plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in



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

response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

2.7.2 Current and other non-current employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

2.8 Income Tax

2.8.1 Current and deferred tax for the year

Income tax expense comprises of current tax expense and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.8.2 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.8.3 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences



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

between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.9 Property, plant and equipment

Buildings, fixtures, plant and equipment held for use in the generation of electricity or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is measured at cost and is not depreciated.

Depreciation on assets (other than roads), which are governed by the Feed-in-tariff regime, has been provided using the rates as well as methodology prescribed under the Central Electricity Regulatory Commission (CERC) Regulations and relevant State Commission Tariff Orders and for the assets which are with bid tariff have been depreciated based on the useful lives of the assets on straight line method. Roads are depreciated on straight line method at the rate prescribed in Schedule II to the Companies Act, 2013.

Estimated useful lives of the assets are as follows:

Plant (machinery) & Equipment	: 25 years
Buildings (Others)	: 25 years
Roads (Crossings, etc.)	: 5 years
Transmission Lines & Cable Network	: 25 years

Residual value of the assets has been estimated at 10% of the original cost of the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The difference between the sale proceeds and the carrying amount of such assets are recognised in the statement of profit and loss.

2.10 Impairment of Property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.



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Notes forming part of the financial statements

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the

obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.12 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity or to exchange financial asset or financial liability with another entity under the condition that are potential favorable to the entity or a contract that will or may be settle in entity's own equity instrument under certain circumstances.

A financial liability is any liability that is a contractual obligation to deliver cash or any other financial asset to another entity or to exchange financial asset or financial liability with another entity under the condition that are potentially unfavorable to the entity or a contract that will or may be settled in entity's own equity instrument under certain circumstances.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities other than financial assets and financial liabilities at fair value through profit or loss (FVTPL) are added to or deducted from the fair values of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit and loss.

2.12.1 Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies



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

the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.12.2 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.13 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.13.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held with a business model to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

2.13.2 Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

2.13.3 Financial assets at fair value through the statement of profit and loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

2.13.4 Investment in subsidiaries

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

2.13.5 Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



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

2.13.6 Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2.14 Financial liabilities and equity instruments

2.14.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.2 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.14.4 Derecognition of financial asset

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

2.14.5 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will



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

be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in the statement of profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included

in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.15 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage and excludes bank overdraft.

2.16 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.17 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax affect of interest and other costs associated with dilutive potential equity shares, and



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

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.18 Contingent Liabilities

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

2.19 Operating cycle

Considering the nature of business activities, the operating cycle has been assumed to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or noncurrent as per the Company's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

2.20 Leasing arrangement

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The company has no finance leases.

2.20.1 The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.21 Cash Dividend distribution to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders / Board. A corresponding amount is recognized directly in equity.

2.22 Standards issued but not yet effective

2.22.1 IND AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable for accounting periods beginning on or after 1 April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company is evaluating the requirements of the standard and its impact on its financial statements.

2.22.2 Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.



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

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.

2.23 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current & non current financial liability but the comparative period has not been presented.



Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

3. Property, Plant and Equipment

₹ Lakhs

Description	Freehold Land	Buildings	Roads	Plant and Equipment	Transmission lines and cable network	Total
Cost						
Balance as at 1st April, 2017	5,095.00	1,203.49	173.66	2,83,227.43	4,370.69	2,94,070.27
Additions	1,109.44	3,708.81	188.58	1,28,606.79	9,458.44	1,43,072.06
Disposals	-	-	-	-	-	-
Balance as at 31st March, 2018	6,204.44	4,912.30	362.24	4,11,834.22	13,829.13	4,37,142.33
Accumulated depreciation and impairment						
Balance as at 1st April, 2017	-	185.29	47.32	40,018.00	572.27	40,822.88
Depreciation Expense	-	116.59	42.69	20,319.63	410.63	20,889.54
Eliminated on disposal of assets	-	-	-	-	-	-
Balance as at 31st March, 2018	-	301.88	90.01	60,337.63	982.90	61,712.42
Net carrying amount						
As at 31st March, 2018	6,204.44	4,610.42	272.23	3,51,496.59	12,846.23	3,75,429.91
As at 31st March, 2017	5,095.00	1,018.20	126.34	2,43,209.43	3,798.42	2,53,247.39

Note:

- Amount of borrowing cost capitalised Rs.3,937.25 lakhs for the year ended 31st March,2018.
- The Company has created charge on certain assets in favour of lenders. Refer note 14.

₹ Lakhs

Description	Freehold Land	Buildings - Plant	Roads	Plant and Equipment	Transmission lines and cable network	Total
Cost						
Balance as at 1st April, 2016	4,018.23	447.89	173.66	1,74,537.57	3,113.76	1,82,291.11
Additions	1,076.77	755.60	-	1,08,689.86	1,256.93	1,11,779.16
Balance as at 31st March, 2017	5,095.00	1,203.49	173.66	2,83,227.43	4,370.69	2,94,070.27
Accumulated depreciation and impairment						
Balance as at 1st April, 2016	-	149.58	25.01	26,443.46	325.06	26,943.11
Depreciation Expense	-	35.71	22.31	13,574.54	247.21	13,879.77
Balance as at 31st March, 2017	-	185.29	47.32	40,018.00	572.27	40,822.88
Net carrying amount						
As at 31st March, 2017	5,095.00	1,018.20	126.34	2,43,209.43	3,798.42	2,53,247.39
As at 31st March, 2016	4,018.23	298.31	148.65	1,48,094.11	2,788.70	1,55,348.00

Note: Amount of borrowing cost capitalised Rs.2,541.20 lakhs for the year ended 31st March, 2017.



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Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

4. Investments

	Face Value in Rs. Fully Paid	As at 31st March, 2018 Quantity	As at 31st March, 2017 Quantity	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
A Non - Current					
Investments carried at cost					
Investment in Equity Shares of Subsidiary Companies (unquoted)					
Indo Rama Renewable Jath Limited	10	6,03,00,000	6,03,00,000	8,412.59	8,412.59
Poolavadi Windfarms Limited	10	50,000	50,000	5.00	5.00
Nivade Windfarms Limited	10	50,000	50,000	5.00	5.00
Supa Windfarms Limited	10	50,000	50,000	5.00	5.00
Tata Power Green Energy Limited	10	-	50,000	-	2.52
Walwhan Renewable Energy Limited * (formerly: Welspun Renewables Energy Private Limited)	10	61,13,55,942	61,13,55,942	3,73,335.54	3,80,356.53
Vagarai Windfarms Limited	10	3,78,000	50,000	37.80	5.00
Aggregate amount of unquoted investment				3,81,800.93	3,88,791.64

* The Company acquired 100% equity shares of Welspun Renewable Energy Private Limited (now Walwhan Renewable Energy Limited) on 14th September 2016 (Closing date). The purchase consideration was provisionally determined at Rs 3,78,230 lakhs for the purpose of initial accounting. As per the Share purchase agreement, the consideration was to be adjusted for certain events existing at the closing date. During the year, the Company has adjusted the fair value of consideration by Rs 7,021 lakhs (previous year Rs NIL) and has retrospectively adjusted the provisional amounts recognized at the acquisition date as per the requirements of Ind AS.

	Face Value in Rs. Fully Paid	As at 31st March, 2018 Quantity	As at 31st March, 2017 Quantity	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
B Current					
Investments carried at Fair Value through Profit and Loss					
Investments in Mutual Funds (Quoted)					
DSP Blackrock Liquidity Fund - Direct Plan - Growth	1,000	7,669.92	41,487.91	190.62	964.92
Baroda Pioneer Liquid Fund - Plan B (Direct)	1,000	-	88,860.29	-	1,661.71
Axis Liquid Fund - Direct Plan - Growth	1,000	52,909.67	2,65,054.42	1,019.85	4,779.53
JM High Liquidity Fund - Direct Plan - Growth	10	1,14,536.06	1,07,27,254.37	54.49	4,775.12
Tata Money Market Fund - Direct Plan - Growth	1,000	16,124.56	72,065.78	441.55	1,847.13
Sundaram Money Fund - Direct - Growth	10	-	1,60,64,421.48	-	5,509.33
L&T Liquid Fund - Direct - Growth	1,000	600.03	-	14.30	-
Kotak Liquid Direct Growth	1,000	90.92	-	3.20	-
Invesco India Credit Opportunities - Direct - Growth	1,000	3,212.00	-	64.53	-
Invesco India Liquid Fund - Direct Plan - Growth	1,000	64,308.71	3,17,905.59	1,538.37	7,116.88
Aggregate amount of quoted investment				3,326.91	26,654.62



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Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

5. Loans

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
A. Non-current		
Unsecured Loans to Related Parties, considered good		
Chirasthaayee Saurya Limited	7,950 00	-
Vagarai Windfarm Limited	11,495 84	-
Indo Rama Renewables Jath Limited	6,750 00	-
	26,195.84	-
B. Current		
Unsecured Loans to Related Parties, considered good		
Indo Rama Renewables Jath Limited	500 00	15,089 63
Vagarai Windfarm Limited	306 16	-
Walwhan Renewable Energy Limited (formerly: Welspun Renewables Energy Private Limited)	-	26,000 00
	806.16	41,089.63

6. Other Financial Assets

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
A. Non-current		
(i) Security Deposits		
Unsecured, considered good	81 30	21 05
Doubtful	0 50	50 50
	81 80	71 55
Less: Allowance for Bad and Doubtful Deposits	0 50	50 50
	81.30	21.05
(ii) Government Grants Receivables *		
	802.54	-
Total	883.84	21.05
B. Current		
(i) Accruals		
Unsecured, considered good		
Interest Accrued on Bank Deposits	0 08	10 71
Interest Accrued on Loans and Advances to Related Parties		
Walwhan Renewable Energy Limited	-	1 530 94
Vagarai Windfarm Limited	0 32	-
Chirasthaayee Saurya Limited	284 44	-
	284.84	1,541 65
(ii) Others		
Unsecured, considered good		
Dividend Receivable	5,441 07	-
Other Receivables		
From Related Party		
Vagarai Windfarm Limited	1,000 36	-
Indo Rama Renewables Jath Limited	10 73	11 07
From Others	0 13	7,258 92
	6,452 29	7,269 99
(iii) Government Grants Receivables *		
	4,025 00	-
Total	10,762.13	8,811.64

* Company is eligible for government grant for Charanka and Palaswadi phase II project. Company has recognised the same at fair value. Company is in the process of creating charge on the said project asset in the favour of Solar Energy Corporation of India. Once charge is created, Company will file application for release of the grant.

7. Non-current tax Assets

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Advance Income-tax (Net of provision)	1,138 20	714 92
	1,138.20	714.92



Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

8. Other Assets

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
A. Non-current		
(i) Capital Advances		
Capital Advances - Secured considered good	140.00	140.00
(ii) Balances with Government Authorities		
Value Added Tax Receivable	293.98	248.25
(iii) Unamortised Premium for Leasehold Land		
Payments Towards Leasehold Land	421.58	351.18
Deferred rent Expenses	1,175.25	951.20
	<u>1,596.83</u>	<u>1,302.38</u>
(iv) Others		
Prepaid Expenses	169.51	-
Total	<u>2,200.32</u>	<u>1,690.63</u>
B. Current		
(i) Unamortised Premium for Leasehold Land		
Payment towards Leasehold Land	17.69	17.69
(ii) Other Loans and Advances		
Prepaid Expenses	96.87	45.72
Advances to Vendors	21.70	-
Deferred Rent Expense	24.00	13.95
Other Advances		
Employees	1.45	-
Others	17.31	18.73
	<u>161.33</u>	<u>78.40</u>
Less: Allowance for Bad and Doubtful Advances	-	-
	<u>161.33</u>	<u>78.40</u>
Total	<u>179.02</u>	<u>96.09</u>

9. Trade Receivables

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Trade Receivables-Unsecured, considered good	6,054.13	3,939.87
Total	<u>6,054.13</u>	<u>3,939.87</u>

Notes:

1)(a) The average credit period is 30 to 45 days in respect of receivables pertaining to sale of power. No interest is charged on trade receivables for the first 30 days from date of receipt of invoice by customers. Thereafter, interest is charged at the rates prescribed by the Power Purchase Agreement (PPA) on the outstanding balance once the dues are received.

1)(b) In respect of Generation Benefit Incentive (GBI), receivables for Indian Renewable Energy Development Authority (IREDA) there is no specified credit period and the amounts are received by the Company as and when funds are disbursed to IREDA by Government of India.

2) The Company supplies power to various State Distribution companies, Central Government Nodal Agencies and to holding company under long term PPA between the company and procurers. GBI is directly billed to IREDA as per GBI policy.

3) Age of receivables

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Within the credit period	2,968.06	854.64
1-90 days past due	1,452.77	1,259.15
91-182 days past due	288.28	1,182.08
More than 182 days past due	1,345.02	644.00

The concentration of credit risk is limited due to the fact that the entire customer base consist of Central / State government owned entities and holding company and there has been no past instances of default.



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Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

10. Cash and Cash Equivalents

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Balances with Banks:		
In Current Accounts	2,740.51	755.44
In Deposit Accounts (with original maturity less than three months)	-	6,488.75
	2,740.51	7,244.19

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Balances with Banks:		
In Current Accounts	2,740.51	755.44
In Deposit Accounts (with original maturity less than three months)	-	6,488.75
	2,740.51	7,244.19
Bank Overdraft	-	(50.81)
Total	2,740.51	7,193.38

11. Other Balances with Banks

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
(a) in deposit account	0.75	0.75
(b) in deposit escrow account*	-	4,519.87
(c) in current escrow account*	-	590.76
	0.75	5,111.38

* Pertaining to acquisition of 100% shares of Walwhan Renewable Energy Limited (formely; Welspun Renewables Energy Pvt Ltd)



Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

12 A. Equity - Share Capital

	As at 31st March, 2018		As at 31st March, 2017	
	Number	₹ Lakhs	Number	₹ Lakhs
Authorised				
1,39,25,00,000 fully paid equity shares of ₹ 10 each	139,25,00,000	1,39,250.00	139,25,00,000	1,39,250.00
Issued				
1,04,51,07,715 fully paid equity shares of ₹ 10 each (as at 31st March, 2017 : 56,61,07,715)	1,04,51,07,715	1,04,510.77	56,61,07,715	56,610.77
Subscribed and Paid-up				
1,04,51,07,715 fully paid equity shares of ₹ 10 each (as at 31st March, 2017 : 56,61,07,715)	1,04,51,07,715	1,04,510.77	56,61,07,715	56,610.77
Total Issued, Subscribed and fully Paid-up Share Capital	1,04,51,07,715	1,04,510.77	56,61,07,715	56,610.77

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
At the beginning of the year	56,61,07,715	50,61,07,715
Issued during the year	47,90,00,000	6,00,00,000
Outstanding at the end of the year	1,04,51,07,715	56,61,07,715

(ii) Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividend as and when the company declares and pays dividend after obtaining shareholders approval. Dividends are paid in Indian Rupees.

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

(iii) The entire share capital of the company is held by The Tata Power Company Limited, the holding company.

12 B. Unsecured Perpetual Securities

	As at 31st March, 2018	As at 31st March, 2017
	₹ Lakhs	₹ Lakhs
Opening balance	3,89,500.00	-
Add: Issued during the year	-	3,89,500.00
Closing balance	3,89,500.00	3,89,500.00

The Tata Power Company Limited (Holding Company) has provided a loan of Rs 3,89,500 lakhs to the Company by way of unsecured perpetual debt. The debt is perpetual in nature with no maturity/redemption terms and is repayable only at the option of the Company. The interest on the perpetual securities is non-cumulative in nature. The distribution on these securities is subject to the availability of profits and the consolidated debt to equity ratio of the company as per last audited financial statement is less than 2.33 without considering this perpetual debt. Such distribution would be at the rate at which dividend has been declared by the Company on equity shares for the relevant financial year. If no dividend is declared by the Company on equity shares in a given financial year, no interest shall be accrued, due or payable by the Company to Tata Power for such financial year. As these securities are perpetual in nature and ranked senior only to the share capital of the company and do not have any redemption obligation, these are considered to be in the nature of equity instruments.



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Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

13. Other Equity

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
A. Debenture Redemption Reserve		
Opening Balance	4,759.00	1,343.00
Add: Amount transferred from Retained Earnings	5,916.00	3,416.00
Closing Balance	<u>10,675.00</u>	<u>4,759.00</u>
B. Capital Reserve		
Opening Balance	807.63	807.63
Add: Amount transferred from Surplus in Statement of Profit and Loss	-	-
Closing Balance	<u>807.63</u>	<u>807.63</u>
C. Retained Earnings		
Opening balance	5,345.72	2,210.94
Add: Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax) Profit for the year	30.81 20,139.29	- 6,865.64
Less: Dividend Declared (net of tax)		
Payment of dividends on equity shares - Interim	12,532.80	-
Payment of dividends on equity shares - Final	2,492.56	-
Tax on Dividend	507.43	-
Equity Component of Compound Financial Instrument	-	314.86
Transfer to Debenture Redemption Reserve	5,916.00	3,416.00
Closing Balance	<u>4,067.03</u>	<u>5,345.72</u>
D. Deemed equity contribution from holding company		
Opening Balance	499.59	-
Add: Fair value of corporate guarantee	-	499.59
Closing Balance	<u>499.59</u>	<u>499.59</u>
E. Equity Component of Compound Finance Instrument		
Opening Balance	-	204.47
Less: Fair Value on redemption of Compulsory Convertible Debentures (CCD)	-	(519.33)
Add: Redemption premium on CCD transfer to retained earning	-	314.86
Closing Balance	<u>-</u>	<u>-</u>
Total	<u>16,049.25</u>	<u>11,411.94</u>

Nature and purposes of reserves

Debenture Redemption Reserve

The Company is required to create a Debenture Redemption Reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

Capital Reserve

Capital Reserve has been created consequent to Scheme of Amalgamation between NSW and cannot be utilized toward distribution of dividend.

Retained Earnings

Retained earnings are the profit of the Company earned till date net of appropriations.

Deemed equity contribution from holding company

The Tata Power Company has provided corporate guarantee of Rs.2,73,500 lakhs (Rs.2,22,500 lakhs as on 31st March, 2017) for TPREL NCD and term loan. This has benefited the company by way of its ability to raise loans at lower interest rate. As per IND AS 113, an entity shall measure the fair value of an liability using the assumptions that market participants would use when pricing the liability, assuming that market participants act in their economic best interest. Accordingly fair value was derived using interest saved approach. This amount is amortised over the period of loan against which guarantee was taken.



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Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

14. Non-current Borrowings

	As at 31st March, 2018		As at 31st March, 2017	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
(A) Unsecured - At Amortised Cost				
Redeemable Non-Convertible Debentures				
(a) 8.99% Series 2027	39,737.15	-	39,701.48	-
(b) 9.38% Series 2025	42,262.70	-	42,238.00	-
(c) 8.99% Series 2023	17,385.00	-	17,372.55	-
(d) 8.45% Series 2022	49,773.84	-	-	-
(A)	1,49,158.69	-	99,312.03	-
Term loan from Bank				
(e) HDFC Bank	49,710.99	-	29,885.09	-
(B)	49,710.99	-	29,885.09	-
(B) Secured - At Amortised Cost				
Term Loans from Banks				
(f) IDFC Bank	9,880.93	949.02	10,829.95	902.33
(g) Kotak Mahindra Bank	21,840.22	228.38	22,900.67	232.82
(h) Axis Bank	49,094.82	500.00	-	-
	80,815.97	1,677.40	33,730.62	1,135.15
Term Loans from Others				
(i) IDFC Infrastructure Finance Limited	3,004.75	197.40	3,202.14	177.10
	3,004.75	197.40	3,202.14	177.10
(C)	83,820.72	1,874.80	36,932.76	1,312.25
(A) + (B) + (C)	2,82,690.40	1,874.80	1,66,129.88	1,312.25

Security

- The NCDs are 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.
- Lenders have 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 28.8 MW Solar Palaswadi Plant.
- Lenders have 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 44 MW Lahori Wind Plant.
- Lenders have 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 100 MW Pavagada solar project. The loan is backed by unconditional and irrevocable Corporate Guarantee (CG) from The Tata Power Company Ltd for all amounts due under the loan 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.



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Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

14 Non-current borrowings (continue)

Terms of Repayment

Amount in ₹ Lakhs

Particulars	Amount outstanding as on 31st March, 2018	Financial Year												
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-33	
(a) Unsecured Borrowing - at amortised cost														
Redeemable Non-Convertible Debentures														
(i) 8.99% Series 2027	40,000.00	-	-	-	-	7,000.00	7,000.00	7,000.00	7,000.00	19,000.00	-	-	-	-
(ii) 9.38% Series 2025	42,500.00	-	-	-	-	14,165.25	14,169.50	-	-	-	-	-	-	-
(iii) 8.99% Series 2023	17,500.00	-	-	7,000.00	7,000.00	3,500.00	-	-	-	-	-	-	-	-
(iv) 8.45% Series 2023	50,000.00	-	-	-	-	50,000.00	-	-	-	-	-	-	-	-
	1,50,000.00													
(A)														
Term loan from Bank	50,000.00													
HDFC Bank														
(b) Secured Borrowing - at amortised cost														
Term Loans from Banks														
(i) IDFC Bank	10,829.95													
(ii) Kotak Mahindra Bank	22,151.02													
(iv) Axis Bank	50,000.00													
	82,980.97													
Term Loans from Others														
(iv) IDFC Infrastructure Finance Limited	3,202.15													
	3,202.15													
(c)														
Total borrowings (A + B + C)	86,183.12													
	2,86,183.12													
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS	650.52													
Less: Unamortised portion of fair value of corporate guarantee	967.40													
Total long term borrowings	2,84,565.20													

Term loan from HDFC Bank is having structured repayment starting from June 2019 and ending in March 2027.

Term loan from IDFC Bank is having structured repayment starting from March 2016 and ending in September 2027.

Term loan from Kotak Bank is having structured repayment starting from March 2017 and ending in March 2029.

Term loan from Axis Bank is having structured repayment starting from June 2018 and ending in March 2033.

Term loan from IDFC Infrastructure is having structured repayment starting from June 2016 and ending in September 2027.



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Tata Power Renewable Energy Limited
Notes forming part of Financial Statements

15. Provisions

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Non-current		
Provision for Employee Benefits		
Compensated Absences	82.60	-
Gratuity	260.69	-
Post-Employment Medical Benefits	7.15	-
Other Defined Benefit Plans	16.77	-
Other Employee Benefits	16.24	-
Total	383.45	-

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Current		
Provision for Employee Benefits		
Compensated Absences	1.43	-
Gratuity	5.04	-
Other Defined Benefit Plans	2.34	-
Other Employee Benefits	2.75	-
Total	11.56	-



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Tata Power Renewable Energy Limited
Notes forming part of Financial Statements

16. Deferred Tax Liabilities (Net)

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Deferred Tax Assets (DTA)	(6,194.00)	-
Deferred Tax Liabilities (DTL)	6,730.00	1,920.00
Total Net Deferred Tax Liability	536.00	1,920.00

For year ended 31st March, 2018

Deferred Tax Liability on account of:	<u>Opening Balance</u>	<u>Recognised</u>	<u>Closing Balance</u>
Property, plant and equipment	1,930.75	4,191.25	6,122.00
EIR impact on borrowings	-	565.00	565.00
Mutual funds carried at FVTPL	(10.75)	18.75	8.00
Other non-current financial assets	-	19.00	19.00
Other comprehensive income	-	16.00	16.00
Total DTL	1,920.00	4,810.00	6,730.00

Deferred Tax Assets on account of:	<u>Opening Balance</u>	<u>Recognised</u>	<u>Closing Balance</u>
MAT credit	-	(4,388.00)	(4,388.00)
Other comprehensive income	-	-	-
Government grants	-	(1,773.00)	(1,773.00)
Other non-current financial assets	-	(33.00)	(33.00)
Total DTA	-	(6,194.00)	(6,194.00)

For year ended 31st March, 2017

Deferred Tax Liability on account of:	<u>Opening Balance</u>	<u>Recognised</u>	<u>Closing Balance</u>
Property, plant and equipment	991.43	939.32	1,930.75
EIR impact on borrowings	28.78	(28.78)	-
Mutual funds carried at FVTPL	43.39	(54.14)	(10.75)
Other non-current financial assets	-	-	-
Total DTL	1,063.60	856.40	1,920.00

Deferred Tax Assets on account of:	<u>Opening Balance</u>	<u>Recognised</u>	<u>Closing Balance</u>
MAT credit	-	-	-
Other comprehensive income	-	-	-
Government grants	-	-	-
Other non-current financial assets	25.35	25.35	-
Total DTA	25.35	25.35	-



Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

17. Other Non-current Liabilities

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Deferred Revenue Grant		
- Opening	-	-
- Add: Recognised during the year	4,833.07	-
- Less: Amortised during the year	97.17	-
- Less: Transfer to current liability	170.54	-
- Closing balance	4,565.36	-

18. Current Borrowings

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Unsecured - At Amortised Cost		
From Banks		
Bank Overdraft	-	50.81
From Others		
Commercial Paper (maximum outstanding Rs.100,000 lakhs, previous year Rs.100,000 lakh)	49,559.64	79,424.79
Total	49,559.64	79,475.60

19. Other Financial Liabilities

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Current		
(a) Current Maturities of Long-term Debt (refer note 14)	1,874.80	1,312.25
(b) Interest accrued but not due on Borrowings	6,536.80	2,437.56
(c) Payables towards Purchase of Fixed Assets	17,010.65	70,414.04
(d) Dividend payable to Holding Company	5,441.07	-
(e) Corporate guarantee commission payable to Holding Company	595.26	-
(f) Other Financial Liabilities	5,571.35	17,755.59
Total	37,029.93	91,919.44

20. Other Liabilities

Current

	As at 31st March, 2018 ₹ Lakhs	As at 31st March, 2017 ₹ Lakhs
Deferred Revenue Grant		
- Opening balance	-	-
- Add: Recognised during the year	-	-
- Add: Transfer from non-current liability	170.54	-
- Less: Amortised during the year	-	-
- Closing balance	170.54	-
Statutory Liabilities	331.32	868.40
Other Liabilities	1.45	-
	503.31	868.40



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Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

21. Revenue from Operations

	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
(a) Revenue from Power Supply	45,079.09	28,748.15
(Less): Cash Discount	(297.67)	(260.82)
	<u>44,781.42</u>	<u>28,487.33</u>
(b) Other Operating Revenue		
Generation Based Incentive	2,862.01	1,901.69
Compensation Earned	1,568.31	1,403.67
Sale of Carbon Credits	108.12	14.93
Amortisation of deferred grant	91.63	-
Miscellaneous Revenue	24.33	-
	<u>4,654.40</u>	<u>3,320.29</u>
Total	<u>49,435.82</u>	<u>31,807.62</u>

22. Other Income

	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
(a) Interest Income		
On Financial Assets held at Amortised Cost		
Interest on Banks Deposits	180.61	134.45
Interest on loans to Subsidiaries	3,219.25	3,002.26
Interest on CCD of Subsidiaries	-	1,615.56
Other Interest	0.62	1,500.00
	<u>3,400.48</u>	<u>6,252.27</u>
(b) Dividend Income		
From Non-current Investments		
Subsidiaries	12,532.80	-
	<u>12,532.80</u>	<u>-</u>
(c) Gain on Investments		
Gain on fair value/sale of Current Investment measured at FVTPL	1,296.69	1,682.96
	<u>1,296.69</u>	<u>1,682.96</u>
(d) Other Non-operating Income		
Delayed Payment Charges	36.05	283.66
Miscellaneous Income	29.17	17.77
Provision for Doubtful Debts written back	50.00	22.76
	<u>115.22</u>	<u>324.19</u>
Total	<u>17,345.19</u>	<u>8,259.42</u>

23. Employee Benefits Expense

	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
Salaries, Wages and Bonus	473.61	7.25
Contribution to Provident Fund	14.38	-
Contribution to Superannuation Fund	8.03	-
Retiring Gratuities	24.70	-
Leave Encashment	5.84	-
Pension	0.20	-
Staff Welfare Expenses	40.88	1.82
	<u>567.64</u>	<u>9.07</u>

24. Finance Costs

	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
(a) Interest Expense:		
Borrowings		
Interest on Debentures	12,252.12	8,215.96
Interest on Loans - Banks & Financial Institutions	8,710.39	4,297.63
Interest on Loans - Holding Company	-	814.58
Interest on Commercial Paper	2,729.99	2,183.52
Others		
Other Interest and Commitment Charges	2.01	30.50
	<u>23,694.51</u>	<u>15,542.19</u>
Less: Interest Capitalised *	3,920.80	2,541.20
	<u>19,773.71</u>	<u>13,000.99</u>
(b) Other Borrowing Cost:		
Other Finance Costs	292.46	183.17
Less: Finance cost Capitalised *	16.45	-
	<u>276.01</u>	<u>183.17</u>
	<u>20,049.72</u>	<u>13,184.16</u>

* The weighted average capitalisation rate on the Company's general borrowings is 8.12% per annum (8.10% per annum for 31st March, 2017).



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Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

25. Other Expenses

	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
Rental of Land, Buildings, Plant and Equipment, etc.	21.27	0.69
Repairs and Maintenance	1,816.16	1,102.70
Rates and Taxes	189.58	37.09
Insurance	349.64	134.92
Other Operation Expenses	82.67	155.12
Penalty	684.00	-
Travelling and Conveyance Expenses	37.48	44.18
Electricity Consumed	263.42	114.76
Other Fees	126.67	128.16
Business Development Expenditure	53.22	99.05
Consultants' Fees	222.25	9.24
Auditors' Remuneration	62.11	54.65
Cost of Services Procured	456.41	939.45
Amortisation of Leasehold Land	17.53	15.77
Amortisation of security deposit	17.25	13.91
Donations	0.25	-
Legal Charges	99.58	134.56
Corporate Social Responsibility Expenses	100.00	40.00
Tata Brand Equity	132.35	77.50
Director's Fee	21.39	20.01
Loss on sale of investment	0.77	-
Miscellaneous Expenses	21.07	24.89
Total	4,775.07	3,146.65

Payment to the auditors comprises (inclusive of service tax / Goods & Service Tax):

	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
As Auditors - Statutory Audit *	27.18	24.72
For Taxation Matters	4.48	4.03
For Other Services *	29.95	25.90
Reimbursement of Expenses *	0.50	-
Total	62.11	54.65

* During the financial year, SRBC & Co LLP was appointed as statutory auditors from September 2017. Fees of new auditor included above is Rs.19.44 lakhs.

(ii) Corporate Social Responsibility Expenses

	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
Contribution to Tata Power Community Development Trust	100.00	40.00
Expenses incurred by the Company	-	-
Total	100.00	40.00

Amount required to be spent as per section 135 of the Act	96.94	40.00
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Amount spent during the year on:

(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	100.00	40.00



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26. Contingent Liabilities:

(a) As at 31st March, 2018, there is NIL income tax dispute (₹ 124.13 lakhs as on 31st March, 2017).

(b) As at 31st March, 2018, there is a demand of ₹ 55.12 lakhs (₹ NIL as on 31st March, 2017) related to VAT Assessment for FY 2013-14. The company is in the process of filing an appeal against the aforesaid order.

(c) The Company has provided Corporate Guarantee of ₹ 7,889 Lakhs (31st March, 2017 ₹ 180,417.10 lakhs) on behalf of Walwhan Renewable Energy Limited (WREL) and Bank Guarantee issued ₹ 22,200.92 lakhs (including Rs.1,509.90 lakhs on behalf of WREL) as on 31st March, 2018 (31st March, 2017 ₹ 17,404.90 lakhs, including ₹ 2,009.90 lakhs on behalf of WREL).

27. Commitments :

(a) Estimated amount of contracts remaining to be executed (net of capital advance) on Capital account and not provided for ₹ 3,026.87 lakhs (31st March, 2017 ₹ 24,616 lakhs).

(b) WREL has taken credit facility of Rs.2,18,600 lakhs from State Bank of India. Against this facility of WREL, the Company has undertaken that it shall, without recourse to any of the assets of the WREL, bring in additional funds to meet any shortfall in debt servicing obligations of the WREL on account of any downward revision / re-negotiation in the tariff.

(c) Walwhan Solar MP Limited (WSML) has taken credit facility of Rs.14,500 lakhs from Kotak Mahindra Bank. Against this facility, The Company has undertaken that it shall, without recourse to any of the assets of the (WSML), bring in additional funds to meet any shortfall in debt servicing obligations of the WSML on account of rating downgrade below AA- by any rating agency or more than 50% of receivables are due for more than 180 days.

28. Disclosure as required by Indian Accounting Standard 24 (IND AS-24) "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
Wholly owned Subsidiaries	
Tata Power Green Energy Limited (till 16-Jun-2017)	India
Supa Windfarms Limited	India
Nivade Windfarms Limited	India
Poolavadi Windfarms Limited	India
Vagarai Windfarm Limited	India
Indo Rama Renewables Jath Limited (IRRJL) - with effect from 19-May-2016	India
Walwhan Renewables Energy Limited and its subsidiary (WREL) - with effect from 14-Sep-2016	India
Fellow Subsidiaries (where transactions have taken place)	
Tata Power Solar Systems Limited (TPSSL)	India
Tata Power Trading Company Limited (TPTCL)	India
Chirasthaayee Saurya Limited (CSL)	India
Key Management Personnel	
Rahul Shah (Director)	India
Jinendra Patil (CFO)	India
Nawshir Mirza (Independent Director)	India
Sanjay Bhandarkar (Independent Director)	India
Anjali Kulkarni (Director)	India



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Tata Power Renewable Energy Limited
Notes forming part of Financial Statements

28 (b) Details of Transactions / Balances Outstanding:

Particulars	Amount in '₹ lakhs							Key Management Personnel
	TPCL	WREL	IRRJL	VWL	CSL	TPSSL	TPTCL	
Operation / Project Management Service	801.13 210.21	-	-	-	-	-	-	-
Receiving of Services	59.40 471.27	-	-	-	-	625.40 332.02	1.53	-
Other Income	-	-	4.96 5.65	-	-	-	-	-
Purchase of Fixed asset	-	-	-	-	-	1,29,837.32 73,878.17	0.28	-
Guarantees given including corporate guarantee	2,21,000.00 1,72,500.00	-	-	-	-	-	-	-
Guarantees returned including corporate guarantee	1,70,000.00 11,457.41	-	-	-	-	-	-	-
Guarantee issued including corporate guarantee	-	3,75,694.90	-	-	-	-	-	-
Guarantee returned including corporate guarantee	-	1,73,028.00 1,93,267.00	-	-	-	-	-	-
Fair value of corporate guarantee	661.40 499.73	-	-	-	-	-	-	-
Interest Expenditure	814.58	-	-	-	-	-	-	-
Interest Income	-	1,640.96 3,429.89	1,048.15 1,187.93	214.09	316.04	-	-	-
Dividend Received	-	12,532.80	-	-	-	-	-	-
Dividend Paid	15,025.36	-	-	-	-	-	-	-
Perpetual securities issued	3,89,500.00	-	-	-	-	-	-	-
Borrowings Received	17,600.00	-	-	-	-	-	-	-
Borrowings Repaid (including conversion in equity)	28,200.00	-	-	-	-	-	-	-
Equity Contribution (including Share Application Money pending for allotment and conversion of debt)	47,900.00 22,800.00	-	-	-	-	-	-	-
Investment in equity (including conversion)	-	21,849.57	-	32.80 5.00	-	-	-	-
Sale of Power	6,407.00 6,843.60	-	-	-	-	-	-	-
Cash Discount given	83.08 83.87	-	-	-	-	-	-	-
Loans given or assigned	-	67,100.00	15,089.63	11,842.00	7,950.00	-	-	-
Loans given (received back)	-	26,000.00 41,400.00	7,639.63	40.00	-	-	-	-
Expenses incurred on behalf of	-	-	96.82 11.83	52.14	-	-	0.22	-
Remuneration *	-	-	-	-	-	-	-	257.68 194.36
Sale of Investment	1.74	-	-	-	-	-	-	-
Balance Outstanding								
Perpetual securities outstanding	3,89,500.00 3,89,500.00	-	-	-	-	-	-	-
Loan given outstanding (including interest accrued thereon)	-	27,530.94	7,250.00 15,089.63	11,802.32	8,234.44	-	-	-
Dividend Payable	5,441.07	-	-	-	-	-	-	-
Other Payables	667.67 441.64	-	-	-	-	15,377.45 35,722.60	0.22	-
Other Receivable	444.82 519.00	5,441.07 4.34	10.41 5.65	1,000.36	-	-	-	-
Fair value of corporate guarantee	499.59 499.59	-	-	-	-	-	-	-
Guarantees given on behalf of TPREL	2,73,500.00 2,22,500.00	-	-	-	-	-	-	-
Guarantees given on behalf of WREPL	-	9,399.00 1,82,427.00	-	-	-	-	-	-

Above related party transactions are in ordinary course of business and are at arm's length.

* Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Note: Previous year's figures are in Italics. Comparative period of the movement is for the period 01st April, 2016 to 31st March, 2017 and closing balance is for the year ended 31st March, 2017.



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Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

29 Tax expense reconcilaion

	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
Current tax		
In respect of the current year	1,720.00	2,100.00
In respect of the previous years	39.75	-
	1,759.75	2,100.00
Deferred tax		
In respect of the current year	2,650.76	881.75
In respect of the previous year	308.97	-
Adjustments to deferred tax attributable to changes in tax rates	28.27	-
MAT Credit in respect of current year	(1,522.00)	-
MAT Credit in respect of pervious years	(2,866.00)	-
	(1,400.00)	881.75
Total income tax expense recognised in the current year	359.75	2,981.75

The income tax expense for the year can be reconciled to the accounting profit as follows:

	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
Profit before tax	20,499.04	9,847.39
Income tax expense calculated at 34.608%	7,094.31	3,408.18
Effect of expenses that are not deductible in determining taxable profit	259.51	-
Effect of non-taxable dividend income	(4,337.35)	-
Effect of Tax Holiday period	(355.89)	(371.71)
Effect of additional tax on account of Minimum Alternate Tax (MAT) applicability	-	959.21
Effect of MAT credit recognition for previous years	(2,866.34)	-
Effect of Tax on reversals during 80IA period	-	(1,031.22)
Effect of deferred tax pertaining to previous year	308.97	-
Effect of deferred tax recognised on unamortised upfront fees	267.89	-
Effect of deferred tax balances due to changes in income tax rate from 34.608% to 34.94%	28.27	-
Effect of Tax on Other Items	(39.62)	17.29
Income tax expense recognised in statement of profit or loss	359.75	2,981.75

1. The tax rate used for the year 2017-18 and 2016 - 17 is the coporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

2. The Company has to pay taxes based on the higher of income tax profit of the company or MAT at 21.3416% of book profit.

3. The rate used for calculation of deferred tax is 34.94% for 2017-18 and for 2016-17 rate was 34.608%.



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Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

30. Employee benefit plan

30.1 Defined Contribution plan

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by The Tata Power Company Limited. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year it is incurred. Having regard to the assets of the fund and the return on the investments, the Company does not expect any shortfall in the foreseeable future.

The Company has recognised Rs 14.38 lakhs (31st March, 2017 - Rs NIL) for provident fund contributions and Rs 8.03 lakhs (31st March, 2017 - Rs NIL) for superannuation contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

30.2 Defined benefit plans

30.2.1 The Company operates the following unfunded/funded defined benefit plans:

Unfunded:

Post Employment Medical Benefits

The Company provides certain post-employment health care benefits to superannuated employees. In terms of the plan, the retired employees can avail free medical check-up and medicines at Company's facilities.

Pension

The Company operates a defined benefit pension plan for employees who have completed 15 years of continuous service. The plan provides benefits to members in the form of a pre-determined lumpsum payment on retirement.

Ex-Gratia Death Benefit

The Company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a pre-determined lumpsum amount alongwith a sum determined based on the last drawn basic salary per month and the length of service.

Retirement Gift

The Company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee.

Gratuity

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date.

30.3 The principal assumptions used for the purposes of the actuarial valuations were as follows:

Valuation as at	31st March, 2018	31st March, 2017
Discount Rate	7.70% p a	NA
Salary Growth Rate		
- Management	7.00% p a	NA
- Non-Management	5.00% p a	NA
Turnover Rate - Age 21 to 44 years		
- Management	2.50% p a	NA
- Non-Management	0.50% p a	NA
Turnover Rate - Age 45 years and above		
- Management	1.00% p a	NA
- Non-Management	0.50% p a	NA
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) Ult	NA
Annual Increase in Healthcare Cost	8% p a	NA

Unfunded Plan:

	For Year ended 31st March, 2018 ₹ Lakhs
Balance as at 1st April, 2017	Nil
Current service cost	13.47
Past service cost	Nil
Interest Cost/(Income)	15.32
Amount recognised in statement of profit and loss	28.79
Remeasurement (gains)/losses	
Actuarial (gains)/losses arising from changes in financial assumptions	(39.00)
Actuarial (gains)/losses arising from changes in demographic assumptions	7.25
Actuarial (gains)/losses arising from experience	(15.06)
Amount recognised in other comprehensive income	(46.81)
Benefits paid	(0.71)
Acquisitions credit/(cost)	310.79
Balance as at 31st March, 2018	292.06



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Notes forming part of Financial Statements

30.4 Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	Change in assumption	Increase in assumption		Decrease in assumption	
	31st March, 2018	31st March, 2018 ₹ Lakhs		31st March, 2018 ₹ Lakhs	
Discount rate	0.50%	Decrease by	23.13	Increase by	25.65
Salary growth rate	0.50%	Increase by	24.33	Decrease by	22.19
Claim rates	5%	Decrease by	36.32	Increase by	4.98
Mortality rates	1 year	Decrease by	0.33	Increase by	0.33
Healthcare cost	0.50%	Increase by	1.27	Decrease by	1.07

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

30.5 The expected maturity analysis of undiscounted defined benefit obligation is as follows:

	Unfunded
	31st March, 2018 ₹ Lakhs
Within 1 year	7.66
Between 1 - 2 years	7.27
Between 2 - 3 years	8.88
Between 3 - 4 years	11.46
Between 4 - 5 years	21.04
Beyond 5 years	180.67

The weighted average duration of the defined benefit obligation is 8.1 years.

30.6 Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.

Inflation rate risk:

Higher than expected increase in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.



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Notes forming part of Financial Statements

31 Earnings per Share:

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Basic		
Net profit for the year attributable to equity shareholders (₹ Lakhs)	20,139.29	6,865.64
Weighted Average Number of Equity Shares for Basic EPS (Nos)	85,44,06,345	52,92,85,797
Par value per equity share (₹)	10.00	10.00
Basic Earnings Per Share (₹)	2.36	1.30
Diluted		
Net profit for the year attributable to equity shareholders (₹ Lakhs)	20,139.29	6,865.64
Profit attributable to equity shareholders on dilution (₹ Lakhs)	20,139.29	6,865.64
The weighted average number of equity shares for Basic EPS (Nos)	85,44,06,345	52,92,85,797
Add: Effect of Share application money pending allotment	4,04,60,274	75,94,521
Weighted average number of equity shares for Diluted EPS	89,48,66,619	53,68,80,318
Par value per equity share (₹)	10.00	10.00
Diluted Earnings Per Share (₹) restricted to Basic EPS	2.25	1.28

32 Financial Instruments

a) (i) Financial Assets and Liabilities

The carrying value of financial instruments by categories as of 31st March, 2018 is as follows:

Particulars	Amount in ₹ Lakhs				
	Fair Value through Profit and Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Assets:					
Cash and Cash Equivalents	-	-	2,740.51	2,740.51	2,740.51
Trade Receivables	-	-	6,054.13	6,054.13	6,054.13
Unbilled Revenue	-	-	5,860.11	5,860.11	5,860.11
Investments (mutual funds)	3,326.91	-	-	3,326.91	3,326.91
Other balances with banks	-	-	0.75	0.75	0.75
Loans	-	-	27,002.00	27,002.00	27,002.00
Other financial assets	-	-	11,645.97	11,645.97	11,645.97
Total	3,326.91	-	53,303.47	56,630.38	56,630.38
Liabilities					
Fixed rate borrowings (including current maturities)	-	-	49,773.84	49,773.84	50,023.00
Floating rate borrowings (including current maturities)	-	-	2,84,351.00	2,84,351.00	2,85,203.78
Trade Payables	-	-	2,017.03	2,017.03	2,017.03
Other Financial Liabilities	-	-	35,155.13	35,155.13	35,155.13
Total	-	-	3,71,297.00	3,71,297.00	3,72,398.94

The carrying value of financial instruments by categories as of 31st March, 2017 is as follows:

Particulars	Amount in ₹ Lakhs				
	Fair Value through Profit and Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Assets:					
Cash and Cash Equivalents	-	-	7,244.19	7,244.19	7,244.19
Trade Receivables	-	-	3,939.87	3,939.87	3,939.87
Unbilled Revenue	-	-	3,731.57	3,731.57	3,731.57
Investments (mutual funds)	26,654.62	-	-	26,654.62	26,654.62
Other balances with banks	-	-	5,111.38	5,111.38	5,111.38
Loans	-	-	41,089.63	41,089.63	41,089.63
Other financial assets	-	-	8,832.69	8,832.69	8,832.69
Total	26,654.62	-	69,949.33	96,603.95	96,603.95
Liabilities					
Fixed rate borrowings (including current maturities)	-	-	-	-	-
Floating rate borrowings (including current maturities)	-	-	2,46,917.73	2,46,917.73	2,47,872.00
Trade Payables	-	-	1,296.41	1,296.41	1,296.41
Other Financial Liabilities	-	-	90,607.19	90,607.19	90,607.19
Total	-	-	3,38,821.33	3,38,821.33	3,39,775.60

(ii) Fair Value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes traded debentures (borrowings) and mutual funds that have quoted price.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.



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Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

The following table summarises financial assets measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

Amount in ₹ Lakhs				
As at 31.03.2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Mutual Fund Investment	3,326.91	-	-	3,326.91
Total	3,326.91	-	-	3,326.91
As at 31.03.2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Mutual Fund Investment	26,654.62	-	-	26,654.62
Total	26,654.62	-	-	26,654.62

The following table summarises financial liabilities measured at fair value on a recurring basis and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

Amount in ₹ Lakhs				
As at 31.03.2018	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Fixed rate borrowings (including current maturity)	50,023.00	-	-	50,023.00
Floating rate borrowings (including current maturity)	1,00,237.63	1,84,966.15	-	2,85,203.78
Total	1,50,260.63	1,84,966.15	-	3,35,226.78
As at 31.03.2017	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Fixed rate borrowings (including current maturity)	-	-	-	-
Floating rate borrowings (including current maturity)	1,00,266.30	1,47,605.70	-	2,47,872.00
Total	1,00,266.30	1,47,605.70	-	2,47,872.00

The carrying amount of cash and cash equivalents, other bank balance trade receivable, unbilled revenue, current loans, other financial assets, trade payables and other financial liabilities are considered to be the same as their fair value, due to their short term nature.

The carrying amount of other non-current financial assets are considered to be a close approximate to their fair value due to immaterial impact on the financial statement.

Borrowings from banks and other financial institutions are the variable rate loans. The current borrowing rate represents the discounting rate, which means that the carrying value will be closely approximate to their fair value.

b) Capital Management:

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
Debt (i)	3,34,124.84	2,46,917.73
Cash and Bank balances (including cash and bank balances in a disposal group held for sale)	2,741.26	12,355.57
Net debt	3,31,383.58	2,34,562.16
Total Equity (ii)	5,10,060.02	4,74,322.71
Net debt to equity ratio (%)	64.97%	49.45%

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding derivative, financial guarantee contracts and contingent considerations).

(ii) Equity is defined as Equity share capital, Unsecured perpetual securities and other equity including reserves and surplus.

c) Financial Risk Management:

In its ordinary operations, the Company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has the risk management policy which covers risk associated with the financial assets and liabilities such as interest rate risks and credit risk. The Company on periodic basis reviews the risk associated with the financial assets and liabilities. The following is the summary of the main risks:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. The impact of equity price risk is not material. Financial instruments affected by market risk include loans and borrowings, derivative financial instruments and FVTOCI investments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.



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Notes forming part of Financial Statements

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

(i) Interest rate risk sensitivity

Interest rate risk arises from the potential changes in interest rates that may have adverse effects on the Company in the reporting period or in future years.

Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for term loans and debentures at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans and debentures that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

	As of 31st March, 2018		As of 31st March, 2017	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	(+) Rs 998 28 lakhs	(-) Rs 998 28 lakhs	(+) Rs 703 92 lakhs	(-) Rs 703 92 lakhs
Effect on profit before tax	(-) Rs 998 28 lakhs	(+) Rs 998 28 lakhs	(-) Rs 703 92 lakhs	(+) Rs 703 92 lakhs

(ii) Credit risk management

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial assets that potentially expose the Company to credit risks are listed below:

The Company's cash inflows are secured under Power Purchase Agreement (PPA) with holding company and respective Power Procurers which are State Government utilities. Being a State Government undertaking credit risk is very low.

In respect of advance due from vendor Rs. NIL (31st March, 2017 Rs 7,258.92 lakhs) which are backed by bank guarantees based on which Management concludes credit risk in respect of the same is low.

Financial assets that potentially expose the Company to credit risks are listed below:

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
	₹ Lakhs	₹ Lakhs
Loans	27,002.00	41,089.63
Other financial assets	11,645.97	1,573.77

All of the above are due from the parties under normal course of the business and as such the company believe exposure to credit risk to be minimal.

(iii) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The maturity profile of the financial liabilities are listed below:

Expected maturity for financial Liabilities					Rs in lakhs
	Up to 1 year	2 to 5 years	5+ years	Total	Carrying Amount
31st March, 2018					
Borrowings (including current maturity)	51,669.38	1,44,494.46	1,38,401.37	3,34,565.21	3,34,124.85
Interest payable on above borrowings	24,188.40	1,03,667.84	38,213.66	1,66,069.90	6,536.80
Trade Payables	2,017.03	-	-	2,017.03	2,017.03
Other Financial Liabilities	41,691.93	-	-	41,691.93	41,691.93
31st March, 2017					
Borrowings (including current maturity)	80,787.85	30,439.99	1,35,689.89	2,46,917.73	2,46,917.73
Interest payable on above borrowings	14,596.51	56,469.62	37,494.43	1,08,560.56	2,437.56
Trade Payables	1,296.41	-	-	1,296.41	1,296.41
Other Financial Liabilities	88,169.63	-	-	88,169.63	88,169.63

The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The amounts excludes financial guarantee contracts the Company could be forced to settle under the arrangements for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.



Tata Power Renewable Energy Limited

Notes forming part of Financial Statements

(iv) Financing facilities

	For Year ended 31st March, 2018 ₹ Lakhs	For Year ended 31st March, 2017 ₹ Lakhs
<i>Unsecured bank overdraft, reviewed annually and payable at call:</i>		
Amount used	=	50.81
Amount unused	6,000.00	5,949.19
<i>Secured bank overdraft facility</i>		
Amount used	-	-
Amount unused	-	-
<i>Secured bank loan facilities with various maturity dates through to 31st March, 2018 and which may be extended by mutual agreement</i>		
	-	-

33 Operating Segments:

The Company generate electric power from wind and solar energy which is considered to be a single segment and there are no other reportable segment as per IND AS 108 Operating Segments.

34 The Board of Directors of the Company at its meeting held on 24th July, 2017 has considered and approved the "Scheme of Amalgamation" ("the Scheme") under Section 232 and other applicable provisions, if any, of the Companies Act, 2013 between Tata Power Renewable Energy Limited ("transferee company", "holding company") for transfer of the entire business and the whole of the undertaking of the Indo Rama Renewables Jath Limited ("subsidiary company") on a going concern basis to the transferee company with effect from 1st April, 2017 (appointed date). As on 31st March, 2018, subsidiary company has net fixed assets of Rs.14,899.00 lakhs, net worth Rs.5,506.50 lakhs and total income Rs.3,310.76 lakhs, profit after tax Rs.83.68 lakhs for the year ended 31st March, 2018. The Company is in the process of filing the Scheme with National Company Law Tribunal (NCLT). Accordingly, no effect of the proposed Scheme has been given in the financial statements.

35 The Board of Directors of the Company at its meeting held on 17th December, 2015 & 15th May 2017 has considered and approved the "Scheme of Amalgamation" ("the Scheme") under Section 232 and other applicable provisions, if any, of the Companies Act, 2013 for transfer of 379.5 MW renewable assets as a going concern on the Stump Sale basis from The Tata Power Company Ltd ("transferor company", "holding company") to the Company and its wholly owned subsidiaries ("transferee companies", "subsidiary companies") with effect from the date when Scheme is approved by the competent authority. The Company has filed the necessary petition before the National Company Law Tribunal (NCLT).

36 MAT credit for the year ended 31st March, 2018 includes Rs.2,866 lakhs relating to earlier years. Deferred tax for the year ended 31st March, 2018 includes Rs.565 lakhs relating to previous years.

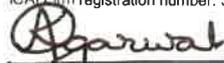
37 Events occurring after reporting period:

There was no significant event after the end of the reporting period which require any adjustment or disclosure in the financial statement.

38 Approval of Financial Statements

The financial statements were approved by the board of director's on 24th April, 2018.

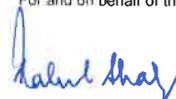
For S R B C & Co LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003


per Abhinav Agarwal
Partner
Membership No.: 112773



Mumbai, 24th April, 2018

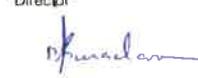
For and on behalf of the Board,


Rahul Shah
Director


Jhensha V Patil
Chief Financial Officer

Mumbai, 24th April, 2018


Ramesh Subramanyam
Director


Mona Purandare
Company Secretary