

INDEPENDENT AUDITOR'S REPORT

To the Members of TP Renewable Microgrid Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of TP Renewable Microgrid Limited (“the Company”), which comprise the Balance sheet as at March 31 2020, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information. .

In our opinion and to the best of our information and according to the explanations given to us , the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“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, 2020, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements’ section of our report. We are independent of the Company in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Director report but does not include the Ind AS financial statements and our auditor’s report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 the 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 controls, 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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2019, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 18, 2019

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 based on our audit, , 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss 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 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 the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these Ind AS financial statements 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - 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.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Tanmoy DasMahapatra
Partner
Membership Number: 058259
UDIN: 20058259AAAAAJ4436
Place of Signature: Kolkata
Date: May 06, 2020

Annexure 1 referred to in paragraph 1 of our report of even date under section ‘Report on other legal and regulatory requirements’

Re: TP Renewable Microgrid Limited (“the Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to 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, the Company has given loans to a company in which the Director is interested, and which is not in compliance with Section 185 and Section 186 of the Companies Act, 2013 and the details are tabulated below:
- (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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees’ state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service 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.

The provisions relating to employees’ state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax are not applicable to the Company.

- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (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 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 provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (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, hence 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.
- (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. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Tanmoy DasMahapatra
Partner
Membership Number: 058259
UDIN: 20058259AAAAAJ4436
Place of Signature: Kolkata
Date: 06 May, 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TP RENEWABLE MICROGRID 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 TP Renewable Microgrid Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these financial statements 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, 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. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Tanmoy DasMahapatra
Partner
Membership Number: 058259
UDIN: 20058259AAAAAJ4436
Place of Signature: Kolkata
Date: 06 May, 2020

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Balance Sheet as at 31st March, 2020

	Notes	As at 31st March, 2020 ₹ Lakhs	As at 31st March, 2019 ₹ Lakhs
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	3	123.12	-
(b) Capital Work-in-Progress		608.58	-
Total Non-current Assets		731.70	-
Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	7	15.96	4.46
(ii) Loans	4	0.90	-
(iii) Other Financial Asset	5	117.70	-
(b) Other Current Assets	6	7.03	-
Total Current Assets		141.59	4.46
TOTAL ASSETS		873.29	4.46
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	8	11.00	11.00
(b) Other Equity	9	(316.66)	(11.86)
Total Equity		(305.66)	(0.86)
LIABILITIES			
Non-current Liabilities			
(a) Provisions	11	131.50	-
Total Non-current Liabilities		131.50	-
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	155.00	5.00
(ii) Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises		59.20	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		807.04	0.15
(iii) Other Financial Liabilities	10	1.14	0.16
(b) Provisions	11	4.87	-
(c) Other Current Liabilities	12	20.20	0.02
Total Current Liabilities		1,047.45	5.32
TOTAL EQUITY AND LIABILITIES		873.29	4.46
Summary of significant accounting policies	2		

The accompanying notes are integral part of the Financial Statements

As per our report of even date

For S.R.Batlboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/ E300005

For and on behalf of board of Directors

per Tanmoy DasMahapatra
Partner
Membership No: 058259

Ashish Khanna
Chaiman
DIN 6699527
Place : Mumbai

Aditya Gupta
Director
DIN 8108477
Place : Mumbai

Place: Kolkata

Date : 6 May 2020

Manoj Gupta
Chief Executive officer
Place: Muzaffarpur

Kapil Gupta
Chief Financial officer
Place: Faridabad

Date : 6 May 2020

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Statement of Profit and Loss for the year ended 31st March, 2020

	Notes	For the year ended 31st March, 2020 ₹ Lakhs	For the year ended 31st March, 2019 ₹ Lakhs
I Revenue from Operations	14	0.35	-
II Total Income		0.35	-
III Expenses			
Employee Benefits Expense (Net)	15	140.40	-
Finance Costs	16	1.84	0.18
Depreciation and Amortisation Expenses	3	1.20	-
Other Expenses	17	170.87	0.57
Total Expenses		314.31	0.75
IV Profit/(Loss) Before Tax		(313.96)	(0.75)
V Tax Expense/(Credit)			
Current Tax	18	-	-
Deferred Tax	18	(2.67)	-
VI Profit/(Loss) for the Period		(311.29)	(0.75)
VII Other Comprehensive Income/(Expenses)			
Add/(Less):			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the Defined Benefit Plans		9.16	-
(ii) Tax relating to items that will not be reclassified to profit or loss			
(a) Current Tax		-	-
(b) Deferred Tax	18	(2.67)	-
		6.49	-
VIII Total Comprehensive Income for the Period		(304.80)	(0.75)
IX Basic and Diluted Earnings Per Equity Share (of ₹ 10/- each) (₹)			
(i) Earning per share	19	(282.99)	(0.68)
(ii) Diluted earning per share		(282.99)	(0.68)

The accompanying notes are integral part of the Financial Statements
As per our report of even date

For S.R.Batlilobi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/ E300005

For and on behalf of board of Directors

per Tanmoy DasMahapatra
Partner
Membership No: 058259

Ashish Khanna Aditya Gupta
Chairman Director
DIN 6699527 DIN 8108477
Place : Mumbai Place : Mumbai

Place: Kolkata

Manoj Gupta Kapil Gupta
Chief Executive officer Chief Financial officer
Place: Muzaffarpur Place: Faridabad

Date : 6 May 2020

Date : 6 May 2020

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Statement of Changes in Equity

A. Equity Share Capital

	No. of Shares	₹ Lakhs Amount
Balance as at 1st April, 2018	1.10	11.00
Issued during the year	-	-
Balance as at 31st March, 2019	1.10	11.00
Balance as at 1st April, 2019	1.10	11.00
Issued during the year	-	-
Balance as at 31st March, 2020	1.10	11.00

B. Other Equity

Description	₹ Lakhs	
	Reserves and Surplus	
	Retained Earnings	
Balance as at 1st April, 2018	(11.11)	
Profit/(Loss) for the year	(0.75)	
Other Comprehensive Income/(Expense) for the period (Net of Tax)	-	
Total Comprehensive Income	(0.75)	
Balance as at 31st March, 2019	(11.86)	
Balance as at 1st April, 2019	(11.86)	
Profit/(Loss) for the year	(311.29)	
Other Comprehensive Income/(Expense) for the period (Net of Tax)	6.49	
Total Comprehensive Income	(304.80)	
Balance as at 31st March, 2020	(316.66)	

As per our report of even date

For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/ E300005

For and on behalf of board of Directors

per Tanmoy DasMahapatra
Partner
Membership No: 058259

Ashish Khanna Aditya Gupta
Chaiman Director
DIN 6699527 DIN 8108477
- Place : Mumbai Place : Mumbai

Place: Kolkata

Manoj Gupta Kapil Gupta
Chief Executive officer Chief Financial officer
Place: Muzaffarpur Place: Faridabad

Date : 6 May 2020

Date : 6 May 2020

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Cash Flow Statement for the year ended 31st March, 2020

	For the year ended 31st March, 2020 ₹ Lakhs	For the year ended 31st March, 2019 ₹ Lakhs
A. Cash Flow from Operating Activities		
Profit / (Loss) before tax	(313.96)	(0.75)
Adjustments to reconcile Profit Before Tax to Net Cash Flows:		
Depreciation and Amortisation Expense	1.20	-
Finance Cost	1.84	-
	3.04	-
Working Capital Adjustments:		
Adjustments for increase/(decrease) in Assets:		
Loans	(0.90)	-
Other Current Assets	(7.03)	-
Other Financial Asset	(117.70)	-
Movement in Operating Asset	(125.63)	-
Adjustments for (increase)/decrease in Liabilities:		
Trade Payables	134.01	(0.15)
Other Current Liabilities	20.19	-
Current financial Liabilities	-	0.16
Current Provisions	4.87	-
Non-current Provisions	140.66	-
Movement in Operating Liability	299.73	0.01
Cash Flow from Operations	(136.82)	(0.75)
Income-tax Paid	-	-
Net Cash Flow from Operating Activities	(136.82)	(0.75)
B. Cash Flow from Investing Activities		
Capital expenditure on Property, Plant and Equipment (including capital advances)	(0.82)	-
Net Cash Flow used in Investing Activities	(0.82)	-
C. Cash Flow from Financing Activities		
Proceeds from current borrowings-related party	180.00	5.00
Repayment of current borrowings-related party	(30.00)	-
Finance Cost Paid	(0.86)	-
Net Cash Flow from/(used in) Financing Activities	149.14	5.00
Net Increase in Cash and Cash Equivalents	11.50	4.25
Cash and Cash Equivalents as at 1st April (Opening Balance)	4.46	0.21
Cash and Cash Equivalents as at 31 March 2020 (Closing Balance)	15.96	4.46

Summary of significant accounting policies

2

As per our report of even date

For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/ E300005

For and on behalf of board of Directors

per Tanmoy DasMahapatra
Partner
Membership No: 058259

Ashish Khanna
Chairman
DIN 6699527
Place : Mumbai

Aditya Gupta
Director
DIN 8108477
Place : Mumbai

Place: Kolkata

Date : 6 May 2020

Manoj Gupta
Chief Executive officer
Place: Muzaffarpur

Date : 6 May 2020

Kapil Gupta
Chief Financial officer
Place: Faridabad

1 Corporate Information:

TP Renewable Microgrid Limited ('the Company') formerly known as Industrial Power Utility Limited is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1956. The principal business of the company is to engage in all aspects of the business of generation, including captive generation and sale of electrical energy, and all form of energy. During the year, the Company altered its main object clause by adding to engage in all aspects of the business of microgrid designing, installing, testing, commissioning, operating, maintaining, and sale of electricity in India or abroad. Subsequently the company applied for change in its name from Industrial Power Utility Limited to TP Renewable Microgrid Limited and a fresh certificate of incorporation consequent to the change in name to TP Renewable Microgrid Limited was issued by the Registrar of Companies, Mumbai on 22 October, 2019.

Its registered office is at A Block, Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai-400009 and Corporate office at Shatabdi Bhawan, B 12 & 13, Sector 4, Noida 201301, Uttar Pradesh

The Tata Power Company Limited is holding 100% equity share capital of the Company comprising of 1,10,000 equity shares of Rs 10 each.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 (as amended from time to time).

The financial statements were approved for issue by the Board of Directors on May 6, 2020

2.2 Basis for accounting and preparation of financial statements:

These 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 the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of the acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

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.

2.3 Use of estimates:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management 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 periods 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 and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of, impairment of property, plant and equipment, impairment of goodwill, valuation of current and deferred tax expense, fair value of unquoted securities and impairment of investments, valuation of defined benefit obligations, regulatory deferral accounts and provisions and contingent liabilities.

2.4 Foreign Currencies

The functional currency of the Company is Indian rupee (Rs). These financial statements are presented in Indian Rupee.

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

2.5 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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 are added to or deducted from the fair value 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 measured at fair value through profit or loss are recognised immediately in the statement of profit and loss.

2.7 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.

2.8 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is 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 amount outstanding.

2.8.1 Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with in 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.

On initial recognition, the Company makes an irrevocable election on an instrument - by - instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

2.8.2 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other 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.

2.8.3 Derecognition

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

- the right to receive cash flows from the asset have expired, or
- the Company has transferred its right to receive cashflows from the asset or has assumed an obligation to pay the received cashflows 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.

2.8.4 Impairment of financial assets

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.

2.9 Financial liabilities and equity instruments

2.9.1 Classification as debt or equity

Debt and equity instruments issued by the 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.

2.9.2 Equity instruments

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

2.9.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

2.9.4 Derecognition of financial liabilities

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 and loss.

2.9.5 Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debt or fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

2.10 Dividend distribution to equity shareholders of the Company

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

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

2.11 Change in accounting policy and disclosures

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company has applied Ind AS 116 'Leases' (Ind AS 116) with a date of initial application of April 1, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at April 1, 2019. However there is no impact of the same as there were no outstanding lease agreements.

The Company has applied Ind AS 116 only to the contracts that were previously identified as leases. As a practical expedient, contracts previously identified as lease under Ind AS 17 was not reassessed as to whether a contract is, or contains, a lease under Ind AS 116.

The Company has used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognize right-of-use asset and liabilities for leases with remaining lease term of 12 months or less.
- Excluded initial direct costs from measuring the right-of-use asset at the date of application
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

During the period ended 31st March 2020, the Company has entered into lease agreements which mostly pertains to the leased land and building. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense over the lease term. As on 31st March 2020, the lease expense of Rs. 1.41 Lakhs has been charged off as an expense in the statement of Profit & Loss.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. As a lessee, the Company previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly all of the risk and rewards incidental to the ownership of the underlying asset of the Company.

2.12 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates are:

Estimation of defined benefit obligation - Note 11

Estimation of current tax and deferred tax expenses - Note 18

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3. Property plant and equipment

3.1 Accounting Policy

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Ind AS 23. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated.

Non Regulated Assets:

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipments over estimated useful lives and residual value which are different from the useful life and residual value prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the Non-Regulated assets are as follows:

Type of assets	Useful lives
Plant and Equipments (excluding Computers and Data Processing units)	5 to 20 years
Plant and Equipments (Computers and Data Processing units)	3 years
Transmission Lines, Cable Network, etc.	20 years

Derecognition

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. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipments is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Impairment

Impairment of tangible and intangible assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on the basis of its estimate of future cash flows, detailed budgets and forecast calculations, which are prepared separately for each of the company's assets / CGUs to which the individual assets are allocated.

Impairment losses of tangible and intangible assets are recognised in the statement of profit and loss.

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Notes to the Financial Statements

3. Property, Plant and Equipment (Contd.)

A. Owned Assets

Description	₹ Lakhs		
	Plant and Equipment	Transmission lines and cable network	Total
Cost			
Balance as at 1st April, 2019	-	-	-
Additions	114.76	9.56	124.32
Disposals	-	-	-
Reclassified as held for sale	-	-	-
Balance as at 31st March, 2020	114.76	9.56	124.32
Accumulated depreciation and impairment			
Balance as at 1st April, 2019	-	-	-
Depreciation Expense - Continuing Operations	(1.15)	(0.05)	(1.20)
Disposal of assets	-	-	-
Reclassified as held for sale	-	-	-
Balance as at 31st March, 2020	(1.15)	(0.05)	(1.20)
Net carrying amount			
As at 31st March, 2020	113.61	9.51	123.12
As at 31st March, 2019	-	-	-

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Notes to the Financial Statements

4. Loans

(Unsecured unless otherwise stated)

	As at 31st March, 2020 ₹ Lakhs	As at 31st March, 2019 ₹ Lakhs
Current - At Amortised Cost		
Security Deposits		
Considered Good	0.90	-
Total	0.90	-

5. Other Financial Asset

	As at 31st March, 2020 ₹ Lakhs	As at 31st March, 2019 ₹ Lakhs
Current - At Amortised Cost		
Unsecured, considered good		
Other Current Advances	117.70	-
Other Receivables	-	-
	117.70	-
Total	117.70	-

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Notes to the Financial Statements

6. Other Assets

	As at 31st March, 2020 ₹ Lakhs	As at 31st March, 2019 ₹ Lakhs
Current		
(i) Others		
Unsecured, considered good		
Prepaid Expenses	4.84	-
Advances to Vendors	1.49	-
Other Advances	0.70	-
Total	7.03	-

7. Cash and Cash Equivalents - At Amortised Cost

Accounting Policy

Cash and cash equivalents in the balance sheet comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash at banks and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

	As at 31st March, 2020 ₹ Lakhs	As at 31st March, 2019 ₹ Lakhs
(i) Balances with Banks:		
In Current Accounts	15.96	4.46
In Deposit Accounts (with original maturity three months or less)	-	-
(ii) Cheques on Hand	-	-
(iii) Cash on Hand	-	-
Cash and Cash Equivalents as per Balance Sheet	15.96	4.46
Cash and Cash Equivalents as per Statement of Cash Flows	15.96	4.46

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Notes to the Financial Statements

8. Share Capital

	As at 31st March, 2020		As at 31st March, 2019	
	Number	₹ Lakhs	Number	₹ Lakhs
Authorised				
Equity Shares of ₹ 10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
		<u>1,000.00</u>		<u>1,000.00</u>
Issued				
Equity Shares of ₹ 10/- each	1,10,000	11.00	1,10,000	11.00
		<u>11.00</u>		<u>11.00</u>
Subscribed and Paid-up				
Equity Shares of ₹ 10/- each	1,10,000	11.00	1,10,000	11.00
Total Issued, Subscribed and Paid-up Share Capital		<u>11.00</u>		<u>11.00</u>

(i) Terms/rights attached to Equity Shares

The company has issued only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

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.

(ii) Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2020		As at 31st March, 2019	
	Number	% Holding	Number	% Holding
Equity Shares of ₹ 10/- each fully paid				
Tata Power Company Limited	1,10,000	100.00	1,10,000	100.00

9. Other Equity

	As at 31st March, 2020 ₹ Lakhs	As at 31st March, ₹ Lakhs
Opening balance	(11.86)	(11.11)
Add: Profit/(Loss) for the year	(311.29)	(0.75)
Less: Other Comprehensive Income/(Expense) arising from Remeasurement of Defined	6.49	-
	<u>(304.80)</u>	<u>(0.75)</u>
Closing Balance	<u>(316.66)</u>	<u>(11.86)</u>

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Notes to the Financial Statements

10. Other Financial Liabilities

	As at 31st March, 2020 ₹ Lakhs	As at 31st March, 2019 ₹ Lakhs
Current - At Amortised Cost		
(a) Interest accrued but not due on borrowings from Related Party	1.14	0.16
Total	1.14	0.16

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11. Provisions

Accounting Policy

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).

Present obligations arising under onerous contracts are recognised and measured as provisions with charge to statement of profit and loss. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Defined contribution plan

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

Defined benefit plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate 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:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) 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 response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

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 current 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 non-current 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 up to the reporting date.

	As at 31st March, 2020 ₹ Lakhs	As at 31st March, 2019 ₹ Lakhs
Non-current		
Provision for Employee Benefits		
Compensated Absences	29.51	-
Gratuity (Net) [Refer Note 11 (2.3)]	90.64	-
Post-Employment Medical Benefits	2.81	-
Other Defined Benefit Plans	6.12	-
Other Employee Benefits	2.42	-
Total	131.50	-
Current		
Provision for Employee Benefits		
Compensated Absences	1.22	-
Gratuity (Net) [Refer Note 11 (2.3)]	2.58	-
Post-Employment Medical Benefits	-	-
Other Defined Benefit Plans	1.06	-
Other Employee Benefits	0.01	-
Total	4.87	-

11. Provisions.....(Contd.)

Employee Benefit Plans

1. Defined Contribution plan

The Company makes Provident Fund contributions to defined contribution plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs. The provident fund contributions as specified under the law are paid to the statutory provident fund authorities. The Company recognizes such contribution payable to the fund scheme as an expense, when an employee renders the related service.

The Company has recognised ₹4.05 lakhs (31st March, 2019 - ₹ Nil) for provident fund 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.

2. Defined benefit plans

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

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.

Post Employment Medical Benefits

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

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 along with 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.

Pension

The company has a defined benefit plan granting a pre-determined sum as a pension after completing vesting period.

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

Valuation as at

Discount Rate
 Salary Growth Rate
 - Management
 - Non-Management
 Turnover Rate - Age 21 to 44 years
 - Management
 - Non-Management
 Turnover Rate - Age 45 years and above
 - Management
 - Non-Management
 Mortality Table

Annual Increase in Healthcare Cost

	31st March, 2020	31st March, 2019
	6.50% p.a.	-
	7% p.a.	-
	5% p.a.	-
	6% p.a.	-
	0.50% p.a.	-
	2% p.a.	-
	0.50% p.a.	-
	Indian Assured Lives Mortality (2006-08) (modified) Ult	-
	8% p.a.	-

11. Provisions.....(Contd.)

2.3 The amounts recognised in the financial statements and the movements in the net defined benefit obligations over the year are as follows:

Unfunded Plan - Gratuity and Other Defined Benefit Plans:

Balance as at 1st April, 2018

Current service cost
Past service cost
Past service cost - Plan amendments
Interest Cost/(Income)
Add/(Less): Amount recognised in Statement of Profit and Loss - Discontinued Operations

Amount recognised in Statement of Profit and Loss - Continuing Operations

Remeasurement (gains)/losses

Actuarial (gains)/losses arising from changes in demographic assumptions
Actuarial (gains)/losses arising from changes in financial assumptions
Actuarial (gains)/losses arising from experience
Add/(Less): Amount recognised in other comprehensive income - Discontinued operations

Amount recognised in Other Comprehensive Income

Benefits paid
Acquisitions credit/(cost)
Add: Amounts recognised in current year - Discontinued Operations
Less: Transferred to Assets/Liabilities held for sale - Discontinued Operations

Balance as at 31st March, 2019

Balance as at 31st March, 2019

Current service cost
Past service cost
Past service cost - Plan amendments
Interest Cost/(Income)
Add/(Less): Amount recognised in Statement of Profit and Loss - Discontinued Operations

Amount recognised in Statement of Profit and Loss - Continuing Operations

Remeasurement (gains)/losses

Actuarial (gains)/losses arising from changes in demographic assumptions
Actuarial (gains)/losses arising from changes in financial assumptions
Actuarial (gains)/losses arising from experience
Less: Amount recognised in other comprehensive income - Discontinued operations

Amount recognised in Other Comprehensive Income

Benefits paid
Acquisitions credit/(cost)
Add: Amounts recognised in current year - Discontinued Operations
Less: Transferred to Assets/Liabilities held for sale - Discontinued Operations

Balance as at 31st March, 2020

	Gratuity Amount ₹ Lakhs	Other Defined Benefit Plans Amount ₹ Lakhs
Balance as at 1st April, 2018	-	-
Current service cost		
Past service cost		
Past service cost - Plan amendments		
Interest Cost/(Income)		
Add/(Less): Amount recognised in Statement of Profit and Loss - Discontinued Operations		
Amount recognised in Statement of Profit and Loss - Continuing Operations	-	-
<u>Remeasurement (gains)/losses</u>		
Actuarial (gains)/losses arising from changes in demographic assumptions		
Actuarial (gains)/losses arising from changes in financial assumptions		
Actuarial (gains)/losses arising from experience		
Add/(Less): Amount recognised in other comprehensive income - Discontinued operations		
Amount recognised in Other Comprehensive Income	-	-
Benefits paid		
Acquisitions credit/(cost)		
Add: Amounts recognised in current year - Discontinued Operations		
Less: Transferred to Assets/Liabilities held for sale - Discontinued Operations		
Balance as at 31st March, 2019	-	-
Balance as at 31st March, 2019	-	-
Current service cost	-	-
Past service cost	-	-
Past service cost - Plan amendments	-	-
Interest Cost/(Income)	-	-
Add/(Less): Amount recognised in Statement of Profit and Loss - Discontinued Operations	-	-
Amount recognised in Statement of Profit and Loss - Continuing Operations	-	-
<u>Remeasurement (gains)/losses</u>		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	-	-
Actuarial (gains)/losses arising from experience	(19.15)	9.99
Less: Amount recognised in other comprehensive income - Discontinued operations	-	-
Amount recognised in Other Comprehensive Income	(19.15)	9.99
Benefits paid	-	-
Acquisitions credit/(cost)	112.37	-
Add: Amounts recognised in current year - Discontinued Operations	-	-
Less: Transferred to Assets/Liabilities held for sale - Discontinued Operations	-	-
Balance as at 31st March, 2020	93.22	9.99

11. Provisions.....(Contd.)

2.4 Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and attrition. The

Particulars	31st March, 2020	31st March, 2019
Changes in defined benefit obligation due to 0.50% increase/decrease in discount rate, if all other		
(a) Decrease in defined benefit obligation due to 0.50% increase in discount rate	4.31	-
(b) Increase in defined benefit obligation due to 0.50% decrease in discount rate	4.63	-
Changes in defined benefit obligation due to 0.50% increase/decrease in expected salary escalation rate, if all		
(a) Increase in defined benefit obligation due to 0.50% increase in salary escalation rate	4.12	-
(b) Decrease in defined benefit obligation due to 0.50% decrease in salary escalation rate	3.91	-
Changes in defined benefit obligation due to 5% increase in attrition rate, if all other assumptions remain		
(a) Decrease in defined benefit obligation due to 5% increase in attrition rate	7.02	-

There is no change in the method of the valuation for the prior period. For change in assumptions please refer to point 2.2 above, where assumptions for These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

Interest rate risk: A decrease in the bond interest rate (discount rate) will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

Particulars	31st March, 2020	31st March, 2019
Within 1 years	3.76	-
Between 1 - 2 years	4.57	-
Between 2 - 3 years	4.41	-
Between 3 - 4 years	4.82	-
Between 4 - 5 years	5.22	-
Beyond 5 years	127.96	-

2.6 Actuarial assumptions for compensated absences

Particulars	Refer note below	31st March, 2020	31st March, 2019
Discount rate p.a.		6.50%	-
Salary escalation rate p.a.		7.00%	-

Notes:

The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Notes to the Financial Statements

12. Other Liabilities

	As at 31st March, 2020 ₹ Lakhs	As at 31st March, 2019 ₹ Lakhs
Current		
Statutory Liabilities	19.89	0.02
Other Liabilities	0.31	-
Total	20.20	0.02

13. Current Borrowings

	As at 31st March, 2020 ₹ Lakhs	As at 31st March, 2019 ₹ Lakhs
Unsecured - At Amortised Cost		
(a) ICD - Repayable on Demand From Related Parties	155.00	5.00
	-	-
Total	155.00	5.00

14. Revenue from Operations

Revenue recognition

Accounting Policy

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

14.1 Sale of power

Revenue from the supply of power is recognised net of any trade discounts, cash rebates, etc. when the power is supplied and units of electricity are delivered.

Revenue from power supply is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the reporting period. Revenue from power supply is recognised net of the applicable taxes which the Company collects from the customer on behalf of the government/state authorities.

14.2 Rendering of Services

Revenue from a contract to provide services is recognised over time based on :

Input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue, including estimated fees or profits, are recorded proportionally based on measure of progress.

Output method where direct measurements of value to the customer based on survey's of performance completed to date.

Revenue is recognised net of cash discount at a point in time at the contracted rate.

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

Revenue from Operations

	For the year ended 31st March, 2020 ₹ Lakhs	For the year ended 31st March, 2019 ₹ Lakhs
(a) Revenue from Power Supply	0.11	-
(Less). Cash Discount	-	-
	0.11	-
(b) Other Operating Revenue		
Income in respect of Services Rendered	0.23	-
Miscellaneous Revenue	0.01	-
	0.24	-
Total	0.35	-

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Notes to the Financial Statements

15. Employee Benefits Expense

	For the year ended 31st March, 2020 ₹ Lakhs	For the year ended 31st March, 2019 ₹ Lakhs
Salaries and Wages	132.34	-
Contribution to Provident Fund	3.49	-
Compensated Absences	(1.17)	-
Pension Scheme	0.56	-
Staff Welfare Expenses	5.18	-
	140.40	-
Total	140.40	-

16. Finance Costs

	For the year ended 31st March, 2020 ₹ Lakhs	For the year ended 31st March, 2019 ₹ Lakhs
(a) Interest Expense:		
On Borrowings -At Amortised Cost		
Interest on Loans - Related Parties	1.84	0.18
Total	1.84	0.18

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Notes to the Financial Statements

17. Other Expenses

	For the year ended 31st March, 2020 ₹ Lakhs	For the year ended 31st March, 2019 ₹ Lakhs
Consumption of consumable goods, etc.	0.18	-
Rental of Land, Buildings, Plant and Equipment, etc.	4.79	-
Repairs and Maintenance -		
(i) To Buildings and Civil Works	-	-
(ii) To Machinery and Hydraulic Works	0.61	-
(iii) To Furniture, Vehicles, etc.	2.20	-
	2.81	-
Rates and Taxes	10.44	-
Insurance	0.56	-
Other Operation Expenses	36.16	0.05
Travelling and Conveyance Expenses	21.85	-
Consultants' Fees	65.12	0.37
Auditors' Remuneration [see note (i) below]	4.13	0.15
Cost of Services Procured	21.18	-
Legal Charges	3.31	-
Miscellaneous Expenses	0.34	-
Total	170.87	0.57

(i) Payment to the auditors

	For the year ended 31st March, 2020 ₹ Lakhs	For the year ended 31st March, 2019 ₹ Lakhs
For Statutory Audit	4.13	0.15
For Taxation Matters	-	-
For Other Services	-	-
For Reimbursement of Expenses	-	-
Total	4.13	0.15

18. Income taxes

Accounting Policy

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 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 each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax 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 between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

In the situations where one or more units of the Company are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(i) Income Tax Expenses

1. Income taxes recognised in the statement of profit and loss (Continuing Operations)

	31st March, 2020 ₹ Lakhs	31st March, 2019 ₹ Lakhs
Current tax	-	-
Deferred tax	(2.67)	-
Total income tax expense recognised in the current year	(2.67)	-

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

	31st March, 2020 ₹ Lakhs	31st March, 2019 ₹ Lakhs
Profit/(Loss) before tax Continuing Operation	(313.96)	(0.75)
Profit/(Loss) Before Tax considered for tax working	(313.96)	(0.75)
Income tax expense @ 29.12%	(91.43)	(0.22)
Add/(Less) tax effect on account of :		
Unrecognized deferred tax Assests (refer note 18 (ii))	88.75	0.22
Income tax expenses recognised in statement of profit and loss account	(2.67)	-
Tax expense for the Continuing Operations	(2.67)	-
Income tax expense recognised in statement of profit and loss	(2.67)	-

Notes:

- The tax rate used for the years 2019-20 and 2018-19 is the corporate tax rate of 29.12% payable by corporate entities in India on taxable profits under the Indian tax law.

2 Income tax recognised in other comprehensive income

	31st March, 2020 ₹ Lakhs	31st March, 2019 ₹ Lakhs
Current tax		
Remeasurements of defined benefit obligation	-	-
	-	-
Deferred tax		
Remeasurements of defined benefit obligation	2.67	-
	2.67	-
Total income tax recognised in other comprehensive income	2.67	-
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to statement of profit and loss	-	-
Items that will not be reclassified to statement of profit and loss	2.67	-
	2.67	-

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Notes to the Financial Statements

18. Income taxes.....(Contd.)

(ii) Deferred Tax

	As at		As at	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	₹ Lakhs		₹ Lakhs	
Deferred Tax Assets		17.23		-
Deferred Tax Liabilities		17.23		-
Deferred Tax Assets / Liabilities (Net)		-		-

	₹ Lakhs				
	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Recognised directly in equity	Closing balance
2019-20					
Deferred tax assets in relation to					
On Carry forward of losses and unabsorbed depreciation to the extent of deferred tax liabilities recognised	-	14.32	2.91	-	17.23
	-	14.32	2.91	-	17.23
Deferred tax liabilities in relation to					
Property, Plant and Equipments	-	11.16	-	-	11.16
Employee benefits	-	0.50	5.58	-	6.07
	-	11.66	5.58	-	17.23
Deferred Tax Assets/(Liabilities) (Net)	-	2.67	(2.67)	-	-
2018-19					
Deferred tax assets in relation to					
On Carry forward of losses and unabsorbed depreciation to the extent of deferred tax liabilities recognised	-	-	-	-	-
	-	-	-	-	-
Deferred tax liabilities in relation to					
Property, Plant and Equipments	-	-	-	-	-
Employee benefits	-	-	-	-	-
	-	-	-	-	-
Deferred Tax Assets / Liabilities (Net)	-	-	-	-	-

Note:

- (a) Since the operation of the Company just begun and are in the initial phase therefore deferred tax assets has been created to the extent of deferred tax liability created upto year ended 31st March, 2020.

19 Earnings per share

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year ended 31 March 2020

Particulars		For the year ended 31st March, 2020	For the year ended 31st March, 2019
a.	Profit for the period	₹ Lakhs (311.29)	(0.75)
b.	Weighted average number of equity shares used in computing the basic and diluted earnings per share	No. of shares 1,10,000.00	1,10,000.00
c.	Earnings per share basic and diluted	Rs. (282.99)	(0.69)

20 Segment Information

The principal business of the Company is to engage in all aspects of the business of generation, including captive generation and sale of electrical energy, and all form of energy which according to the management, is considered as only business segment. Accordingly, no separate information has been provided herein. The Company's principal operations, revenue and decision-making function are located in India.

21 Commitments

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ Lakhs	₹ Lakhs
a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1,965.57	-
b. The Company has other commitments, for purchases/service orders which are issued after considering requirements per operating cycle for purchase / sale of services, in the normal course of business.		
c. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.		

22 Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

	31st March, 2020 ₹ Lakhs	31st March, 2019 ₹ Lakhs
(a) Principal amount remaining unpaid		
(b) Interest due thereon [@]	59.20	-
(c) The amount of Interest paid along with the amounts of the payment made to the supplier	-	-
(d) The amount of Interest due and payable for the year [@]	-	-
(e) The amount of Interest accrued and remaining unpaid [@]	-	-
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid [@]	-	-

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

[@] Amounts unpaid to Micro and small enterprises vendors on account of retention money deposit, Earnest Money deposit, Security deposit have not been considered for the purpose of interest calculation.

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)

Notes to the Standalone Ind AS Financial Statements

23 Related party transactions

The Company's material related party transactions and outstanding balances are with whom the Company routinely enters into transactions in the ordinary course of business.

a. List of related parties

- (i) **Holding Company**
The Tata Power Company Limited (TPCL)
- (ii) **Fellow Subsidiaries**
Tata Power Solar Systems Limited (TPSSL)
Tata Power Delhi Distribution Limited (TPDDL)
Walwhan Renewable Energy Limited (WREL)
- (iii) **Joint Venture of Holding Company**
Powerlinks Transmission Limited (PTL)
- (iii) **Subsidiaries of Promotor of Holding Company**
Tata AIG General Insurance Company Limited (TAIG)

b. Transactions/balances outstanding with Related Parties

₹ Lakhs

S. No.	Particulars	Holding Company		Fellow Subsidiaries		Sub total	Joint Venture of Holding Company	Subsidiaries of Promotor of Holding Company	Total
		(TPCL)	TPSSL	WREL	TPDDL		PTL	TAIG	
Transactions during the year									
1	Purchase of Goods / Services by the Company	3.64 (-)	754.37 (-)	- (-)	1.98 (-)	756.35 (-)	- (-)	0.57 (-)	760.56 (-)
2	Inter Corporate Deposit taken	180.00 (5.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
3	Inter Corporate Deposit Repayment	30.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
4	Interest Expense on Inter corporate deposit	1.84 (0.18)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.84 (-)
Balances outstanding as at the period/year end:									
1	Share capital As at 31.03.2020 (As at 31.03.2019)	11.00 (11.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
2	Inter Corporate Deposit As at 31.03.2020 (As at 31.03.2019)	155.00 (5.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
3	Trade payables As at 31.03.2020 (As at 31.03.2019)	0.70 (-)	732.08 (-)	- (-)	1.81 (-)	733.89 (-)	- (-)	- (-)	734.59 (-)
4	Other Recoverable As at 31.03.2020 (As at 31.03.2019)	73.53 (-)	9.14 (-)	1.29 (-)	- (-)	10.43 (-)	33.74 (-)	- (-)	117.70 (-)
5	Interest on ICD payable As at 31.03.2020 (As at 31.03.2019)	1.14 (0.16)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Figures in bracket represents figures of corresponding previous period.

24. Financial Instruments

24.1 Fair values

Set out below, is a comparison by class of the carrying amount and fair value of the financial instruments:

	₹ Lakhs			
	Carrying value		Fair Value	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Financial assets (measured at amortized cost)				
Cash and Cash Equivalents	15.96	4.46	15.96	4.46
Loans	0.90	-	0.90	-
Other Financial Assets	117.70	-	117.70	-
Total	134.56	4.46	134.56	4.46
Financial liabilities (measured at amortized cost)				
Trade Payables	866.24	0.15	866.24	0.15
Fixed rate borrowings (including current maturities)	155.00	5.00	155.00	5.00
Other financial liabilities	1.14	0.16	1.14	0.16
	1,022.38	5.31	1,022.38	5.31

The management assessed that the fair value of cash and cash equivalents, other balances with bank, trade receivables, loans, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

- Fair value of the government securities are based on the price quotations near the reporting date. Fair value of the unquoted equity shares have been estimated using a Discounted Cash Flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for those unquoted equity investments.

24.2 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 quoted equity instruments, government securities and quoted borrowings (fixed rate) 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). This includes derivative financial instruments and unquoted floating and fixed rate borrowings.
- 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. This includes unquoted equity shares and redeemable non-cumulative preference shares.

The management assessed that the fair value of cash and cash equivalents, other balances with bank, trade receivables, loans, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

24. Financial Instruments (Contd.)

24.3 Capital Management & Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the value for shareholders.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Since the operations of the company has just begun and are in the initial phases, the management expects to improve the gearing ratio.

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:

	₹ Lakhs	₹ Lakhs
	As at	As at
	31st March, 2020	31st March, 2019
Debt (i)	156.14	5.16
Less: Cash and Bank balances	15.96	4.46
Net debt	140.18	0.70
Total Capital (ii)	(305.66)	(0.86)
Capital and net debt	(165.48)	(0.16)
Net debt to Total Capital plus net debt ratio (%)	(84.71)	(433.25)

(i) Debt is defined as Non-current borrowings (including current maturities) and Current borrowings (excluding derivative, financial guarantee contracts and contingent considerations) and interest accrued on Non-current and Current borrowings.

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

In order to achieve this overall objective, the Company's capital management, amongst other things, will aim to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There are no financial covenants attached to any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2020.

24.4 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, financial guarantee contracts and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents, other bank balances, unbilled receivables, finance lease receivables and other financial assets that derive directly from its operations. The Company also holds FVTOC/FVTPL investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk committee that reviews the financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The risk management policies are approved by the board of directors, which is summarized below.

24.4.1 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 currency risk and interest rate risk.

a. Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have foreign currency denominated transactions, hence the company is not exposed to foreign exchange risk.

b. 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 does not have long term debt obligations with floating interest rates, hence the company is not exposed to interest rate risk.

c. Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial instruments.

	₹ Lakhs	₹ Lakhs
	31st March, 2020	31st March, 2019
Other Financial Assets	0.90	-
Other recoverable	117.70	-
Total	118.60	-

Other financial assets and other recoverable as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

d. Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Up to	1 to 5	5+	Total	₹ Lakhs
	1 year	years	years		Carrying
					Amount
31st March, 2020					
Short Term Borrowings	155.00	-	-	155.00	155.00
Trade Payables	866.24	-	-	866.24	866.24
Other Financial Liabilities	1.14	-	-	1.14	1.14
Total Non-Derivative Liabilities	1,022.38	-	-	1,022.38	1,022.38
31st March, 2019					
Short Term Borrowings	5.00	-	-	5.00	5.00
Trade Payables	0.15	-	-	0.15	0.15
Other Financial Liabilities	0.16	-	-	0.16	0.16
Total Non-Derivative Liabilities	5.31	-	-	5.31	5.31

TP Renewable Microgrid Limited
(Formerly Industrial Power Utility Limited)
Notes to the Financial Statements

25. Going Concern

The Company has commenced its operations during the year ended March 31, 2020 and the management believes that the operations of the company are in its initial gestation period and expected to incur losses. The company has incurred loss of Rs. 304.80 lakhs (March 31, 2019: Rs. 0.75 lakhs) during the year. Further, the current liabilities exceed its current assets by Rs. 905.86 lakhs (March 31, 2019: Rs. 0.87 lakhs). Further, the Holding Company has approved for an infusion of funds of Rs. 2,500 Lakhs to support the business / operations of the company. The company has also received the approval of sanction of a term loan of Rs.9,500 lacks. The Company expects to utilise the above-mentioned amounts for its future working capital and capex requirements.

26. Covid 19

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. Considering that the entity is in the business of essential services, management believes that there is not much of an impact likely due to this pandemic including the utilization of installed capacity. However, the Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

27. Significant events after the Reporting Period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

28. Previous year figures have been regrouped/reclassified, where necessary to confirm to this year's classification. Previous year figures have been audited by another firm of Chartered Accountants.

As per our report of even date

For S.R.Batliboi & Co. LLP

Chartered Accountants
Firm Registration No. 301003E/ E300005

per Tanmoy DasMahapatra
Partner
Membership No: 058259

Place: Kolkata

Date : 6 May 2020

For and on behalf of board of Directors

Ashish Khanna
Chairman
DIN 6699527
Place : Mumbai

Aditya Gupta
Director
DIN 8108477
Place : Mumbai

Manoj Gupta
Chief Executive officer
Place: Muzaffarpur

Kapil Gupta
Chief Financial officer
Place: Faridabad

Date : 6 May 2020