

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Power Renewable Energy Limited

Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the accompanying standalone financial statements of Tata Power Renewable Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 standalone 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, 2023, its profit 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 standalone 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 Standalone 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 ("ICAI") 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 standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.



| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| <p data-bbox="161 394 1433 454"><i>Impairment assessment of assets (as described in note 4 and 8 of the standalone Ind AS financial statements)</i></p> <p data-bbox="161 488 751 763">At the end of every reporting period, the Company assesses whether there is any indication that a property, plant and equipment (PPE) or investment may be impaired. If any such indication exists, the Company determines the recoverable amount of the PPE or investment as the higher of value in use and fair value less costs of disposal and ascertains the impairment provision, if any.</p> <p data-bbox="161 792 751 1126">The determination of recoverable amount, being the higher of fair value less costs of disposal, and value-in-use, involves significant estimates, assumptions and judgements of the long-term financial projections. Using internal and external factors including plant performance, results of historic impairment assessment and regulatory updates, the Company has identified certain CGUs/ investments as requiring impairment assessment.</p> <p data-bbox="161 1155 751 1339">Impairment assessment of PPE and investments is a key audit matter considering the carrying value, long term nature of the assets, and the significant judgements and estimates involved in the impairment assessment.</p> | <p data-bbox="810 488 1182 517">Our audit procedures included:</p> <ul data-bbox="751 551 1433 1413" style="list-style-type: none"> <li data-bbox="751 551 1433 645">• We considered the Company's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of assets". <li data-bbox="751 674 1433 768">• We tested controls over impairment assessment process through inspection of evidence of performance of these controls. <li data-bbox="751 797 1433 1070">• We evaluated the management's impairment assessment for the PPE and investments requiring impairment assessment including key assumptions, projected generation and weighted average cost of capital, used by the management, by comparing them with prior years and external data, where available. We discussed key assumptions, future business plans and financial projections with the management. <li data-bbox="751 1099 1433 1193">• We involved our internal valuation expert to review and comment upon valuation assumptions and methodology used for selected assets. <li data-bbox="751 1223 1433 1317">• We performed sensitivity analysis on the key assumptions used by the management for impairment assessment prepared by the Company. <li data-bbox="751 1346 1433 1413">• We evaluated the disclosures in accordance with Ind AS 36 "Impairment of assets". |



| Revenue recognition and recoverability of accounts receivables - Disputed matters (as described in note 46, 47 and 48 of the standalone Ind AS financial statements) | |
|---|--|
| <p>The Company sells power to various customers in accordance with the long-term Power Purchase Agreements (PPAs) entered into with them.</p> <p>There are delays in collections from customers in few cases either due to customers not releasing the funds for paying invoices on due date or on account of disputes with the customers.</p> <p>The Company has accounted expected credit loss on Accounts Receivables basis simplified approach.</p> <p>The Company has assessed and determined that contracts are legally enforceable, and amount invoiced to the customers meet the criteria in Ind AS 115 Revenue from Contracts with Customers.</p> <p>We focused on revenue recognition and recoverability of related receivables in respect of disputed dues, because they involve a high level of management judgement.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none">• We considered the Company's accounting policies with respect to revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers".• We tested controls over revenue recognition process through inspection of evidence of performance of these controls.• We read the executed PPAs with the customer and evaluated relevant clauses to understand management's assessment of the Company's right vis-à-vis the customers, including terms related to units supplied and to be invoiced, rate applicable, payment and late payment surcharge in the PPAs.• We tested the invoices and the related supporting documents with respect to the revenue recognised for energy units supplied and for rate agreed in PPAs.• With respect to matters that were in dispute, we obtained and read the case documents including petitions filed, grounds of appeal and respondent claims, orders issued by judicial authorities, etc.• We evaluated management's estimation of provision for expected credit loss including evaluation of assumptions and verification of computation.• We evaluated the disclosures relating to this matter in note 46, 47 and 48 of the standalone financial statements. |



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Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the standalone 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 standalone 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.

Responsibilities of Management for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.



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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 standalone 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 with reference to financial statements 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



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- (b) In our opinion, proper books of account as required by law have been kept by the Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books except that we are unable to comment whether daily backups were taken due to absence of logs beyond the cyclic period of 90 days (Refer note 53 to the standalone Ind AS financial statements).
- (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 standalone 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, 2023 taken on record by the Board of Directors, except from one Director who has subsequently resigned as director of the Company on April 17, 2023, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above;
- (g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (i) 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 33 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 50 to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



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- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 50 to the standalone Ind AS financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Suresh Yadav
Partner

Membership Number: 119878

UDIN: 23119878BGTCQE1281

Place of Signature: Mumbai

Date: April 24, 2023



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Annexure 1 to the Independent Auditor's Report referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the standalone Ind AS financial statements of Tata Power Renewable Energy Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the current year but there is a planned programme of verifying them once in three years which 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) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the financial statements included in property, plant and equipment and in respect of immovable properties taken on lease and disclosed as right of use assets in note 5 to the financial statements, other than as stated below, are held in the name of the Company.

Certain title deeds of the immovable Properties, in the nature of freehold land and leasehold land, as indicated in the below mentioned cases which were acquired pursuant to a Business Transfer Agreements dated April 1, 2021 and April 1, 2022 respectively, are not individually held in the name of the Company.

| Description of Property | Gross carrying value (Rs. in crores) | Held in name of | Whether promoter, director or their relative or employee | Period held from | Reason for not being held in the name of Company |
|-------------------------|--------------------------------------|------------------------------------|--|------------------|---|
| Freehold land* | 19.31 | The Tata Power Company Limited | Promoter | 01-Apr-21 | The Company is in the process of getting these assets transferred to the name of the Company. |
| Leasehold land* | 5.94 | | | 01-Apr-21 | |
| Freehold land* | 8.14 | | | 01-Aug-22 | |
| Leasehold land | 1.21 | Tata Power Trading Company Limited | No | 17-Apr-15 | |



| Description of Property | Gross carrying value (Rs. in crores) | Held in name of | Whether promoter, director or their relative or employee | Period held from | Reason for not being held in the name of Company |
|-------------------------|--------------------------------------|---|--|------------------|--|
| Leasehold land** | - | NewGen Saurashtra Windfarms Private Limited | No | 23-Jan-12 | This property continues to be in erstwhile company name which has got merged with the Company. |
| Leasehold land** | - | AES Saurashtra Windfarms Private Limited | No | 23-Jan-12 | |
| Freehold land** | - | AES Saurashtra Windfarms Private Limited | No | 23-Jan-12 | |
| Leasehold land** | - | Industrial Power Infrastructure Limited | No | 23-Jan-12 | This property continues to be in erstwhile Company name. |

*Acquired pursuant to BTA

** Acquired for a nominal value of Re 1/-

- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No material discrepancies were noticed on such physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has provided loans, stood guarantee and provided security to companies as follows:



| Particulars | Guarantees | Security | Rs. in crores |
|--|------------|----------|---------------|
| | | | Loans |
| Aggregate amount granted/ provided during the year | | | |
| - Subsidiaries | 135.41 | - | 2,825.23 |
| Balance outstanding as at balance sheet date in respect of above cases | | | |
| - Subsidiaries | 150.51 | - | 2,805.23 |

- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies are not prejudicial to the Company's interest.
- (c) In respect of loans granted to companies, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

| Name of the Entity | Interest amount (Rs. in crores) | Due date | Date of payment | Extent of delay |
|------------------------------|---------------------------------|----------------|-----------------|-----------------|
| Vagarai Windfarm Limited | 4.14 | March 31, 2023 | Not paid | 24 Days |
| Chirasthaayee Saurya Limited | 1.09 | March 31, 2023 | April 10, 2023 | 10 Days |
| TP Solar Limited | 3.50 | March 31, 2023 | April 03, 2023 | 3 Days |

- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) During the year, the Company had renewed loans to companies to settle the loan granted to these parties which had fallen due during the year.

The aggregate amount of such dues renewed and the percentage of the aggregate to the total loans granted during the year are as follows:

| Name of Parties | Aggregate amount of loans or advances in the nature of loans granted during the year (Rs. in crores) | Aggregate amount of existing loans renewed (Rs. in crores) | Percentage of the aggregate to the total loans granted during the year |
|---------------------------------|--|--|--|
| TP Wind Power Limited | 15.78 | 15.78 | 100% |
| Poolawadi Windfarm Limited | 158.48 | 62.24 | 39% |
| Tata Power Green Energy Limited | 459.59 | 98.91 | 22% |
| TP Saurya Limited | 1007.49 | 119.33 | 17% |



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- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees and securities in respect of which provision of section 185 of the Act are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of loans and advances given, investments made and, guarantees, and securities given are not applicable to the Company and hence not commented upon.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to power generation through renewable sources and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

| Name of the Statute | Nature of the Dues | Amount (Rs. in crores) | Period to which the amount related | Due Date | Date of Payment | Remarks, if any |
|---------------------|--------------------|------------------------|------------------------------------|---------------|-----------------|-----------------|
| Professional Tax | Professional Tax | 0.03 | March 2018 to August 2022 | Various dates | Not paid | - |

- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:



| Name of the statute | Nature of the dues | Amount (Rs. in crores) | Period to which the amount relates | Forum where the dispute is pending |
|---------------------------------------|--------------------|------------------------|------------------------------------|--|
| Maharashtra Value Added Tax Act, 2002 | Value Added Tax | 0.55 | FY 2013-14 | Appeal has been filed with Joint Commissioner of Sales Tax |

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Act in respect of the preferential allotment / private placement of shares and compulsorily convertible preference shares respectively during the year. The amount raised, have been used for the purposes for which the funds were raised except for idle/surplus funds amounting to Rs 3,300 crores which were not required for immediate utilization and which have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs. 3,300 crores, of which Rs. 3,300 crores was outstanding at the end of the year.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor, secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Tata Group has total 6 Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 39 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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- (xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 32 to the financial statements.
- (b) The Company has not transferred the amount remaining unspent in respect of ongoing projects, to a Special Account, till the date of the report. However, the period for such transfer i.e., thirty days from the end of the financial year as permitted under sub section (6) of section 135 of the Act, has not elapsed till the date of our report.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Suresh Yadav
Partner

Membership Number: 119878

UDIN: 23119878BGTCQE1281

Place of Signature: Mumbai

Date: April 24, 2023



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Tata Power Renewable Energy Limited

Independent auditor's report for the year ended March 31, 2023

Annexure 2 to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of Tata Power Renewable Energy Limited

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Tata Power Renewable Energy Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS 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 ("ICAI"). 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 with reference to these standalone 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 Company's internal financial controls with reference to these standalone financial statements.



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Tata Power Renewable Energy Limited

Independent auditor's report for the year ended March 31, 2023

Meaning of Internal Financial Controls With Reference to the Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 controls with reference to standalone 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 With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 with reference to the standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Suresh Yadav
Partner

Membership Number: 119878
UDIN: 23119878BGTCQE1281

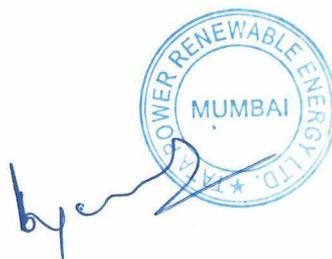
Place of Signature: Mumbai

Date: April 24, 2023



Tata Power Renewable Energy Limited
Standalone Balance Sheet as at 31st March, 2023

| | Notes | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 Restated (Refer Note 42a) ₹ Crores |
|--|-------|---------------------------------------|--|
| ASSETS | | | |
| Non-current Assets | | | |
| (a) Property, plant and equipment | 4 | 9,449.67 | 9,706.88 |
| (b) Right of Use Assets | 5 | 227.41 | 104.94 |
| (c) Capital Work-in-Progress | 6 | 319.46 | 273.48 |
| (d) Intangible Assets | 7 | 4.68 | 6.60 |
| (e) Financial Assets | | | |
| (i) Investments | 8A | 4,970.32 | 3,887.59 |
| (ii) Trade Receivables | 14 | 172.71 | 280.28 |
| (iii) Loans | 9A | 2,788.37 | 198.44 |
| (iv) Finance Lease Receivables | 9C | 65.46 | 67.50 |
| (v) Other Financial Assets | 10A | 84.07 | 34.99 |
| (f) Non-current Tax Assets (Net) | 11 | 21.48 | 10.58 |
| (g) Other Non-current Assets | 12A | 34.52 | 30.43 |
| Total Non-current Assets | | 18,138.15 | 14,601.71 |
| Current Assets | | | |
| (a) Inventories | 13 | 4.17 | 0.41 |
| (b) Financial Assets | | | |
| (i) Investments | 8B | 341.49 | 1.67 |
| (ii) Trade Receivables | 14 | 251.60 | 296.36 |
| (iii) Unbilled Revenue | | 129.67 | 182.64 |
| (iv) Cash and Cash Equivalents | 15 | 306.46 | 270.65 |
| (v) Bank Balances other than (iv) above | 15A | 2,529.01 | - |
| (v) Loans | 9B | 17.09 | 169.41 |
| (vi) Finance Lease Receivables | 9C | 2.34 | 2.34 |
| (vii) Other Financial Assets | 10B | 330.28 | 133.29 |
| (c) Other Current Assets | 12B | 5.27 | 2.73 |
| Total Current Assets | | 3,917.38 | 1,059.50 |
| TOTAL ASSETS | | 22,055.53 | 15,661.21 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 16 | 1,379.48 | 1,045.11 |
| (b) Compulsorily Convertible Preference Shares | 16 | 2,000.00 | - |
| (c) Unsecured Perpetual Securities | 17 | - | 3,895.00 |
| (d) Other Equity | 18 | 7,196.57 | 257.98 |
| Total Equity | | 10,576.05 | 5,198.09 |
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 8,650.77 | 6,612.77 |
| (ii) Lease Liabilities | 20 | 125.89 | 80.59 |
| (iii) Other Financial Liabilities | 25 | - | 2.78 |
| (b) Provisions | 21 | 25.80 | 14.56 |
| (c) Deferred Tax Liabilities (Net) | 22 | 173.04 | 134.50 |
| (d) Other Non-current Liabilities | 23 | 182.97 | 162.04 |
| Total Non-current Liabilities | | 9,158.47 | 7,007.24 |



Tata Power Renewable Energy Limited

Standalone Balance Sheet as at 31st March, 2023

| | Notes | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 Restated (Refer Note 42a) ₹ Crores |
|--|-------|---------------------------------------|--|
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 24 | 1,955.94 | 2,788.58 |
| (ii) Lease Liabilities | 20 | 8.56 | 6.69 |
| (iii) Trade Payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 27 | 3.30 | 1.43 |
| (b) Total outstanding dues of trade payable other than micro enterprises and small enterprises | 27 | 134.23 | 106.53 |
| (iv) Other Financial Liabilities | 25 | 198.87 | 520.34 |
| (b) Provisions | 21 | 1.01 | 17.23 |
| (c) Other Current Liabilities | 26 | 19.10 | 15.08 |
| Total Current Liabilities | | 2,321.01 | 3,455.88 |
| Total Liabilities | | 11,479.48 | 10,463.12 |
| TOTAL EQUITY AND LIABILITIES | | | |
| | | 22,055.53 | 15,661.21 |

See accompanying notes to the Standalone Financial Statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003


per Suresh Yadav
Partner
Membership No.: 119878



For and on behalf of the Board,


Saurabh Agrawal
Chairman
DIN:02144558


Praveer Sinha
Director
DIN:01785164


Ashish Khanna
Chief Executive Officer


Jeraz Mahernosh
Company Secretary

Mumbai, 24th April, 2023

Mumbai, 24th April, 2023



Tata Power Renewable Energy Limited

Standalone Statement of Profit and Loss for the year ended 31st March, 2023

| | Notes | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 Restated (Refer Note 42a) ₹ Crores |
|--|-------|--|---|
| I Revenue from Operations | 28 | 1,608.67 | 1,428.00 |
| II Other Income | 29 | 222.63 | 133.01 |
| III Total Income (I + II) | | <u>1,831.30</u> | <u>1,561.01</u> |
| IV Expenses | | | |
| Employee Benefits Expense | 30 | 75.37 | 42.96 |
| Finance Costs | 31 | 779.27 | 521.27 |
| Depreciation and Amortisation Expenses | 7A | 549.95 | 522.73 |
| Other Expenses | 32 | 313.61 | 225.00 |
| Total Expenses | | <u>1,718.20</u> | <u>1,311.96</u> |
| V Profit Before Tax (III - IV) | | 113.10 | 249.05 |
| VI Tax Expense / (Income) | | | |
| Current tax | | - | - |
| Current tax in respect of earlier years | 36 | (18.68) | - |
| Deferred tax | 36 | 32.67 | 73.51 |
| Deferred tax expense in respect of earlier years | | 3.05 | - |
| Total Tax Expense | | <u>17.04</u> | <u>73.51</u> |
| VII Net Profit after tax for the year (V - VI) | | <u>96.06</u> | <u>175.54</u> |
| VIII Other Comprehensive Income/Expense | | | |
| Add/(Less): | | | |
| (i) Items that will not be reclassified to profit and loss | | | |
| (a) Remeasurement of the Defined Benefit Plans | | (1.93) | (0.57) |
| (ii) Tax relating to items that will not be reclassified to profit or loss | | | |
| (a) Deferred Tax | | 0.49 | 0.17 |
| Total Other Comprehensive Income / Expense | | <u>(1.44)</u> | <u>(0.40)</u> |
| IX Total Comprehensive Income for the year (VII - VIII) | | <u>94.62</u> | <u>175.14</u> |
| X Earnings Per Equity Share (Face Value ₹ 10/- Per Share) | | | |
| Basic (₹) | 37 | 0.76 | 1.68 |
| Diluted (₹) | 37 | 0.76 | 1.68 |

See accompanying notes to the Standalone Financial Statements

As per our report of even date

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

per Suresh Yadav
Partner
Membership No.: 119878



For and on behalf of the Board,

Saurabh Agrawal
Chairman
DIN:02144558

Praveer Sinha
Director
DIN:01785164

Ashish Khanna
Chief Executive Officer

Jeraz Mahernosh
Company Secretary

Mumbai, 24th April, 2023

Mumbai, 24th April, 2023



Standalone Cash Flow Statement for the year ended 31st March, 2023

| | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 Restated (Refer Note 42a) |
|---|--|---|
| A. Cash Flow from Operating Activities | | |
| Profit before tax | 113.10 | 249.05 |
| Adjustments to reconcile Profit Before Tax to Net Cash Flows: | | |
| Depreciation and amortisation expense | 549.95 | 522.73 |
| Finance cost | 779.27 | 521.27 |
| Interest income | (166.08) | (38.08) |
| (Gain) on sale/ fair value of current investments measured at FVTPL | (55.44) | (1.03) |
| Dividend income | - | (6.80) |
| Loss on disposal of property, plant and equipment (Net) | 0.09 | - |
| Allowance for doubtful debts and advances (Net) | 6.40 | 1.82 |
| Amortisation of deferred revenue | 1.12 | 4.31 |
| Amortisation of Security Deposit | 2.05 | 1.32 |
| Amortisation of deferred expense and income | (0.62) | (1.23) |
| Operating profit before changes in Working capital | 1,116.74 | 1,004.31 |
| | 1,229.84 | 1,253.36 |
| Adjustments for (increase) / decrease in Operating Assets: | | |
| Inventories | (3.76) | 0.10 |
| Trade receivables | 145.93 | (257.29) |
| Other financial assets- current | (7.09) | (66.33) |
| Other financial assets-non current | (57.83) | (12.36) |
| Loans - non current | (0.01) | - |
| Other current assets | (2.54) | 2.12 |
| Other non-current assets | 1.03 | 0.47 |
| Unbilled revenue | 52.97 | (66.47) |
| | 128.70 | (399.76) |
| Adjustments for increase / (decrease) in Operating Liabilities: | | |
| Trade payables | 29.57 | 46.36 |
| Other current financial liabilities | (10.97) | (23.07) |
| Other non current liabilities | 0.70 | - |
| Non current provisions | 11.24 | 4.98 |
| Current provisions | 0.36 | (0.55) |
| Other current liabilities | 4.02 | 2.95 |
| | 34.92 | 29.67 |
| Cash flow from operations | 1,393.46 | 883.27 |
| Income tax paid /(Refund received) (Net) | (8.35) | 7.41 |
| Net cash flow from operating activities | 1,385.11 | 890.68 |
| B. Cash Flow from Investing Activities | | |
| Capital expenditure on Property, Plant and Equipment and Other Intangible assets (including capital advances) | (511.14) | (3,070.01) |
| Purchase of non current investments - in subsidiary company | (1,082.76) | (12.49) |
| Sale of non current investments - in subsidiary company | 0.03 | 0.05 |
| Payment made towards acquisition of business (Refer Note 42a) | (162.39) | (51.61) |
| Purchase of current investments | (11,701.92) | (2,776.48) |
| Proceeds from sale of current investments | 11,417.54 | 2,786.15 |
| Interest Received | 101.15 | 36.07 |
| Dividend received | - | 6.80 |
| Loans given | (2,825.23) | (834.05) |
| Loans repaid | 387.63 | 761.99 |
| Expenditure on Finance lease | 2.04 | 1.34 |
| Bank Balance not considered as Cash and Cash Equivalents (with maturity more than three months) | | |
| - FD Created during the year | (2,683.21) | - |
| - FD Matured during the year | 4.20 | 15.00 |
| Net cash flow used in investing activities | (7,054.06) | (3,137.24) |



Standalone Cash Flow Statement for the year ended 31st March, 2023

| | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 Restated (Refer Note 42a) |
|--|--|---|
| C. Cash flow from Financing Activities | | |
| Proceeds from issue of Equity shares | 7,160.00 | - |
| (Repayment)/Proceeds from Unsecured Perpetual Securities | (3,895.00) | - |
| Proceeds from Compulsorily Convertible Preference Shares | 2,000.00 | - |
| Interest and other borrowing cost | (764.47) | (551.20) |
| Proceeds from non current borrowings | 3,209.39 | 3,259.47 |
| Repayment of non current borrowings | (1,285.85) | (659.50) |
| Proceeds from subordinated loan from holding company | 10.00 | 1,955.32 |
| Repayment of subordinated loan from holding company | (1,010.81) | (1,744.13) |
| Proceeds from current borrowings | 12,695.25 | 5,877.00 |
| Repayment of current borrowings | (12,398.50) | (5,726.95) |
| Payment of Lease liability | (15.25) | (8.48) |
| Net cash (used in) / flow from financing activities | 5,704.76 | 2,401.53 |
| Net (decrease) /increase in cash and cash equivalents | 35.81 | 154.97 |
| Cash and cash equivalents at the beginning of the period | 270.65 | 30.54 |
| Effect on account of restatement for the assets transferred (Refer Note 42a) | - | 85.14 |
| Cash and cash equivalents at the end of the period | 306.46 | 270.65 |
| Cash and cash equivalents comprises | | |
| Balance with banks | | |
| (a) in current account | 56.46 | 270.65 |
| (b) in deposit account | 250.00 | - |
| | 306.46 | 270.65 |

Note:

- a) The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - statement of cash flows

Reconciliation of liabilities from financing activities:

| Particulars | As at 31st March, 2022 (Restated refer Note 42a) | Cash Flows | | Reclassification | Non-cash changes / Amortisation | As at 31st March, 2023 |
|---|--|------------------|--------------------|------------------|---------------------------------|------------------------|
| | | Additions | Repayments | | | |
| Long term borrowings (including current maturity of long term borrowings) | 7,529.12 | 3,209.39 | (1,735.85) | 396.98 | (10.26) | 9,389.38 |
| Short term borrowings | 1,872.23 | 12,705.25 | (12,959.31) | (396.98) | (3.86) | 1,217.33 |
| Lease Liabilities (including short term maturity) | 87.28 | - | (15.25) | - | 62.42 | 134.45 |
| Total | 9,488.63 | 15,914.64 | (14,710.41) | - | 48.29 | 10,741.16 |

| Particulars | As at 31st March, 2021 | Cash Flows | | Reclassification | Non-cash Changes / Amortisation | As at 31st March, 2022 (Restated refer Note 42a) |
|---|------------------------|------------------|-------------------|------------------|---------------------------------|--|
| | | Additions | Repayments | | | |
| Long term borrowings (including current maturity of long term borrowings) | 4,020.16 | 3,259.47 | (659.50) | 906.86 | 2.13 | 7,529.12 |
| Short term borrowings | 2,421.66 | 7,832.32 | (7,471.08) | (906.86) | (3.81) | 1,872.23 |
| Lease Liabilities (including short term maturity) | 87.35 | - | (8.48) | - | 8.41 | 87.28 |
| Total | 6,529.17 | 11,091.79 | (8,139.06) | - | 6.73 | 9,488.63 |

Repayment of subordinated loan from Holding Company includes repayment towards long term borrowings and short term borrowings.

See accompanying notes to the Standalone Financial Statements

As per our report of even date

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


per Suresh Yadav
Partner
Membership No.: 119878



Mumbai, 24th April, 2023

For and on behalf of the Board,



Saurabh Agrawal
Chairman
DIN:02144558



Praveer Sinha
Director
DIN:01785164



Ashish Khanna
Chief Executive Officer



Jeraz Mahernosh
Company Secretary

Mumbai, 24th April, 2023



Tata Power Renewable Energy Limited

Standalone Statement of changes in equity for the year ended 31st March, 2023

| A. Equity Share Capital | | ₹ Crores | |
|---|----------------|----------|--|
| | No. of Shares | Amount | |
| Balance as at 1st April, 2021 | 1,04,51,07,715 | 1,045.11 | |
| Issued during the year | - | - | |
| Balance as at 31st March, 2022 | 1,04,51,07,715 | 1,045.11 | |
| Balance as at 1st April, 2022 | 1,04,51,07,715 | 1,045.11 | |
| Issued during the year (Refer Note 42c & 42e) | 33,43,70,465 | 334.37 | |
| Balance as at 31st March, 2023 | 1,37,94,78,180 | 1,379.48 | |

| B. Compulsorily Convertible Preference Shares | | ₹ Crores | |
|---|-------------------|----------|--|
| | No. of Securities | Amount | |
| Balance as at 1st April, 2021 | - | - | |
| Issued during the year | - | - | |
| Balance as at 31st March, 2022 | - | - | |
| Balance as at 1st April, 2022 | - | - | |
| Issued during the year (Refer Note 42f) | 20,00,00,000.00 | 2,000.00 | |
| Balance as at 31st March, 2023 | 20,00,00,000.00 | 2,000.00 | |

| C. Unsecured Perpetual Securities | | ₹ Crores | |
|---|-------------------|------------|--|
| | No. of Securities | Amount | |
| Balance as at 1st April, 2021 | - | 3,895.00 | |
| Issued during the year | - | - | |
| Balance as at 31st March, 2022 | - | 3,895.00 | |
| Balance as at 1st April, 2022 | - | 3,895.00 | |
| Issued during the year | - | - | |
| Repaid during the year (Refer Note 42d) | - | (3,895.00) | |
| Balance as at 31st March, 2023 | - | - | |

| D. Other Equity | | | | | | | ₹ Crores |
|--|---|-------------------|------------------------------|----------------------------|-----------------|-----------------|----------|
| Particulars | Deemed Equity Contribution from Holding Company | Retained Earnings | Debenture Redemption Reserve | Securities premium reserve | Capital Reserve | Total | |
| Balance as at 1st April, 2022 | 5.00 | 188.59 | 99.05 | - | (34.66) | 257.98 | |
| Profit for the year | - | 96.06 | - | - | - | 96.06 | |
| Addition on account of issuance of Compulsorily Convertible Preference Shares (Net of tax) | 9.84 | - | - | - | - | 9.84 | |
| Issued during the year | - | - | - | 6,825.63 | - | 6,825.63 | |
| Adjustment on account of transfer of assets under Business Transfer Agreement (Refer Note 42a) | - | 8.50 | - | - | - | 8.50 | |
| Other Comprehensive (Expense) for the year (Net of Tax) | - | (1.44) | - | - | - | (1.44) | |
| Total Comprehensive Income | 9.84 | 103.12 | - | 6,825.63 | - | 6,938.59 | |
| Transfer to / from debenture redemption reserve | - | - | - | - | - | - | |
| Balance as at 31st March, 2023 | 14.84 | 291.71 | 99.05 | 6,825.63 | (34.66) | 7,196.57 | |

| E. Other Equity | | | | | | | ₹ Crores |
|--|---|-------------------|------------------------------|----------------------------|-----------------|---------------|----------|
| Particulars | Deemed Equity Contribution from Holding Company | Retained Earnings | Debenture Redemption Reserve | Securities premium reserve | Capital Reserve | Total | |
| Balance as at 1st April, 2021 | 5.00 | (0.17) | 99.05 | - | 8.08 | 111.96 | |
| Capital Reserve on account of business combination | - | - | - | - | (42.74) | (42.74) | |
| Profit for the year | - | 175.54 | - | - | - | 175.54 | |
| Adjustment on account of transfer of assets under Business Transfer Agreement (Refer Note 42a) | - | 13.71 | - | - | - | 13.71 | |
| Other Comprehensive (Expense) for the year (Net of Tax) | - | (0.40) | - | - | - | (0.40) | |
| Other Comprehensive (Expense) on restatement on account of Business Transfer Agreement | - | (0.09) | - | - | - | (0.09) | |
| Total Comprehensive Income | - | 188.76 | - | - | - | 188.76 | |
| Balance as at 31st March, 2022 | 5.00 | 188.59 | 99.05 | - | (34.66) | 257.98 | |

See accompanying notes to the Standalone Financial Statements

As per our report of even date

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


per Suresh Yadav
Partner
Membership No.: 119878



For and on behalf of the Board,


Saurabh Agrawal
Chairman
DIN:02144558


Praveer Sinha
Director
DIN:01785164


Ashish Khanna
Chief Executive Officer


Jeraz Mahernosh
Company Secretary

Mumbai, 24th April, 2023

Mumbai, 24th April, 2023



Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

1. Corporate information:

Tata Power Renewable Energy Limited (TPREL) (CIN U40108MH2007PLC168314) is a subsidiary of The Tata Power Company Limited. The principal business of the Company is to generate electricity from renewable sources. There are several operating subsidiaries of the Company.

Total generating capacity of the Company and its subsidiaries is given below:

| Company (Refer note-35) | As at 31st March, 2023 (in MW) | | | As at 31st March, 2022 (in MW) | | |
|----------------------------|--------------------------------|---------------|-----------------|--------------------------------|---------------|-----------------|
| | Solar | Wind | Total | Solar | Wind | Total |
| TPREL | 1,491.00 | 634.45 | 2,125.45 | 1,482.35 | 634.45 | 2,116.80 |
| TPKL | 220.00 | - | 220.00 | - | - | - |
| TPSL | 25.00 | - | 25.00 | - | - | - |
| TPGEL | 225.00 | 96.10 | 321.10 | - | - | - |
| TPWPL | - | 30.00 | 30.00 | - | 30.00 | 30.00 |
| WREL & Subsidiaries | 864.00 | 146.00 | 1,010.00 | 864.00 | 146.00 | 1,010.00 |
| CSL | 47.00 | - | 47.00 | - | - | - |
| Group Captives | 118.90 | 21.00 | 139.90 | 62.50 | 21.00 | 83.50 |
| Total | 2,990.90 | 927.55 | 3,918.45 | 2,408.85 | 831.45 | 3,240.30 |

The increase in the capacity was on account of new solar projects commissioned during the year and transfer of shareholding from Tata Power Company Limited.

Power generated from most operating assets is generally sold under long term power sale agreements to Central and State power procurement companies as well as to the holding company.

One of the Subsidiary Company i.e. Tata Power Solar Systems Limited is engaged in Engineering, Procurement and Construction for development of solar power plant and manufacturer of solar photo-voltaic cells and modules.

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

The financial statements are prepared in Indian Rupees and rounded off to nearest crores.

2.1 Statement of compliance

The Standalone 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 accounting policies adopted are consistent with those of the previous financial year.

The financial statements were approved for issue by the Board of Directors on 24th April, 2023.

2.2 Basis of preparation and presentation

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value

- certain financial assets and liabilities measured at fair value (Refer accounting policy regarding financial instruments);
- employee benefit expenses (Refer Note 21 for Accounting policy)

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 their 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.

3. Other Significant Accounting Policies

3.1 Foreign Currencies

The functional currency of the Company is Indian Rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and 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.



Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

3. Other Significant Accounting Policies (contd.)

3.2 Current versus non-current classification

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

3.3 Government grants

Government grants are not recognised until there is a reasonable assurance that the company will comply with the conditions attached to them and that the grant will be received. Government grant related to asset is measured at fair value and is netted off from the cost of Property, Plant & Equipment.

3.4 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.

3.5 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.

3.6 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.

3.6.1 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 within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

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.

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

Investments in equity instruments are classified as 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.



3. Other Significant Accounting Policies (contd.)

3.6.3 Investment in Subsidiaries, Jointly Controlled Entities and Associates

Investment in subsidiaries, jointly controlled entities and associates are measured at cost less impairment as per Ind AS 27 - Separate Financial Statements.

Impairment of investments:

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

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

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

3.6.5 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.

3.7 Financial liabilities and equity instruments

3.7.1 Classification as debt or equity

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

3.7.2 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 are recognised at the proceeds received, net of direct issue costs.

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

3.7.3 Financial liabilities

All financial liabilities are recognised initially at fair value and in case of financial liabilities at amortised cost, net of directly attributable transaction costs.

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.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if these are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

3.7.4 Derecognition

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.

3.7.5 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 debtor 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.



3. Other Significant Accounting Policies (contd.)

3.8 Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments. At each reporting date, if financial liability meets the definition of equity, it is classified as equity. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.9 Offsetting of financial instruments

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

3.10 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.

3.11 Critical accounting estimates and judgements

In the application of the Company's accounting policies, management of the Company is 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 or judgements are:

Estimates of impairment of assets - Note 4

Estimated fair value of unquoted securities and impairment of investments - Note 8

Estimation of defined benefit obligation - Note 21

Estimation of current tax and deferred tax expenses - Note 36

Estimation of classification of operating and finance lease - Note 9C and 9D

Estimates and judgements 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.

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4. Property plant and equipment

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.

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

Estimated useful lives of the assets are as follows:

| | |
|------------------------------------|------------|
| Plant (machinery) & Equipment | : 25 years |
| Buildings (Others) | : 25 years |
| Roads (Crossings, etc.) | : 25 years |
| Transmission Lines & Cable Network | : 25 years |
| Furniture & Fixtures | : 10 years |
| Office Equipment | : 5 years |
| Motor Car | : 5 years |

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

Depreciation on sustenance capex is recognised on the cost of assets less their residual value over the estimated useful lives or over the balance period of the power purchase agreement (PPA), whichever is lower, using the straight-line method.

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 equipment 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 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 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 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 post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the individual assets. These budgets and forecast calculations are performed to determine future cash flows for the remaining period of Power Purchase Agreements (PPAs) for the respective assets after considering expected PLF (plant load factor), degradation of Solar Modules and cost inflation.

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



Tata Power Renewable Energy Limited
Notes forming part of the Standalone Financial Statements

4. Property, Plant and Equipment (contd.)

| Description | Freehold Land | Buildings | Buildings - Others | Roads | Plant, Machinery & Equipment | Transmission lines and cable network | Furniture and Fixtures | Office Equipment | Motor Vehicles, Launches, Barges, etc | Total |
|---|---------------|-----------|--------------------|-------|------------------------------|--------------------------------------|------------------------|------------------|---------------------------------------|-----------|
| Cost | | | | | | | | | | |
| Balance as at 1st April, 2022 | 255.94 | 124.28 | 0.33 | 13.74 | 12,032.47 | 505.13 | 0.11 | 0.04 | - | 12,932.04 |
| Addition pursuant to business transfer agreement (Refer Note 42a) | - | - | - | - | 16.68 | - | - | - | - | 16.68 |
| Additions during the year | 9.74 | 11.89 | 0.42 | - | 239.60 | 4.11 | 0.25 | 0.23 | 1.39 | 287.63 |
| Disposals during the year | - | - | - | - | (0.06) | (0.40) | - | - | - | (0.46) |
| Balance as at 31st March, 2023 | 265.68 | 136.17 | 0.75 | 13.74 | 12,288.69 | 508.84 | 0.36 | 0.27 | 1.39 | 13,215.99 |
| Accumulated depreciation and impairment | | | | | | | | | | |
| Balance as at 1st April, 2022 | - | 15.56 | 0.02 | 6.17 | 3,145.82 | 57.56 | 0.02 | 0.01 | - | 3,225.16 |
| Addition pursuant to business transfer agreement (Refer Note 42a) | - | - | - | - | 2.49 | 0.01 | - | - | - | 2.50 |
| Depreciation expense during the year | - | 4.57 | 0.04 | 0.32 | 514.66 | 19.24 | 0.01 | 0.05 | 0.02 | 538.91 |
| Disposals | - | - | - | - | (0.04) | (0.31) | - | - | - | (0.35) |
| Balance as at 31st March, 2023 | - | 20.13 | 0.06 | 6.49 | 3,662.93 | 76.50 | 0.03 | 0.06 | 0.02 | 3,766.22 |
| Net carrying amount | | | | | | | | | | |
| As at 31st March, 2023 | 265.68 | 116.04 | 0.69 | 7.25 | 8,625.76 | 432.34 | 0.33 | 0.21 | 1.37 | 9,449.67 |
| As at 31st March, 2022 | 255.94 | 108.72 | 0.31 | 7.57 | 8,886.65 | 447.57 | 0.09 | 0.03 | - | 9,706.88 |

- Amount of borrowing cost capitalised is Nil for the year ended 31st March, 2023.
- The Company has created charge on certain assets in favour of lenders. (Refer Note 19).
- Freehold land includes land given on operating lease of ₹ 29.22 crores (Refer Note 9D).
- Plant, Machinery & Equipment includes Plant and Machinery given on operating lease of ₹ 309.48 crores (Refer Note 9D).
- The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for below mentioned assets.

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Nature of Relationship | Property held since which date | Reason for not being held in the name of the Company |
|---|---------------------------------|----------------------|--|------------------------|--------------------------------|--|
| Property, plant and equipment | Freehold Land * | - | AES Saurashtra Windfarms Private Limited | Not applicable | 23rd January, 2012 | This property continues to be in erstwhile company name which has got merged with the Company. |
| Property, plant and equipment | Freehold Land | 19.31 | The Tata Power Company Limited | Holding Company | 1st April, 2021 | The Company is in the process of getting these assets transferred to the name of the Company. |
| Property, plant and equipment | Freehold Land | 8.14 | The Tata Power Company Limited | Holding Company | 1st August, 2022 | |
| Total | | 27.45 | | | | |

* Land has been recorded at nominal value of Re 1/-



4. Property, Plant and Equipment (contd.)

| Description | ₹ Crores | | | | | | | | | |
|--|---------------|-------------------|--------------------|--------------|------------------------------|--------------------------------------|------------------------|------------------|---------------------------------------|------------------|
| | Freehold Land | Buildings - Plant | Buildings - Others | Roads | Plant, Machinery & Equipment | Transmission lines and cable network | Furniture and Fixtures | Office Equipment | Motor Vehicles, Launches, Barges, etc | Total |
| Cost | | | | | | | | | | |
| Balance as at 1st April, 2021 | 234.76 | 72.46 | 0.33 | 11.20 | 8,477.73 | 279.11 | 0.11 | 0.04 | - | 9,075.74 |
| Addition pursuant to business transfer agreement | 8.14 | - | - | 0.80 | 104.03 | 3.00 | - | - | - | 115.97 |
| Additions during the year | 13.04 | 51.82 | - | 1.74 | 3,451.66 | 223.02 | - | - | - | 3,741.28 |
| Disposals during the year | - | - | - | - | (0.95) | - | - | - | - | (0.95) |
| Balance as at 31st March, 2022 | 255.94 | 124.28 | 0.33 | 13.74 | 12,032.47 | 505.13 | 0.11 | 0.04 | - | 12,932.04 |
| Accumulated depreciation and impairment | | | | | | | | | | |
| Balance as at 1st April, 2021 | - | 11.32 | 0.02 | 5.09 | 2,571.00 | 38.70 | 0.01 | - | - | 2,626.14 |
| Addition pursuant to business transfer agreement | - | - | - | 0.72 | 79.88 | 2.06 | - | - | - | 82.66 |
| Depreciation expense during the year | - | 4.24 | - | 0.34 | 489.95 | 16.66 | 0.01 | 0.01 | - | 511.21 |
| Depreciation expense during the year pursuant to BTA | - | - | - | 0.02 | 5.94 | 0.14 | - | - | - | 6.10 |
| Disposals | - | - | - | - | (0.95) | - | - | - | - | (0.95) |
| Balance as at 31st March, 2022 | - | 15.56 | 0.02 | 6.17 | 3,145.82 | 57.56 | 0.02 | 0.01 | Nil | 3,225.16 |
| Net carrying amount | | | | | | | | | | |
| As at 31st March, 2022 | 255.94 | 108.72 | 0.31 | 7.57 | 8,886.65 | 447.57 | 0.09 | 0.03 | - | 9,706.88 |
| As at 31st March, 2021 | 242.90 | 61.14 | 0.31 | 6.19 | 5,930.88 | 241.35 | 0.10 | 0.04 | - | 6,482.91 |

- Amount of borrowing cost capitalised is ₹ 15.68 crores for the year ended 31st March, 2022.
- The Company has created charge on certain assets in favour of lenders. (Refer Note 19).
- Freehold land includes land given on operating lease of ₹ 29.22 crores (Refer Note 9D).
- Plant, Machinery & Equipment includes Plant and Machinery given on operating lease of ₹ 29.99 crores (Refer Note 9D).
- The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for assets acquired pursuant to business transfer agreement.

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Nature of Relationship | Property held since which date | Reason for not being held in the name of the Company |
|---|---------------------------------|----------------------|---------------------------------|------------------------|--------------------------------|--|
| Property, plant and equipment | Freehold Land | 25.01 | The Tata Power Company Limited | Promoter Company | 1st April, 2021 | The Company is in process of making changes in land records. |



5. Right of Use Assets

Accounting Policy

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated remaining useful lives of the assets, as follows:

- Leasehold Land including sub-surface rights - 2 to 95 years

The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

| Description | ₹ Crores | |
|---------------------------------------|---------------|---------------|
| | Land | Total |
| Cost | | |
| Balance as on 1st April, 2022 | 116.24 | 116.24 |
| Additions during the year | 129.09 | 129.09 |
| Balance as at 31st March, 2023 | 245.33 | 245.33 |
| Accumulated depreciation | | |
| Balance as on 1st April, 2022 | 11.30 | 11.30 |
| Depreciation expense during the year | 6.62 | 6.62 |
| Balance as at 31st March, 2023 | 17.92 | 17.92 |
| Net carrying amount | | |
| As at 31st March, 2023 | 227.41 | 227.41 |
| As at 31st March, 2022 | 104.94 | 104.94 |

| Description | ₹ Crores | |
|---------------------------------------|---------------|---------------|
| | Land | Total |
| Cost | | |
| Balance as at 1st April, 2021 | 94.96 | 94.96 |
| Additions during the year | 21.28 | 21.28 |
| Balance as at 31st March, 2022 | 116.24 | 116.24 |
| Accumulated depreciation | | |
| Balance as at 1st April, 2021 | 7.54 | 7.54 |
| Depreciation expense during the year | 3.76 | 3.76 |
| Balance as at 31st March, 2022 | 11.30 | 11.30 |
| Net carrying amount | | |
| As at 31st March, 2022 | 104.94 | 104.94 |
| As at 31st March, 2021 | 87.42 | 87.42 |

| | ₹ Crores | |
|----------------------------------|--|--|
| | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
| Net carrying amount | | |
| A. Property, Plant and Equipment | 9,449.67 | 9,706.88 |
| B. Right of Use Assets | 227.41 | 104.94 |
| Total | 9,677.08 | 9,811.82 |

The title deeds of immovable properties included in right-of-use assets are held in the name of the Company except for assets mentioned below. The Company is in process of making changes in land records

| Relevant line item in the Balance sheet | Description of item of property | ₹ Crores | | | | |
|---|---------------------------------|----------------------|---|------------------------|--------------------------------|--|
| | | Gross carrying value | Title deeds held in the name of | Nature of Relationship | Property held since which date | Reason for not being held in the name of the Company |
| Right of Use Assets | Lease hold land * | - | Industrial Power Infrastructure Limited | Not applicable | 23rd January, 2012 | This property continues to be in erstwhile company name. |
| Right of Use Assets | Lease hold land * | - | AES Saurashtra Windfarms Private Limited | Not applicable | 23rd January, 2012 | This property continues to be in erstwhile company name which has got merged with the Company. |
| Right of Use Assets | Lease hold land * | - | Newgen Saurashtra Windfarms Private Limited | Not applicable | 23rd January, 2012 | |
| Right of Use Assets | Lease hold land | 1.21 | Tata Power Trading Company Limited | Fellow Subsidiary | 17th April, 2015 | The Company is in the process of getting these assets transferred to the name of the Company |
| Right of Use Assets | Lease hold land | 5.94 | The Tata Power Company Limited | Holding Company | 1st April, 2021 | |
| Total | | 7.15 | | | | |

* Land has been recorded at nominal value of Re 1/-



6. Capital Work-in-Progress

Accounting Policy

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

CWIP ageing schedule as at 31st March, 2023

₹ Crores

| Capital Work in Progress | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 89.20 | 230.26 | - | - | 319.46 |
| Projects temporarily suspended | - | - | - | - | - |

CWIP ageing schedule as at 31st March, 2022

₹ Crores

| Capital Work in Progress | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 257.32 | 6.34 | 9.82 | - | 273.48 |
| Projects temporarily suspended | - | - | - | - | - |

Note: There is no project whose completion is overdue or has exceeded its costs compared to its original plan.

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7. Intangible assets

Accounting Policy**Intangible assets acquired separately**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Useful life of Intangible Assets

Intangible assets with finite life are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Estimated useful lives of the Intangible Assets are as follows:

| Type of asset | Useful life |
|-------------------|-------------|
| Computer software | 5 years |

| Description | ₹ Crores | |
|--|-------------------|-------|
| | Computer software | Total |
| Cost | | |
| Balance as at 1st April, 2022 | 9.52 | 9.52 |
| Additions during the year | - | - |
| Balance as at 31st March, 2023 | 9.52 | 9.52 |
| Accumulated amortisation and impairment | | |
| Balance as at 1st April, 2022 | 2.92 | 2.92 |
| Amortisation expense during the year | 1.92 | 1.92 |
| Balance as at 31st March, 2023 | 4.84 | 4.84 |
| Net Block | | |
| As at 31st March, 2023 | 4.68 | 4.68 |
| As at 31st March, 2022 | 6.60 | 6.60 |

| Description | ₹ Crores | |
|--|-------------------|-------|
| | Computer software | Total |
| Cost | | |
| Balance as at 1st April, 2021 | 7.68 | 7.68 |
| Additions during the year | 1.84 | 1.84 |
| Balance as at 31st March, 2022 | 9.52 | 9.52 |
| Accumulated amortisation and impairment | | |
| Balance as at 1st April, 2021 | 1.26 | 1.26 |
| Amortisation expense during the year | 1.66 | 1.66 |
| Balance as at 31st March, 2022 | 2.92 | 2.92 |
| Net Block | | |
| As at 31st March, 2022 | 6.60 | 6.60 |
| As at 31st March, 2021 | 6.42 | 6.42 |

Note:

The Company has created charge on certain assets in favour of lenders. (Refer Note 19).



Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

7A Depreciation and Amortisation:

Depreciation on tangible assets (Refer Note 4A)
Add: Depreciation on right-of-use assets (Refer Note 5)
Add: Amortisation on intangible assets (Refer Note 7)
Total

| For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|---|---|
| 541.41 | 517.31 |
| 6.62 | 3.76 |
| 1.92 | 1.66 |
| 549.95 | 522.73 |

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8. Investments

Accounting Policy

Investments in Subsidiaries is measured at cost less Impairment as per Ind AS-27- Separate Financial Statements.

Investment in subsidiaries are carried at cost less impairment, if any. The impairment of investment in subsidiaries is measured using policy applicable to impairment of non-financial assets.

| | Face Value in ₹ Fully Paid | As at | | As at | |
|--|----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | | 31st March, 2023 Quantity | 31st March, 2022 Quantity | 31st March, 2023 ₹ Crores | 31st March, 2022 ₹ Crores |
| A Non - Current | | | | | |
| Investments carried at cost less accumulated impairment, if any | | | | | |
| Investment in Equity Shares of Subsidiary Companies (Unquoted) | | | | | |
| TP Wind Power Limited | 10 | 6,03,00,000 | 6,03,00,000 | 84.12 | 84.12 |
| Poolavadi Windfarm Limited | 10 | 6,96,26,330 | 6,96,26,330 | 69.63 | 69.63 |
| Nivade Windfarm Limited | 10 | 52,44,300 | 50,000 | 5.24 | 0.05 |
| Walwhan Renewable Energy Limited | 10 | 61,13,55,942 | 61,13,55,942 | 3,733.36 | 3,733.36 |
| Vagarai Windfarm Limited | 10 | 3,57,000 | 3,27,600 | 0.36 | 0.33 |
| TP Kinali Limited | 10 | 50,000 | 50,000 | 0.05 | 0.05 |
| TP Solapur Limited | 10 | 50,000 | 50,000 | 0.05 | 0.05 |
| Tata Power Solar System Limited (Refer Note 42b) | 100 | 2,29,77,567 | - | 869.43 | - |
| TP Nanded Limited | 10 | 37,000 | - | 0.04 | - |
| TP Green Nature Limited | 10 | 1,87,40,464 | - | 18.74 | - |
| Tata Power Green Energy Limited (Refer Note 42b) | 10 | 50,000 | - | 147.49 | - |
| TP Solapur Saurya Limited (Refer Note 42b) | 10 | 50,000 | - | 0.05 | - |
| TP Kinali Solar Limited (Refer Note 42b) | 10 | 1,15,65,090 | - | 11.18 | - |
| TP Solapur Solar Limited (Refer Note 42b) | 10 | 1,02,61,015 | - | 9.48 | - |
| TP Akkalkot Renewable Limited (Refer Note 42b) | 10 | 95,90,400 | - | 9.58 | - |
| Supa Windfarm Limited (Refer Note 42b) | 10 | 1,10,00,000 | - | 10.82 | - |
| TP Roofurja Renewable Limited (Refer Note 42b) | 10 | 50,000 | - | 0.05 | - |
| TP Saurya Limited (Refer Note 42b) | 10 | 50,000 | - | 0.05 | - |
| TP Solar Limited | 10 | 50,000 | - | 0.05 | - |
| TP Vardhaman Surya Limited | 10 | 50,000 | - | 0.05 | - |
| TP Vivagreen Limited | 10 | 50,000 | - | 0.05 | - |
| TP Bhaskar Renewables Limited | 10 | 50,000 | - | 0.05 | - |
| TP Govardhan Creatives Limited | 10 | 50,000 | - | 0.05 | - |
| TP Narmada Solar Limited | 10 | 50,000 | - | 0.05 | - |
| TP Kaunteya Saurya Limited | 10 | 50,000 | - | 0.05 | - |
| TP Saurya Bandita Limited | 10 | 50,000 | - | 0.05 | - |
| TP Adhrit Solar Limited | 10 | 50,000 | - | 0.05 | - |
| TP Arya Saurya Limited | 10 | 50,000 | - | 0.05 | - |
| TP Ekadash Limited | 10 | 50,000 | - | 0.05 | - |
| TP Atharva Solar Limited | 10 | 50,000 | - | 0.05 | - |
| Aggregate amount of unquoted investment | | | | 4,970.32 | 3,887.59 |
| B Current | | | | | |
| Investments carried at Fair Value through Profit and Loss | | | | | |
| Investments in Mutual Funds (Quoted) | | | | | |
| ICICI Liquid Fund - Direct Plan - Growth | 100 | - | 1,45,854.95 | - | 1.67 |
| ICICI Prudential Overnight Fund Direct Plan Growth | 1,000 | 36,353.44 | - | 4.39 | - |
| SBI Overnight Fund - Direct Plan - Growth | 1,000 | 13,056.57 | - | 4.76 | - |
| DSP Liquidity Fund | 1,000 | 1,74,544.04 | - | 56.15 | - |
| BANDHAN Liquid Fund-Growth-Direct Plan | 1,000 | 8,99,591.05 | - | 244.50 | - |
| HDFC Overnight Fund - Direct Plan - Growth | 1,000 | 19,982.28 | - | 6.65 | - |
| Mirae Asset cash management fund - Direct Plan - IDCW | 1,000 | 2,32,659.67 | - | 25.04 | - |
| Aggregate amount of quoted investments | | | | 341.49 | 1.67 |
| Aggregate market value of quoted investments | | | | 341.49 | 1.67 |



Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

9. Loans - At Amortised Cost

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|---|---------------------------------------|---------------------------------------|
| A. Non-current | | |
| (i) Unsecured Loans to Related Parties, considered good | 2,788.19 | 198.27 |
| | 2,788.19 | 198.27 |
| (ii) Other Loans | | |
| Loan to Employees | 0.18 | 0.17 |
| Total | 2,788.37 | 198.44 |
| | | |
| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
| B. Current | | |
| (i) Unsecured Loans to Related Parties, considered good | 17.09 | 169.41 |
| Total | 17.09 | 169.41 |

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Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

9. Loans - At Amortised Cost (contd.)

Disclosure under Regulation 53(f) read together with Para A Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

Loans and advances (excluding advance towards equity) in the nature of loans given to subsidiaries.

| Name of the Company | Relationship | Amount Outstanding as at the year end ** | Maximum Principal Amount Outstanding during the year (excluding interest accrued) | |
|----------------------------------|--------------|--|---|----------|
| | | | | |
| | | ₹ Crores | ₹ Crores | |
| TP Wind Power Limited | 2023 | Subsidiary | 1.51 | 44.06 |
| | 2022 | | 43.16 | 57.20 |
| Vagarai Windfarm Limited | 2023 | Subsidiary | 119.39 | 122.90 |
| | 2022 | | 129.25 | 127.15 |
| Poolavadi Windfarm Limited | 2023 | Subsidiary | 197.38 | 197.38 |
| | 2022 | | 58.65 | 81.60 |
| Chirasthaayee Saurya Limited | 2023 | Subsidiary | 60.79 | 59.70 |
| | 2022 | | 59.70 | 79.50 |
| TP Kimali Limited | 2023 | Subsidiary | 366.37 | 414.31 |
| | 2022 | | - | 153.58 |
| Tata Power Green Energy Limited | 2023 | Subsidiary | 393.65 | 450.73 |
| | 2022 | | 50.42 | 51.20 |
| TP Saurya Limited | 2023 | Subsidiary | 1,066.45 | 1,035.98 |
| | 2022 | | 33.12 | 32.85 |
| TP Solar Limited | 2023 | Subsidiary | 338.47 | 334.97 |
| | 2022 | | - | - |
| TP Solapur Limited | 2023 | Subsidiary | 151.06 | 146.53 |
| | 2022 | | - | - |
| TP Solapur Saurya Limited | 2023 | Subsidiary | 56.27 | 55.84 |
| | 2022 | | - | - |
| TP Kimali Solar Limited | 2023 | Subsidiary | 1.72 | 8.50 |
| | 2022 | | - | - |
| TP Solapur Solar Limited | 2023 | Subsidiary | 6.65 | 36.72 |
| | 2022 | | - | - |
| TP Akkalkot Renewable Limited | 2023 | Subsidiary | 25.09 | 26.95 |
| | 2022 | | - | - |
| TP Green Nature Limited | 2023 | Subsidiary | 51.77 | 51.53 |
| | 2022 | | - | - |
| Nivade Windfarm Limited | 2023 | Subsidiary | 17.23 | 17.23 |
| | 2022 | | - | - |
| Tata Power Solar Systems Limited | 2023 | Subsidiary | - | 80.00 |
| | 2022 | | - | - |

Notes:

** Including interest accrued.

Previous year's figures are in italics.



Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

9C. Finance Lease Receivable

(Unsecured unless otherwise stated)

Accounting Policy

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating lease. Amount due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

| | As at | As at |
|--|------------------|------------------|
| | 31st March, 2023 | 31st March, 2022 |
| | ₹ Crores | ₹ Crores |
| Finance Lease Receivable - Non-current | 65.46 | 67.50 |
| Finance Lease Receivable - Current | 2.34 | 2.34 |
| Total | 67.80 | 69.84 |

Leasing Arrangements

The Company has sought to cover the risks under the lease agreements through its PPA with its customers. These agreements are typically signed for a fixed duration (extendable only by mutual consent) and clearly defines the roles and responsibilities of either parties during the lease period. In the event of a default by either Party under the agreement, the agreement provides for a dispute resolution mechanism which leads upto arbitration by an independent arbitrator. Post the arbitration, the agreements provide for either party to terminate the agreement after paying for damages specified by the arbitrator. Additionally, the lessee will have to pay a defined termination payment to the Company (Lessor) and take over the asset. In the event, the lessee ceases its operations in the country and chooses to terminate the PPA, the Lessor is eligible to receive the defined termination payment and also retain the assets for redeployment elsewhere.

The lease agreements also provide for deemed generation in the agreements. If the lessee does not consume the output of the asset for reasons except as defined under force majeure, the lessor is eligible to receive payment under the said deemed generation clause. The lessee also needs to provide a suitable payment security mechanism under the PPA to the lessor so as to mitigate any payment risks. The Lessor also has an obligation to provide a guaranteed generation performance to the lessee. In the event, the asset is unable to meet the performance requirement, the lessor may have to pay a penalty to the lessee under the agreement. To mitigate this risk, the lessor has conducted a detailed site evaluation before committing the said performance values.

Amount receivable under Finance Lease

₹ Crores

| | Minimum Lease Payments | |
|---|------------------------|------------------|
| | As at | As at |
| | 31st March, 2023 | 31st March, 2022 |
| Less than a year | 10.50 | 10.63 |
| One to two years | 10.45 | 10.58 |
| Two to three years | 10.39 | 10.55 |
| Three to four years | 10.34 | 10.51 |
| Four to five years | 10.29 | 10.48 |
| Total(A) | 51.97 | 52.75 |
| More than five years (B) | 91.97 | 94.54 |
| Total (A +B) | 143.94 | 147.29 |
| Unearned finance income | 76.14 | 77.45 |
| Present Value of Minimum Lease Payments Receivable | 67.80 | 69.84 |

The interest rate inherent in the leases is constant in the contract for the entire lease term. The average effective interest rate contracted is approximately in the range of 9.00% - 16.00% per annum (31st March, 2022 - 9.00% to 13.00 % per annum)

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Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

9D. Lessor - Operating Lease

The Company has entered into operating lease arrangements for lease of land and the term of these lease arrangements is 25 years. The Company has recognized a rental income of ₹ 3.95 crores under the operating lease during the year ended 31st March, 2023 (₹ 2.94 crores during the year ended 31st March, 2022).

The Company has also entered into Power Purchase Agreements (PPA) with various customers for its rooftop solar assets located across various locations. As this arrangement is dependent on the use of a specific asset and conveys a right to use on the customer, it qualifies as a lease. The term of these lease arrangements is between 15 -25 years. These PPAs are not covering a major part of the economic life of the asset.

Disaggregation of Property, Plant and Equipment given on Operating Lease is as follows:

As at 31st March, 2023

₹ Crores

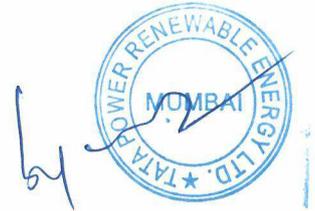
| Class of assets | Gross Block | Accumulated Depreciation | Carrying Amount |
|-----------------------------|--------------------|---------------------------------|------------------------|
| Land | 29.22 | - | 29.22 |
| Plant Machinery & Equipment | 309.48 | 17.74 | 291.74 |
| Total | 338.70 | 17.74 | 320.96 |

As at 31st March, 2022

₹ Crores

| Class of assets | Gross Block | Accumulated Depreciation | Carrying Amount |
|-----------------------------|--------------------|---------------------------------|------------------------|
| Land | 29.22 | - | 29.22 |
| Plant Machinery & Equipment | 29.99 | 3.45 | 26.54 |
| Total | 59.21 | 3.45 | 55.76 |

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Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

10 Other Financial Assets

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|--|---------------------------------------|---------------------------------------|
| A. Non-current - At Amortised Cost | | |
| (Unsecured considered good unless otherwise stated) | | |
| Deferred Revenue Asset | 0.84 | - |
| | 0.84 | - |
| (i) Others | | |
| (At Amortised Cost) | | |
| Government Grants Receivables * | - | 6.70 |
| Balances with Banks: | | |
| In Deposit Accounts (with remaining maturity of more than twelve months) | 0.01 | 0.01 |
| Security Deposits | 12.91 | 8.02 |
| Change in Law & Other Receivables | 70.31 | 20.26 |
| Total | 84.07 | 34.99 |
| B. Current - At Amortised Cost | | |
| (Unsecured considered good unless otherwise stated) | | |
| (i) Accruals | | |
| Unsecured, considered good | | |
| (a) Interest accrued on bank deposits | 23.03 | - |
| (b) Interest accrued on loans and advances to related parties | 48.52 | 6.62 |
| | 71.55 | 6.62 |
| (ii) Others | | |
| Unsecured, considered good | | |
| Security Deposits | 6.31 | 2.22 |
| Fixed deposit with remaining maturity less than twelve months | 150.00 | - |
| Insurance Claims Receivable | - | 0.21 |
| Other Receivables - From Related Party | 52.73 | 9.46 |
| From Others | | |
| Considered good | 33.02 | 73.08 |
| Considered doubtful | 1.40 | 1.40 |
| Less: Provision for doubtful advances | (1.40) | (1.40) |
| | 242.06 | 84.97 |
| (iii) Government Grants Receivable * | 16.67 | 41.70 |
| Total | 330.28 | 133.29 |

* The Company is eligible for government grant in Charanka, Palaswadi phase II and Ananthapuram projects. The Company has recognised the same at fair value. Till date the Company has received ₹ 59.20 crores in Ananthapuram project which is 80% of the total grant that was receivable and ₹ 17.55 crores in Palaswadi phase II project which is 90% of the total grant that was receivable.

11. Non-current tax Assets

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|---|---------------------------------------|---------------------------------------|
| Advance Income - tax (Net of provision) | 21.48 | 10.58 |
| | 21.48 | 10.58 |



12. Other Assets

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|---|---------------------------------------|---------------------------------------|
| A. Non-current | | |
| (Unsecured considered good unless otherwise stated) | | |
| (i) Capital Advances | | |
| Capital Advances | 5.17 | 0.05 |
| | <u>5.17</u> | <u>0.05</u> |
| (ii) Balances with Government Authorities | | |
| Value Added Tax Receivable | 1.80 | 1.80 |
| (iii) Others | | |
| Security deposit given | 27.55 | 28.58 |
| Total | <u><u>34.52</u></u> | <u><u>30.43</u></u> |
| B. Current- At Amortised Cost | | |
| (Unsecured considered good unless otherwise stated) | | |
| (i) Balances with Government Authorities | 0.72 | 0.06 |
| (ii) Others | | |
| Prepaid Expenses | 0.02 | - |
| Other Receivables | 0.92 | 0.65 |
| Advances to Vendors | 2.22 | 0.69 |
| Amortisation of security deposit | 1.11 | 1.11 |
| Other Advances | 0.28 | 0.22 |
| | <u>4.55</u> | <u>2.67</u> |
| Total | <u><u>5.27</u></u> | <u><u>2.73</u></u> |

13. Inventories

Accounting Policy

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Costs of inventories are determined on weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|---|---------------------------------------|---------------------------------------|
| Inventories (lower of cost and net realisable value) | | |
| (a) Stores and Spares | | |
| Stores and Spare Parts | 4.16 | 0.40 |
| (b) Loose Tools | 0.01 | 0.01 |
| Total | <u><u>4.17</u></u> | <u><u>0.41</u></u> |

14. Trade Receivables

(At Amortised Cost)

Non-current

Trade Receivables-Unsecured, considered good

Total

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|--|---------------------------------------|---------------------------------------|
| Trade Receivables-Unsecured, considered good | 172.71 | 280.28 |
| Total | <u><u>172.71</u></u> | <u><u>280.28</u></u> |

Current

Trade Receivables-Unsecured, considered good

Considered doubtful

Less: Allowance for Doubtful Trade Receivables

Total

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|--|---------------------------------------|---------------------------------------|
| Trade Receivables-Unsecured, considered good | 251.60 | 296.36 |
| Considered doubtful | 6.40 | - |
| Less: Allowance for Doubtful Trade Receivables | 258.00 | 296.36 |
| | 6.40 | - |
| Total | <u><u>251.60</u></u> | <u><u>296.36</u></u> |



14. Trade Receivables (contd.)

Notes:

1)(a) The average credit period is 15 to 45 days in respect of receivables pertaining to sale of power. No interest is charged on trade receivables from date of receipt of invoice by customers till the end of the credit period defined in the Power Purchase Agreement (PPA). Thereafter, interest is charged at the rates prescribed under the PPA on the outstanding balance but this interest is recognised upon an assessment of certainty of realisation.

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

2) Ageing of Receivables

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The ageing of trade receivables at the end of reporting period is as follows:

Trade Receivables Ageing schedule as at 31st March, 2023

| Particulars | Outstanding for following periods from due date of payment # | | | | | | Total |
|---|--|--------------------|-------------------|---------------|--------------|-------------------|---------------|
| | Not Due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables | | | | | | | |
| a) Considered good | 124.87 | 38.29 | 23.10 | 61.41 | 17.06 | - | 264.73 |
| b) Significant increase in credit risk | - | - | - | - | - | - | - |
| c) Credit Impaired | - | 0.78 | 1.12 | 1.24 | 1.98 | 1.28 | 6.40 |
| (ii) Disputed Trade Receivables | | | | | | | |
| a) Considered good | - | - | 5.24 | 133.76 | 6.50 | 14.08 | 159.58 |
| b) Significant increase in credit risk | - | - | - | - | - | - | - |
| c) Credit Impaired | - | - | - | - | - | - | - |
| Total | 124.87 | 39.07 | 29.46 | 196.41 | 25.54 | 15.36 | 430.71 |

Where due date of payment is not available date of transaction has been considered

Trade Receivables Ageing schedule as at 31st March, 2022

| Particulars | Outstanding for following periods from due date of payment # | | | | | | Total |
|---|--|--------------------|-------------------|--------------|--------------|-------------------|---------------|
| | Not Due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables | | | | | | | |
| a) Considered good | 82.83 | 246.09 | 88.72 | 55.57 | 38.96 | 50.39 | 562.56 |
| b) Significant increase in credit risk | - | - | - | - | - | - | - |
| c) Credit Impaired | - | - | - | - | - | - | - |
| (ii) Disputed Trade Receivables | | | | | | | |
| a) Considered good | - | - | - | - | - | 14.08 | 14.08 |
| b) Significant increase in credit risk | - | - | - | - | - | - | - |
| c) Credit Impaired | - | - | - | - | - | - | - |
| Total | 82.83 | 246.09 | 88.72 | 55.57 | 38.96 | 64.47 | 576.64 |

Where due date of payment is not available date of transaction has been considered

Movement in the allowance for doubtful trade receivables

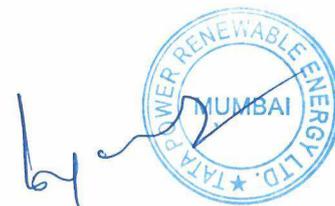
| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|---|---------------------------------------|---------------------------------------|
| Balance at the beginning of the year | - | - |
| Add: Expected credit loss allowance on trade receivables* | 6.40 | - |
| Balance at the end of the year | 6.40 | - |

* This also includes specific provision made towards doubtful receivables.

3) The credit risk is very limited due to the fact that the customers are government entities.

4) The Company has created charge on certain assets in favour of lenders. (Refer Note 19).

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14. Trade Receivables (contd.)

Ind AS 115 Disclosures
Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers.

| Particulars | As at | As at |
|--------------------------------------|------------------|------------------|
| | 31st March, 2023 | 31st March, 2022 |
| | ₹ Crores | ₹ Crores |
| Contract assets | 0.84 | - |
| Contract liabilities | | |
| Advance from customers | - | - |
| Deferred revenue from customers | 182.97 | 162.04 |
| Deferred revenue liability - Current | 11.44 | - |
| Total Contract Liabilities | 194.41 | 162.04 |
| Receivables | | |
| Trade receivables (Gross) | 424.31 | 576.64 |
| Unbilled revenue | 129.67 | 182.64 |
| Less : Allowances for doubtful debts | 6.40 | - |
| Total receivables | 547.58 | 759.28 |
| Net Amount | 354.01 | 597.24 |

The Company enters into long term agreement for sale of power to Discom at a fixed rate per unit. The management has assessed and determined that amount invoiced / to be invoiced as the agreement reflects appropriate revenue for the year except in cases where the rate per unit is not the same over life of PPA.

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

| | Current Year | | Previous Year | |
|---|-----------------|----------------------|-----------------|----------------------|
| | ₹ Crores | | ₹ Crores | |
| | Contract Assets | Contract Liabilities | Contract Assets | Contract Liabilities |
| Opening Balance | - | 162.04 | - | 141.22 |
| Less : Revenue recognized during the year from balance at the beginning of the year | 0.72 | (0.96) | - | (0.96) |
| Add : Advance received during the year not recognized as revenue | - | 14.52 | - | 5.27 |
| Interest income/expense for the year | 0.12 | 18.81 | - | 16.51 |
| Closing Balance | 0.84 | 194.41 | - | 162.04 |

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Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

15. Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand 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 and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|---|---------------------------------------|---------------------------------------|
| Balances with Banks: | | |
| In Current Accounts | 56.46 | 270.65 |
| In Deposit Accounts (with original maturity less than three months) | 250.00 | - |
| | 306.46 | 270.65 |

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

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|---|---------------------------------------|---------------------------------------|
| Balances with Banks: | | |
| In Current Accounts | 56.46 | 270.65 |
| In Deposit Accounts (with original maturity less than three months) | 250.00 | - |
| Total | 306.46 | 270.65 |

15A Other Balances with Banks

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|---|---------------------------------------|---------------------------------------|
| (a) in deposit account (with original maturity of more than three months and less than twelve months) | 2,529.01 | - |
| Total | 2,529.01 | - |

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16. Share Capital

| | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | Number | ₹ Crores | Number | ₹ Crores |
| Authorised | | | | |
| Fully paid equity shares of ₹ 10 each | 250,00,00,000 | 2,500.00 | 250,00,00,000 | 2,500.00 |
| Fully paid preference shares of ₹ 100 each | 20,00,00,000 | 2,000.00 | - | - |
| Total Authorised Share Capital | 270,00,00,000 | 4,500.00 | 2,50,00,00,000 | 2,500.00 |
| Issued | | | | |
| Fully paid equity shares of ₹ 10 each | 137,94,79,280 | 1,379.48 | 1,04,51,08,815 | 1,045.11 |
| Fully paid compulsorily convertible preference shares of ₹ 100 each | 20,00,00,000 | 2,000.00 | - | - |
| Subscribed and Paid-up | | | | |
| Fully paid equity shares of ₹ 10 each | 137,94,78,180 | 1,379.48 | 1,04,51,07,715 | 1,045.11 |
| Fully paid compulsorily convertible preference shares of ₹ 100 each | 20,00,00,000 | 2,000.00 | - | - |
| Total Issued, Subscribed and fully Paid-up Share Capital | 1,57,94,78,180 | 3,379.48 | 1,04,51,07,715 | 1,045.11 |

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

(a) Equity Shares

| | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | Number of Shares | ₹ Crores | Number of Shares | ₹ Crores |
| At the beginning of the year | 1,04,51,07,715 | 1,045.11 | 1,04,51,07,715 | 1,045.11 |
| Issued during the year (Refer Note 42c & 42e) | 33,43,70,465 | 334.37 | - | - |
| Outstanding at the end of the year | 1,37,94,78,180 | 1,379.48 | 1,04,51,07,715 | 1,045.11 |

(b) Compulsorily Convertible Preference Shares

| | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|------------------------|-----------------|------------------------|----------|
| | Number of Shares | ₹ Crores | Number of Shares | ₹ Crores |
| At the beginning of the year | - | - | - | - |
| Issued during the year (Refer Note 42f) | 20,00,00,000 | 2,000.00 | - | - |
| Outstanding at the end of the year | 20,00,00,000 | 2,000.00 | - | - |

(ii) Terms/rights attached to Equity Shares

The Company has issued only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(iii) Terms/rights attached to Compulsorily Convertible Preference Shares

The company allotted 2,00,000,000 compulsorily convertible preference shares ("CCPS") of face value of ₹ 100 each at par, on a private placement basis. CCPS allotted shall be subject to the provisions of the Memorandum and Articles of association of the Company, shall be fully paid up and upon conversion shall rank pari passu with existing equity shares of the Company in all respects (including with respect to dividend and voting powers). The CCPS conversion ratio is linked to EBITDA of the Company for the year ended 31st March, 2023

(iv) The share capital of the Company is held by The Tata Power Company Limited and Green Forest New Energies Bidco Ltd. (UK).

(v) Shareholding of Promoters

| Shares held by promoters at the end of 31st March, 2023 | | | | |
|---|---|----------------------|-------------------|--------------------------|
| Sl No | Promoter name | No. of shares | % of total shares | % Change during the year |
| 1 | The Tata Power Company Limited | 129,58,73,131 | 93.94% | -6.06% |
| 2 | Green Forest New Energies Bidco Ltd. (UK) | 8,36,05,049 | 6.06% | +6.06% |
| | Total | 137,94,78,180 | 100.00% | |

| Shares held by promoters at the end of 31st March, 2022 | | | | |
|---|--------------------------------|---------------|-------------------|--------------------------|
| Sl No | Promoter name | No. of shares | % of total shares | % Change during the year |
| 1 | The Tata Power Company Limited | 104,51,07,715 | 100% | 0% |

17. Unsecured Perpetual Securities

| | As at 31st March, 2023 | As at 31st March, 2022 |
|--------------------------------------|------------------------|------------------------|
| | ₹ Crores | ₹ Crores |
| Opening balance | 3,895.00 | 3,895.00 |
| Add: Issued/(Repaid) during the year | (3,895.00) | - |
| Closing balance | - | 3,895.00 |

The Tata Power Company Limited (Holding Company) had provided a loan of ₹ 3,895 crores to the Company by way of unsecured perpetual debt. The debt was perpetual in nature with no maturity/redemption terms and was repayable only at the option of the Company. During the year, these perpetual securities have been repaid by the Company.



Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

18. Other Equity

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|--|---------------------------------------|---------------------------------------|
| A. Securities Premium Reserve | | |
| Opening balance | - | - |
| Add: Premium received on share issued | 6,825.63 | - |
| Closing Balance | 6,825.63 | - |
| B. Debenture Redemption Reserve | | |
| Opening Balance | 99.05 | 99.05 |
| Closing Balance | 99.05 | 99.05 |
| C. Capital Reserve | | |
| Opening Balance | (34.66) | 8.08 |
| Add: Capital Reserve on account of business combination | - | (42.74) |
| Closing Balance | (34.66) | (34.66) |
| D. Retained Earnings | | |
| Opening balance | 188.59 | (0.17) |
| <i>Add:</i> Profit for the year | 96.06 | 175.54 |
| Adjustment on account of transfer of assets under Business Transfer Agreement | 8.50 | 13.71 |
| Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax) | (1.44) | (0.40) |
| Other Comprehensive (Expense) on restatement on account of Business Transfer Agreement | - | (0.09) |
| Closing Balance | 291.71 | 188.59 |
| E. Deemed equity contribution of Compound financial instrument | | |
| a. Compound financial instrument - Interest on Compulsorily Convertible Preference Shares | | |
| Opening Balance | - | - |
| <i>Add:</i> Addition on account of issuance of Compulsorily Convertible Preference Shares (Net of tax) | 9.84 | - |
| Closing Balance | 9.84 | - |
| b. Compound financial instrument -Deemed equity contribution from holding company | | |
| Opening Balance | 5.00 | 5.00 |
| Closing Balance | 5.00 | 5.00 |
| Total | 7,196.57 | 257.98 |

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18. Other Equity (contd.)

Nature and purpose of reserves

Securities Premium Reserve:

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve (DRR)

The Company was earlier required to create a Debenture Redemption Reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures. Subsequent to amendment dated 16th August, 2019 in Companies Act, 2013, there is no requirement to create debenture redemption reserve and hence the Company has not created DRR in the current year and previous year. This amount will be transferred to retained earnings on redemption of debentures.

Capital Reserve

Capital Reserve has been created consequent to Scheme of Amalgamation between NewGen Saurashtra Windfarms Limited and cannot be utilized toward distribution of dividend. Further during the year pursuant to the Business Transfer Agreement signed with The Tata Power Company Limited (TPCL), the holding company the excess amount paid over the carrying values of net assets acquired has been recognised as negative capital reserve amounting to ₹42.74 crores.

Retained Earnings

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

Deemed equity contribution of Compound financial instrument

a. The Company has issued Compulsorily Convertible Preference Shares(CCPS) to one of its shareholders and accordingly as per Ind AS 109, on the initial recognition the difference between the amount received and the Net Present Value of the liability has been accounted as Deemed Equity (Net of Tax). The Company has reclassified CCPS from financial liability to equity as per Ind AS 109 as the number of shares to be allotted are fixed as on 31st March, 2023.

b. The Tata Power Company Limited has provided corporate guarantee of ₹ 1,639.43 crores (₹ 2,807.66 crores as on 31st March, 2022) for TPREL NCD and term loan. This has benefited the company by way of its ability to raise loans at lower interest rate. As per Ind AS 113, an entity shall measure the fair value of a liability using the assumptions that market participants would use when pricing the liability, assuming that market participants act in their economic best interest. Accordingly fair value was derived using interest saved approach. This amount is amortised over the period of loan against which guarantee was taken.

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19. Non-current borrowings

| | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|-------------------------|-----------------------|-------------------------|-----------------------|
| | Non-current ₹ Crores | Current * ₹ Crores | Non-current ₹ Crores | Current * ₹ Crores |
| (a) Unsecured - At Amortised Cost | | | | |
| Redeemable Non-Convertible Debentures | | | | |
| (a) 7.19% Series 2023 | - | - | - | 35.52 |
| (b) 8.45% Series 2022 | - | - | - | 500.00 |
| (c) 7.90% Series 2029 | 596.18 | - | - | - |
| (a) | 596.18 | - | - | 535.52 |
| Term Loans from Banks | | | | |
| (a) IndusInd Bank-400 Crores | 396.73 | - | - | - |
| (b) IndusInd Bank-200 Crores | 198.24 | - | - | - |
| (b) | 594.97 | - | - | - |
| Loans from Related Parties | | | | |
| (a) The Tata Power Company Limited (Holding Company) | - | - | 450.00 | - |
| (b) Walwhan Renewable Energy Limited (Subsidiary Company) | 850.80 | - | - | - |
| (c) | 850.80 | - | 450.00 | - |
| (b) Secured - At Amortised Cost | | | | |
| Redeemable Non-Convertible Debentures | | | | |
| (a) 8.32% Series 2029 [Refer Note (i) & (iii) below] | 371.44 | 35.00 | 406.27 | 32.50 |
| (b) 8.59% Series 2027 [Refer Note (ii) & (iii) below] | 328.96 | 70.00 | 398.50 | - |
| (d) | 700.40 | 105.00 | 804.77 | 32.50 |
| Term Loans from Banks | | | | |
| (c) IDFC Bank [Refer Note (iv) below] | 43.78 | 12.13 | 58.62 | 11.50 |
| (d) Kotak Mahindra Bank [Refer Note (v) below] | | | | |
| (i) Term Loan -I (₹ 228 Crores) | 138.84 | 15.99 | 146.86 | 23.88 |
| (ii) Term Loan -II (₹ 250 Crores) | 156.97 | 25.88 | 187.35 | 15.99 |
| (iii) Term Loan -III (₹ 500 Crores) | 482.64 | 11.25 | 497.58 | 1.25 |
| (e) Axis Bank [Refer Note (vi) below] | | | | |
| (i) Term Loan -I (₹ 500 Crores) | 419.05 | 30.00 | 448.95 | 25.00 |
| (ii) Term Loan -II (₹ 500 Crores) | 389.03 | 40.00 | 428.90 | 25.00 |
| (iii) Term Loan -III (₹ 500 Crores) | 493.75 | 5.00 | 498.75 | 1.25 |
| (iv) Term Loan -IV (₹ 1000 Crores) | 667.10 | 330.00 | - | - |
| (f) HDFC Bank [Refer Note (vii) below] | | | | |
| (i) Term Loan -I (₹ 500 Crores) | 296.07 | 47.55 | 341.34 | 47.55 |
| (ii) Term Loan -II (₹ 500 Crores) | 407.77 | 25.00 | 432.58 | 25.00 |
| (iii) Term Loan III (₹ 600 Crores) | 533.28 | 37.92 | 571.20 | 22.80 |
| (iv) Term Loan -IV (₹ 900 Crores) | 869.72 | 18.00 | 890.09 | 9.00 |
| (g) State Bank of India [Refer Note (viii) below] | | | | |
| (i) Term Loan -I (₹ 400 Crores) | 391.66 | 4.00 | 395.68 | 1.00 |
| (ii) Term Loan -II (₹ 250 Crores) | 246.87 | 2.50 | - | - |
| (h) IndusInd Letter of Credit | - | - | - | 115.00 |
| (i) HDFC Bank loan | - | - | 59.34 | 5.54 |
| (e) | 5,536.53 | 605.21 | 4,957.24 | 329.76 |
| Term Loans from Others | | | | |
| (j) NIIF IFL (earlier known as IDFC Infrastructure Finance Limited) [Refer Note (iv) below] | 16.89 | 3.12 | 20.00 | 2.85 |
| (k) NIIF IFL (earlier known as IDFC Infrastructure Finance Limited) [Refer Note (ix) below] | 355.00 | 25.28 | 380.76 | 15.72 |
| (f) | 371.89 | 28.40 | 400.76 | 18.57 |
| (a) + (b) + (c) + (d) + (e) + (f) | 8,650.77 | 738.61 | 6,612.77 | 916.35 |

* Amount disclosed under Current Borrowings (Refer Note 24)



19. Non-current borrowings (contd.)

Security

- i The Debentures mentioned in (a) 8.32% Series 2029, is a secured debenture backed by charge on the entire movable assets, both present and future, cash flows, receivables, book debts, revenues, all bank accounts, all intangibles present and future pertaining to the 250 MW KREDL and 150 MW MSEDCL project and 25MW Charanka plant in Gujarat.
- ii The Debentures mentioned in (b) 8.59% Series 2027, have been secured debenture and backed by second charge on movable fixed assets of 250 MW KREDL and 150 MW MSEDCL project (this excludes the assets where certain other lenders have an exclusive charge).
- iii Both the secured NCDs mentioned in (A) and (B) are backed by unconditional and irrevocable Corporate Guarantee (CG) from The Tata Power Company Limited for all amounts due under the facility including but not limited to interest, principal amount, penal interest and any other costs/charges under the issue. CG shall remain valid till the issue is completely redeemed.
- iv IDFC Bank mentioned in (c) and NIIF IFL (Term Loan I) mentioned in (j) has first charge over the entire movable assets, both present and future, cash flows, receivables, book debts, revenues, all bank accounts, all intangibles present and future pertaining to the 25 MW Solar Palaswadi Plant.
- v Kotak Mahindra Bank mentioned in (d) has first charge over the entire movable assets, both present and future, cash flows, receivables, book debts, revenues, all bank accounts, all intangibles present and future pertaining to the 44 MW Lahori Wind Plant (Term Loan -I) & 50 MW Pavagada Solar B-27 (Term Loan -II). For (Term Loan III) lenders has first Pari Passu charge on all the moveable fixed assets & current assets of the underlying 4 Projects, both present and future pertaining to the Solar Projects : 100 MW UPNEDA project located in Uttar Pradesh, 50 MW Dholera-2 project in Gujarat, 100 MW Raghnesda located in Gujarat and 150 MW TPC-D (Loharki) located in Rajasthan.
- vi Axis Bank mentioned in (e) has first charge over the entire movable assets, both present and future, cash flows, receivables, book debts, revenues, all bank accounts, all intangibles present and future pertaining to the 100 MW Pavagada solar project B-32 & B-34 (Term Loan -I) and Rojmal I, Rojmal II, Mithapur, Bellampalli (Term Loan -II). The Company is currently in the process of creating the security on Rojmal I, Rojmal II, Mithapur and Bellampalli assets. Term Loan -II is also backed by the CG of The Tata Power Company Limited. For Term loan -III, lenders has first pari passu charge over the entire movable assets, cash flows, receivables, book debts, revenues pertaining to : 100 MW UPNEDA project located in UP, 50 MW Dholera-2 project & 100 MW Raghnesda located in Gujarat and 150 MW TPC-D (Loharki) located in Rajasthan. For Term Loan -IV, Exclusive charge by way of hypothecation of all movable assets, book debts, operating cash flows, receivables, commission, revenues of assets mention further, bank accounts of borrower where the cash flows of the asset of mentioned projects & Negative lien on all immovable properties of given assets : Samana 50.4MW, Agaswadi 49.5MW, Poolavadi 99MW.
- vii For HDFC Bank mentioned in (f), (Term Loan -I) Lenders have first charge on entire moveable fixed assets of 30 MW AC solar project at Palaswade Phase II and second charge on entire moveable fixed assets of 21 MW wind project at Daloth and 18 MW wind project at Dangri.

For (Term Loan -II), Lenders have first charge over the entire movable assets, both present and future, cash flows, receivables, book debts, revenues, all bank accounts, all intangibles present and future pertaining to the 100 MW Ananthapuram plant and 39.2 MW NSW Dwarka plant. Additionally, these loans (I and II) are backed by the CG of The Tata Power Company Limited. For (Term Loan III), lenders have first charge over the entire movable assets, both present and future, cash flows, receivables, book debts, revenues, all bank accounts, all intangibles related to projects pertaining to solar projects 150 MW MSEDCL Project in Rajasthan, 250 MW KREDL Project in Karnataka and 250 MW Dholera Project in Gujarat. For (Term loan -IV), lenders have first charge over the entire movable assets, both present and future, cash flows, receivables, book debts, revenues, all bank accounts, all intangibles present and future pertaining to solar projects, Exhibit 1 (₹ 750 Cr): 250 MW Dholera 1 project located at Gujarat and Exhibit 2 (₹ 150 Cr): 150 MW MSEDCL project in Rajasthan and 250 MW KREDL project in Karnataka.
- viii SBI Bank mentioned in (g), lenders has first Pari Passu charge on all the moveable fixed assets & current assets of the underlying 4 Projects, both present and future pertaining to the Solar Projects : 100 MW UPNEDA project located in Uttar Pradesh, 50 MW Dholera-2 project in Gujarat & 100 MW Raghnesda located in Gujarat and 150 MW TPC-D (Loharki) located in Rajasthan.
- ix For NIIF IFL (Term loan II) mentioned in (k) first pari passu charge on cashflows, receivables, and revenues of the projects, intangible assets of the Solar Power plant Projects of 150 MW at Rajasthan and 250 MW at Karnataka.

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19. Non-current borrowings (contd.)

Terms of Repayment

₹ Crores

| Particulars | Amount outstanding as on 31st March, 2023 | FY | | | | | | |
|--|---|---------------|---------------|-----------------|---------------|---------------|-----------------|-----------------|
| | | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 | 28-33 | 33 Onwards |
| (a) Unsecured Borrowing - at amortised cost | | | | | | | | |
| Redeemable Non-Convertible Debentures | | | | | | | | |
| (i) 7.19% Series 2023 | - | - | - | - | - | - | - | - |
| (ii) 8.45% Series 2022 | - | - | - | - | - | - | - | - |
| (iii) 7.9% Series 2029 | 600.00 | - | - | - | - | - | 600.00 | - |
| (A) | 600.00 | - | - | - | - | - | 600.00 | - |
| Term Loans from Banks | | | | | | | | |
| (i) IndusInd Bank-400 Crores | 200.00 | - | - | 200.00 | - | - | - | - |
| (ii) IndusInd Bank-200 Crores | 400.00 | - | - | 400.00 | - | - | - | - |
| (B) | 600.00 | - | - | 600.00 | - | - | - | - |
| Loan from related parties | | | | | | | | |
| Walwhan Renewable Energy Limited (Subsidiary Company) | 850.80 | - | - | 850.80 | - | - | - | - |
| (C) | 850.80 | - | - | 850.80 | - | - | - | - |
| (b) Secured Borrowing - at amortised cost | | | | | | | | |
| Redeemable Non-Convertible Debentures | | | | | | | | |
| (i) 8.32% Series 2029 [Refer Note (i) & (iii) above] | 407.50 | 35.00 | 37.50 | 40.00 | 42.50 | 45.00 | 207.50 | - |
| (ii) 8.59% Series 2027 [Refer Note (ii) & (iii) above] | 400.00 | 70.00 | 70.00 | 70.00 | 190.00 | - | - | - |
| (D) | 807.50 | 105.00 | 107.50 | 110.00 | 232.50 | 45.00 | 207.50 | - |
| Term Loans from Banks (Refer Note 1 below) | | | | | | | | |
| (i) IDFC Bank | 55.91 | 12.13 | 12.76 | 11.90 | 12.64 | 6.48 | - | - |
| (ii) Kotak Mahindra Bank - TL I | 155.28 | 15.99 | 15.99 | 15.99 | 15.99 | 15.99 | 75.35 | - |
| (iii) Kotak Mahindra Bank - TL II | 185.76 | 25.88 | 27.25 | 29.13 | 28.50 | 30.00 | 45.00 | - |
| (iv) Kotak Mahindra Bank - TL III | 495.00 | 11.25 | 11.25 | 15.00 | 20.00 | 30.00 | 151.25 | 256.25 |
| (v) Axis Bank - I | 450.00 | 30.00 | 30.00 | 30.00 | 30.00 | 35.00 | 295.00 | - |
| (vi) Axis Bank - II | 430.00 | 40.00 | 40.00 | 35.00 | 40.00 | 40.00 | 235.00 | - |
| (vii) Axis Bank - III | 498.75 | 5.00 | 15.00 | 17.50 | 20.00 | 25.00 | 163.75 | 252.50 |
| (viii) Axis Bank - IV | 1,000.00 | 330.00 | 340.00 | 330.00 | - | - | - | - |
| (ix) HDFC Bank - I | 344.90 | 47.55 | 60.00 | 100.00 | 137.35 | - | - | - |
| (x) HDFC Bank - II | 435.00 | 25.00 | 35.00 | 35.00 | 35.00 | 35.00 | 220.00 | 50.00 |
| (xi) HDFC Bank - III | 571.20 | 37.92 | 37.92 | 37.92 | 37.92 | 43.20 | 133.92 | 242.40 |
| (xii) HDFC Bank - IV | 891.00 | 18.00 | 18.00 | 18.00 | 18.00 | 36.00 | 189.00 | 594.00 |
| (xiii) State Bank of India - I | 399.00 | 4.00 | 12.00 | 14.00 | 16.00 | 20.00 | 131.00 | 202.00 |
| (xiv) State Bank of India - II | 249.37 | 2.50 | 7.50 | 8.75 | 10.00 | 12.50 | 81.87 | 126.25 |
| (E) | 6,161.16 | 605.21 | 662.66 | 698.19 | 421.40 | 329.17 | 1,721.14 | 1,723.40 |
| Term Loans from Others (Refer Note 1 below) | | | | | | | | |
| (i) NIIF IFL (earlier known as IDFC Infrastructure Finance Limited) | 20.00 | 3.12 | 3.40 | 5.17 | 5.50 | 2.82 | - | - |
| (ii) NIIF IFL (earlier known as IDFC Infrastructure Finance Limited) | 380.76 | 25.28 | 25.28 | 25.28 | 25.28 | 28.80 | 185.28 | 65.56 |
| (F) | 400.76 | 28.40 | 28.68 | 30.45 | 30.78 | 31.62 | 185.28 | 65.56 |
| Total borrowings (A + B + C + D + E + F) | 9,420.22 | 738.61 | 798.84 | 2,289.44 | 684.68 | 405.78 | 2,713.92 | 1,788.96 |
| Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS. | 29.42 | | | | | | | |
| Less: Unamortised portion of fair value of corporate guarantee | 1.42 | | | | | | | |
| Total long term borrowings | 9,389.38 | | | | | | | |

Note

1. The rate of interest for Redeemable Non convertible Debentures - 7.90 % to 8.32 %, term loans from banks ranges from 6.70% to 10.25% (31st March, 2022 - 4.11% to 8.50%) and rate of interest for term loans from others is 7.25% to 8.50 % (31st March, 2022 - 7.25% to 8.50 %).

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20. Lease Liabilities

Accounting Policy for leases

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a Lessee

i) Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land - 25 to 29 Years

The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company presents lease liabilities in 'Financial Liabilities' in the Balance Sheet.

iii) Short term leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Lessee

The Company has lease contracts for various land used in its operations. Leases of land generally have lease terms of 25 years. Generally, the Company is restricted from assigning and subleasing the leased assets.

| Amount recognised in the Statement of Profit and Loss | ₹ Crores | |
|---|--|--|
| | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
| Depreciation of Right-of-use assets | 6.62 | 3.76 |
| Interest on lease liabilities | 11.87 | 8.41 |
| Expenses related to short term leases | 2.81 | 1.18 |

Refer Note 5 for additions to Right-of-use Assets and the carrying amount of Right-of-use Assets as at 31st March, 2023 and 31st March, 2022.

| | ₹ Crores | |
|-----------------------|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Non-current | | |
| (i) Lease Liabilities | 125.89 | 80.59 |
| | 125.89 | 80.59 |
| Current | | |
| (i) Lease Liabilities | 8.56 | 6.69 |
| | 8.56 | 6.69 |

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21. 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).

Accounting Policy**Defined contribution plans**

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

Defined benefits plans

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 and loss on the earlier of:

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

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

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

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

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in 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, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|--|---------------------------------------|---------------------------------------|
| Non-current | | |
| Provision for Employee Benefits | | |
| Compensated Absences | 6.74 | 4.47 |
| Gratuity (Refer note 21.3) | 15.82 | 7.59 |
| Post-Employment Medical Benefits (Refer note 21.3) | 0.87 | 0.76 |
| Other Defined Benefit Plans (Refer note 21.3) | 1.45 | 1.04 |
| Other Employee Benefits | 0.92 | 0.70 |
| Total | 25.80 | 14.56 |



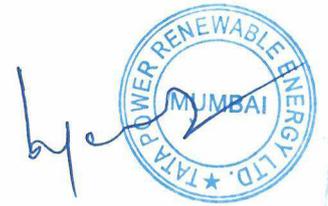
Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

21. Provisions (contd.)

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|---|---------------------------------------|---------------------------------------|
| Current | | |
| Provision for Employee Benefits | | |
| Compensated Absences | 0.29 | 0.23 |
| Gratuity (Refer note 21.3) | 0.51 | 0.25 |
| Post-Employment Medical Benefits | - | 0.02 |
| Other Defined Benefit Plans (Refer note 21.3) | 0.19 | 0.13 |
| Other Employee Benefits | 0.01 | 0.01 |
| | 1.00 | 0.64 |
| Provision - Others | | |
| Provisions- Others | 0.01 | 16.59 |
| | 0.01 | 16.59 |
| Total | 1.01 | 17.23 |

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Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

21. Provisions (contd.)

Employee benefit plan

21.1 Defined Contribution plan

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

The Company has recognised ₹ 2.13 crores (31st March, 2022 - ₹ 1.30 crores) for provident fund contributions and ₹ 0.06 crores (31st March, 2022 - ₹ 0.14 crores) for superannuation contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

21.2 Defined benefit plans

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

Provident Fund

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

Particulars

Contribution made during the year to PF trust (₹ crores)

| | 31st March, 2023 | 31st March, 2022 |
|--|------------------|------------------|
| | 0.11 | 0.74 |

Unfunded:

Post Employment Medical Benefits

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

Pension

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

Ex-Gratia Death Benefit

The Company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a pre-determined lumpsum amount 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.

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.

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

| Valuation as at | 31st March, 2023 | 31st March, 2022 |
|--|---|---|
| Discount Rate | 7.30% p.a. | 6.80% p.a. |
| Salary Growth Rate | | |
| - Management | 7.00% p.a. | 7.00% p.a. |
| - Non-Management | 6.00% p.a. | 6.00% p.a. |
| Turnover Rate - Age 21 to 44 years | | |
| - Management | 6.00% p.a. | 6.00% p.a. |
| - Non-Management | 0.50% p.a. | 0.50% p.a. |
| Turnover Rate - Age 45 years and above | | |
| - Management | 2.00% p.a. | 2.00% p.a. |
| - Non-Management | 0.50% p.a. | 0.50% p.a. |
| Mortality Table | Indian Assured Lives Mortality (2006-08) (modified) Ult | Indian Assured Lives Mortality (2006-08) (modified) Ult |
| Annual Increase in Healthcare Cost | 8.00% p.a. | 8.00% p.a. |



21. Provisions (contd.)
Employee benefit plan

| Unfunded Plan: | Gratuity | Other Defined Benefits Plan |
|--|--------------|-----------------------------|
| | ₹ Crores | ₹ Crores |
| Balance as at 1st April, 2022 | 7.84 | 1.91 |
| Current service cost | 0.57 | 0.13 |
| Past service cost | - | 0.02 |
| Interest Cost/(Income) | 0.49 | 0.08 |
| Amount recognised in statement of profit and loss | 1.06 | 0.23 |
| <u>Remeasurement (gains)/losses</u> | | |
| Actuarial (gains)/losses arising from changes in financial assumptions | (0.73) | (0.18) |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from experience | 2.39 | 0.45 |
| Amount recognised in other comprehensive income | 1.66 | 0.27 |
| Benefits paid | (1.18) | (0.00) |
| Acquisitions credit/(cost) | 6.95 | 0.81 |
| Less:-liability on account of BTA | - | (0.71) |
| Balance as at 31st March, 2023 | 16.33 | 2.51 |

| Unfunded Plan: | Gratuity | Other Defined Benefits Plan |
|--|-------------|-----------------------------|
| | ₹ Crores | ₹ Crores |
| Balance as at 1st April, 2021 | 4.80 | 1.42 |
| Current service cost | 0.89 | 0.16 |
| Past service cost | - | - |
| Interest Cost/(Income) | 0.32 | 0.15 |
| Amount recognised in statement of profit and loss | 1.21 | 0.31 |
| <u>Remeasurement (gains)/losses</u> | | |
| Actuarial (gains)/losses arising from changes in financial assumptions | (0.12) | (0.06) |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | 0.08 |
| Actuarial (gains)/losses arising from experience | 0.52 | 0.25 |
| Amount recognised in other comprehensive income | 0.40 | 0.27 |
| Benefits paid | (0.78) | (0.09) |
| Acquisitions credit/(cost) | 2.21 | - |
| Balance as at 31st March, 2022 | 7.84 | 1.91 |

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21 Provisions (contd.)
Employee Benefit Plans

21.4 Sensitivity Analysis

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

| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
|--------------------|----------------------|------------------|------------------------|------------------|------------------------|------------------|
| | 31st March, 2023 | 31st March, 2022 | 31st March, 2023 | 31st March, 2022 | 31st March, 2023 | 31st March, 2022 |
| Discount rate | 0.50% | 0.50% | (0.83) | (0.42) | 0.91 | 0.46 |
| Salary growth rate | 0.50% | 0.50% | 0.77 | 0.38 | (0.72) | (0.36) |
| Mortality rates | 1 year | 1 year | 0.04 | 0.02 | (0.04) | (0.02) |
| Healthcare cost | 0.50% | 0.50% | 0.12 | 0.07 | (0.10) | (0.06) |
| Claims Rate | 5.00% | 5% | (1.48) | (0.77) | - | - |

The figures in bracket signifies reduction in liability.

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

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

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

| Unfunded | 31st March, 2023 | 31st March, 2022 |
|---------------------|------------------|------------------|
| Within 1 year | 0.73 | 0.79 |
| Between 1 - 2 years | 1.15 | 1.05 |
| Between 2 - 3 years | 2.56 | 1.11 |
| Between 3 - 4 years | 1.56 | 2.03 |
| Between 4 - 5 years | 3.43 | 1.56 |
| Beyond 5 years | 13.30 | 9.54 |

The weighted average duration of the defined benefit obligation is 7.4 years (31st March, 2022 - 7.4 years).

21.6 Risk exposure:

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

Inflation rate risk:

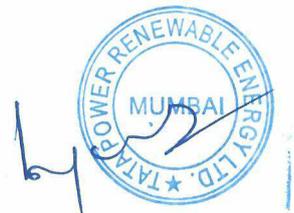
Higher than expected increase in salary will increase the defined benefit obligation.

Demographic risk:

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

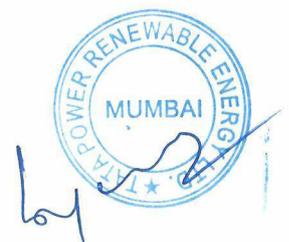
Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.



22. Deferred Tax

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores | | |
|---|---------------------------------------|---------------------------------------|-----------------------------|------------------------|
| Deferred Tax Assets (DTA) | (740.78) | (165.38) | | |
| Deferred Tax Liabilities (DTL) | 913.82 | 299.88 | | |
| Total Net Deferred Tax (Asset) / Liability | 173.04 | 134.50 | | |
| For year ended 31st March, 2023 | | | | |
| Deferred Tax Liability on account of: | Opening Balance | Recognised in P&L / OCI | Recognised in Equity | Closing Balance |
| Property, plant and equipment | 272.27 | 610.67 | - | 882.94 |
| EIR impact on borrowings | 4.63 | 3.27 | - | 7.90 |
| Finance Lease Receivable | 17.58 | (0.52) | - | 17.06 |
| Other financial liabilities | 5.62 | (3.04) | - | 2.58 |
| Other comprehensive income | (0.22) | (0.49) | - | (0.71) |
| Deemed equity contribution of Compound financial instrument | - | 0.74 | 3.31 | 4.05 |
| Total DTL | 299.88 | 610.63 | 3.31 | 913.82 |
| Deferred Tax Assets on account of: | Opening Balance | Recognised in P&L / OCI | Recognised in Equity | Closing Balance |
| Deferred Revenue -Ind AS 115 | (38.25) | (5.30) | - | (43.55) |
| Government grants | (0.17) | 0.18 | - | 0.01 |
| Other non-current financial assets | (22.90) | (12.00) | - | (34.90) |
| Other financial assets | (0.35) | (1.61) | - | (1.96) |
| Unabsorbed Depreciation | (102.16) | (556.62) | - | (658.78) |
| 43B Items | (1.55) | (0.05) | - | (1.60) |
| Total DTA | (165.38) | (575.40) | - | (740.78) |
| Net amount recognised in P&L | | 35.72 | | |
| Net amount recognised in OCI | | (0.49) | | |
| For year ended 31st March, 2022 | | | | |
| Deferred Tax Liability on account of: | Opening Balance | Recognised in P&L / OCI | Recognised in Equity | Closing Balance |
| Property, plant and equipment | 188.99 | 83.28 | - | 272.27 |
| EIR impact on borrowings | 4.63 | - | - | 4.63 |
| Finance Lease Receivable | 17.92 | (0.34) | - | 17.58 |
| Other financial liabilities | 0.26 | 5.36 | - | 5.62 |
| Other comprehensive income | (0.05) | (0.17) | - | (0.22) |
| Total DTL | 211.75 | 88.13 | - | 299.88 |
| Deferred Tax Assets on account of: | Opening Balance | Recognised in P&L / OCI | Recognised in Equity | Closing Balance |
| Deferred Revenue -Ind AS 115 | (32.90) | (5.35) | - | (38.25) |
| Government grants | (0.48) | 0.31 | - | (0.17) |
| Other non-current financial assets | (22.71) | (0.19) | - | (22.90) |
| Other financial assets | - | (0.35) | - | (0.35) |
| Unabsorbed Depreciation | (92.55) | (9.61) | - | (102.16) |
| 43B Items | (1.96) | 0.41 | - | (1.55) |
| Total DTA | (150.60) | (14.78) | - | (165.38) |
| Net amount recognised in P&L | | 73.51 | | |
| Net amount recognised in OCI | | (0.17) | | |



Tata Power Renewable Energy Limited
Notes forming part of the Standalone Financial Statements

23. Other Non-current Liabilities

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|--|---------------------------------------|---------------------------------------|
| (i) Deferred Revenue | | |
| - Opening | 162.04 | 141.22 |
| - Add: Additions during the year | 20.93 | 20.82 |
| - Closing balance | <u>182.97</u> | <u>162.04</u> |
| Total Other Non-current Liabilities | <u>182.97</u> | <u>162.04</u> |

24. Current Borrowings

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Unsecured - At Amortised Cost | | |
| From Related Parties | | |
| Walwhan Renewable Energy Limited | - | 396.98 |
| TP Kinnali Limited | - | 46.59 |
| The Tata Power Company Limited | - | 550.81 |
| Maithon Power Limited | - | 57.00 |
| From Banks | | |
| Buyer's Line of Credit | - | 7.76 |
| Short Term Loans | 200.00 | 16.90 |
| From Others | | |
| Commercial Paper | 1,017.33 | 796.19 |
| | <u>1,217.33</u> | <u>1,872.23</u> |

Current Maturities of Long-term Debt (Refer Note 19)

| | | |
|------------------------------------|-----------------|-----------------|
| Unsecured | | |
| (a) Debentures | - | 535.52 |
| Secured - At Amortised Cost | | |
| (a) Debentures | 105.00 | 32.50 |
| (b) Term Loans from banks | 605.21 | 329.76 |
| (c) Term Loans from Others | 28.40 | 18.57 |
| | <u>738.61</u> | <u>916.35</u> |
| Total | <u>1,955.94</u> | <u>2,788.58</u> |

Note

| Interest rate range | 31st March, 2023 | 31st March, 2022 |
|--------------------------|------------------|------------------|
| Loans from Related party | 5.49% to 7.20% | 5.49% to 7.20% |
| Loans from Banks | 6.70% to 10.25% | 4.65% to 8.20% |
| Commercial Paper | 4.06% to 8.05% | 3.55% to 4.43% |

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25. Other Financial Liabilities

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|---|---------------------------------------|---------------------------------------|
| Non-current | | |
| Payable for capital supplies and services | - | 2.78 |
| Total | - | 2.78 |
| Current | | |
| (a) Interest accrued but not due on Borrowings | 81.56 | 96.76 |
| (b) Payables for capital supplies and services | 97.19 | 233.95 |
| (d) Financial Liabilities towards Walwhan acquisition | 16.93 | 16.93 |
| (e) Payable towards BTA | - | 172.70 |
| (f) Others | 3.19 | - |
| Total | 198.87 | 520.34 |

26. Other Current Liabilities

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|------------------------------|---------------------------------------|---------------------------------------|
| Statutory Liabilities | 7.66 | 12.56 |
| Other Liabilities | - | 2.52 |
| Deferred Revenue Liabilities | 11.44 | - |
| | 19.10 | 15.08 |

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27. Trade Payables

| | As at 31st March, 2023 ₹ Crores | As at 31st March, 2022 ₹ Crores |
|---|---------------------------------------|---------------------------------------|
| Current | | |
| Outstanding dues of micro enterprises and small enterprises | 3.30 | 1.43 |
| Outstanding dues of trade payables other than micro enterprises and small enterprises | 134.23 | 106.53 |
| Total | 137.53 | 107.96 |

Trade Payables Ageing schedule as at 31st March, 2023

| Particulars | Outstanding for following periods from due date of payment # | | | | | | | Total |
|--------------------------------------|--|---------|--------------------|-------------------|-----------|-----------|-------------------|--------|
| | Unbilled Not Due | Not Due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Payables | | | | | | | | |
| a) MSME | - | 1.69 | 1.07 | 0.46 | 0.08 | - | - | 3.30 |
| b) Others | 72.13 | 17.74 | 29.74 | 4.21 | 3.44 | 5.19 | 1.78 | 134.23 |
| (ii) Disputed Trade Payables | | | | | | | | |
| a) MSME | - | - | - | - | - | - | - | - |
| b) Others | - | - | - | - | - | - | - | - |

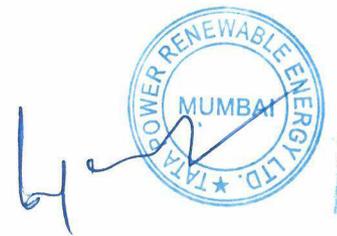
Where due date of payment is not available date of transaction has been considered

Trade Payables Ageing schedule as at 31st March, 2022

| Particulars | Outstanding for following periods from due date of payment # | | | | | | | Total |
|--------------------------------------|--|---------|--------------------|-------------------|-----------|-----------|-------------------|--------|
| | Unbilled Not Due | Not Due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Payables | | | | | | | | |
| a) MSME | - | - | 1.27 | 0.09 | 0.07 | - | - | 1.43 |
| b) Others | 21.36 | 52.37 | 15.59 | 5.87 | 8.63 | 1.51 | 1.20 | 106.53 |
| (ii) Disputed Trade Payables | | | | | | | | |
| a) MSME | - | - | - | - | - | - | - | - |
| b) Others | - | - | - | - | - | - | - | - |

Where due date of payment is not available date of transaction has been considered

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28. 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 customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

A. Sale of power

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the contracted rate. The transaction price is adjusted for significant financing component, if any and the adjustment is accounted as finance cost.

As per Ind AS 115, the Company has identified supply of power over the term of PPA as a single performance obligation and is recognizing revenue over time using a single measure of progress.

Variable Consideration forming part of the total transaction price including compensation on account of change in law will be allocated and recognised when the terms of variable payment relate specifically to the Company's efforts to satisfy the performance obligation i.e. in the year of occurrence of event linked to variable consideration.

B. Delayed payment charges

The Company has adopted a policy to recognize Delayed Payment Charges (DPC) on accrual basis based on contractual terms and an assessment of certainty of realization which could be based either an acknowledgement of the charges by the concerned customer or on receipt of favourable order from regulatory or statutory body.

Consumers are billed on a monthly basis and are given average credit period of 15 to 45 days for payment. No DPC is charged for the initial 30 days from the date of receipt of invoice by customers. Thereafter, DPC is charged at the rate prescribed by the Power Purchase Agreement on the outstanding balance once the dues are received.

C. Unbilled Revenue

Unbilled revenue represents services rendered by the Company but not invoiced as at balance sheet date. The Company presents such unbilled revenue as financial asset if it has unconditional right to receive and billing is dependent only on the passage of time. If unconditional right to receive does not exist, then amount is presented as non-financial asset.

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Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

28. Revenue from Operations (contd.)
(Refer note 44, 46, 47 & 48)

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|---|--|--|
| (a) Revenue from contract with customers | | |
| Revenue from Power Supply | 1,568.29 | 1,368.19 |
| Less: Rebate / Discount | (6.11) | (4.68) |
| | 1,562.18 | 1,363.51 |
| (b) Income from Finance Lease | 7.96 | 8.52 |
| | 7.96 | 8.52 |
| (c) Other Operating Revenue | | |
| Generation Based Incentive | 24.59 | 24.66 |
| Sale of REC Certificate | 9.29 | 2.48 |
| Compensation Earned | - | 18.28 |
| Rental of Land, Building, Plant & Equipment etc. | 3.95 | 3.93 |
| Amortisation of Deferred Grant | 0.62 | 1.23 |
| Miscellaneous Revenue | 0.08 | 5.39 |
| | 38.53 | 55.97 |
| Total | 1,608.67 | 1,428.00 |
| Details of Revenue from contract with Customers | | |
| Revenue from Power Supply (net of cash discount) | 1,562.18 | 1,363.51 |
| Income from Finance Lease | 7.96 | 8.52 |
| Income from operating lease of Land and Plant & Equipment | 3.95 | 3.93 |
| Total Revenue from contract with customers | 1,574.09 | 1,375.96 |
| Add : Significant financing component | 18.69 | 16.51 |
| Add : Cash Discount/Rebates etc. | 6.11 | 4.68 |
| Total Revenue as per contracted price | 1,598.89 | 1,397.15 |

Disclosure on Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

The aggregate value of performance obligations that are partially unsatisfied other than those meeting the exclusion criteria mentioned above is as given below :

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|-----------------|--|--|
| Within one year | 65.91 | 61.83 |
| Beyond one year | 952.68 | 931.28 |
| Total | 1,018.59 | 993.11 |



29. Other Income

Accounting Policy**Dividend and Interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|---|--|--|
| (a) Interest Income | | |
| On Financial Assets held at Amortised Cost | | |
| Interest on Banks Deposits | 25.63 | 0.35 |
| Interest on Overdue Trade Receivables (Refer Note 45) | 30.12 | - |
| Interest on Income-tax Refund | 0.44 | - |
| Interest on loans to Subsidiaries | 99.82 | 37.73 |
| Interest on change in law claim | 10.07 | - |
| | 166.08 | 38.08 |
| (b) Dividend Income | | |
| From Non-current Investments | | |
| Subsidiaries | - | 6.80 |
| | - | 6.80 |
| (c) Gain on Investments | | |
| Gain on fair value/sale of Current Investment measured at FVTPL | 55.44 | 1.03 |
| | 55.44 | 1.03 |
| (d) Other Non-operating Income | | |
| Miscellaneous Income | 1.11 | 87.10 |
| | 1.11 | 87.10 |
| Total | 222.63 | 133.01 |

30. Employee Benefits Expense

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|--|--|--|
| Salaries, Wages and Bonus | 64.49 | 35.43 |
| Contribution to Provident Fund | 2.13 | 1.30 |
| Contribution to Superannuation Fund | 0.06 | 0.14 |
| Retiring Gratuities | 1.06 | 1.21 |
| Leave Encashment | 1.10 | 0.96 |
| Pension | 0.90 | 0.63 |
| Staff Welfare Expenses | 5.63 | 3.29 |
| Total Employee Benefits Expense | 75.37 | 42.96 |



Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

31. Finance Costs

Accounting Policy

Borrowing Costs

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

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

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|--|---|---|
| (a) Interest Expense: | | |
| Borrowings | | |
| Interest on Debentures | 97.27 | 112.59 |
| Interest on Loans - Banks & Financial Institutions | 478.98 | 273.69 |
| Interest on Loans - Related party | 51.32 | 64.87 |
| Interest on Commercial Paper | 98.57 | 36.23 |
| Others | | |
| Interest on Lease Liability | 11.87 | 8.41 |
| Other Interest and Commitment Charges | 13.16 | 0.02 |
| | 751.17 | 495.81 |
| Less: Interest Capitalised | - | (15.68) |
| | 751.17 | 480.13 |
| (b) Other Borrowing Cost: | | |
| Other Finance Costs | 28.10 | 41.14 |
| | 28.10 | 41.14 |
| | 779.27 | 521.27 |

Note : The weighted average capitalisation rate on the Company's general borrowings is Nil (6.12% per annum for 31st March, 2022)

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32. Other Expenses

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|--|--|--|
| Consumption of Stores, Oil, etc. | 0.98 | 0.32 |
| Rental of Land, Buildings, Plant and Equipment, etc. | 0.13 | 0.19 |
| Repairs and Maintenance | | |
| (i) To Buildings and Civil Works | 4.27 | 0.68 |
| (ii) To Machinery and Hydraulic Works | 166.05 | 140.44 |
| (iii) To Furniture, Vehicles, etc. | 10.49 | 0.19 |
| Insurance | 15.65 | 11.40 |
| Cost of Services Procured | 14.69 | 7.01 |
| Electricity Consumed | 8.81 | 3.61 |
| Legal Charges | 6.75 | 8.14 |
| Other Fees | 6.68 | 4.73 |
| Consultants' Fees | 4.61 | 2.18 |
| Other Operational Expenses | 39.82 | 26.84 |
| Rates and Taxes | 3.59 | 0.97 |
| Travelling and Conveyance Expenses | 8.23 | 3.17 |
| Business Development Expenditure | 1.63 | 0.01 |
| Auditors' Remuneration [Refer note (i) below] | 0.59 | 0.50 |
| Provision for Doubtful Debts and Advances (Net) | 6.40 | 1.82 |
| Net Loss/Gain on Foreign Exchange | 0.07 | 0.01 |
| Lease Rental | 2.05 | 1.32 |
| Corporate Social Responsibility Expenses [Refer note (ii) below] | 1.81 | 0.75 |
| Tata Brand Equity | 4.27 | 3.53 |
| Director's Fee | 0.19 | 0.11 |
| Loss on Disposal of Property, Plant and Equipment (Net) | 0.09 | - |
| Miscellaneous Expenses | 5.76 | 7.08 |
| Total | 313.61 | 225.00 |

(i) Payment to the auditors comprises (Inclusive of Goods & Service Tax):

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|---------------------------|--|--|
| Statutory Audit | 0.34 | 0.34 |
| For Taxation Matters | 0.06 | 0.05 |
| For Other Services | 0.18 | 0.10 |
| Reimbursement of Expenses | 0.01 | 0.01 |
| Total | 0.59 | 0.50 |

(ii) Corporate Social Responsibility Expenses

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|--|--|--|
| Contribution to Tata Power Community Development Trust | 1.42 | 0.75 |
| Expenses incurred by the Company | 0.09 | - |
| Total | 1.51 | 0.75 |
| Opening provision for amount unspent in previous year | - | - |
| Amount required to be spent for current year as per section 135 of the Act | 1.81 | 0.75 |
| Total amount to be spent | 1.81 | 0.75 |
| Amount spent during the year on: | | |
| (a) Construction/Acquisition of asset | - | - |
| (b) On purposes other than (a) above | | |
| For the current year | 1.51 | 0.75 |
| (c) Amount unspent during the year | 0.30 | - |

The Company is in the process of depositing the unspent CSR amount in separate bank account.

In financial year ended 31st March, 2023, the Company had undertaken various CSR initiatives and projects primarily in the areas of Education (science based learning), Financial Inclusivity (linkages with Government schemes), Employability / Employment (vocational training and skilling) and Entrepreneurship (micro-enterprises).



33. Contingent Liabilities:

Accounting Policy

Contingent liabilities are disclosed in the Standalone Ind AS Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

(A) In respect of tax matters

(a) As at 31st March, 2023, there is a demand of ₹ 0.55 crores (₹ 0.55 crores as on 31st March, 2022) related to VAT Assessment for FY 2013-14. The Company has filed an appeal against the aforesaid order. Awaiting fresh hearing notice as Appeal case has been transferred to other Appellate Authority.

(b) The department has disallowed ₹ 0.67 crores of refund due to the company for VAT Assessment for FY-2014-15. The Company has filed appeal against the said order.

The Company is of the view that it has a good case with likelihood of liability / any loss arising out of these tax matters being remote. Accordingly, pending settlement of the tax dispute, no adjustment has been made in the Standalone Financial Statements for the year ended 31st March, 2023.

(B) In respect of other matters

(a) Bank Guarantee issued ₹ 737.08 crores (including ₹ 394.07 crores of performance guarantee of the Company) as on 31st March, 2023 (31st March, 2022 ₹ 196.50 crores including ₹ 90.74 crores of performance guarantee of the Company). Further, the Company has also issued guarantees on behalf of subsidiaries which is as follows:-

| Guarantee given on behalf of :- | ₹ Crores | Type of Guarantee |
|--|---------------|-----------------------|
| TP Saurya Limited (31st March, 2022 - ₹ Nil) | 116.64 | Performance guarantee |
| TP Saurya Limited (31st March, 2022 - ₹ Nil) | 0.04 | Financial guarantee |
| TP Solar Limited (31st March, 2022 - ₹ Nil) | 16.00 | Performance guarantee |
| TP Arya Surya Limited (31st March, 2022 - ₹ Nil) | 2.73 | Performance guarantee |
| Walwhan Renewable Energy Limited (31st March, 2022 - ₹ 15.10 crores) | 15.10 | Performance guarantee |
| Total | 150.51 | |

(b) The Code on Social Security 2020 has been notified in the Official Gazette on 29th September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are notified.

(c) The Company have acquired private land for setting up solar power plants. In certain cases, these acquisitions have been challenged on grounds such as unauthorised encroachment, inadequate compensation, seller not entitled to transact and/or consideration has not been paid to all legal/ beneficial owners. In these cases, the Company has not received any demand for additional payment and these cases are pending at District Court/ High Court Level. The Management believes that the Company has a strong case and outflow of economic resources is not probable.

34. Commitments :

(a) Estimated amount of contracts remaining to be executed (net of capital advance) on Capital account and not provided for ₹ 447.40 crores (31st March, 2022 : ₹ 65.39 crores).

(b) WREL has taken credit facility of ₹ 2,186.00 crores from State Bank of India. Against this facility of WREL, the Company has undertaken that it shall, without recourse to any of the assets of the WREL, bring in additional funds to meet any shortfall in debt servicing obligations of the WREL on account of any downward revision / re-negotiation in the tariff.



35. Related Party Transactions:

Disclosure as required by Indian Accounting Standard 24 (IND AS-24) "Related Party Disclosures" as notified under the Companies (Accounts) Rules, 2014

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

| Name of the Related Party | Country of Origin |
|--|-------------------|
| Holding Company | |
| The Tata Power Company Limited (TPCL) | India |
| Investor | |
| Green Forest New Energies Bidco Ltd. (UK) w.e.f 18th August 2022 (Refer Note 42e & 42f) | UK |
| Subsidiaries | |
| Walwhan Renewable Energy Limited and its subsidiaries (WREL) | India |
| TP Wind Power Limited (TPWPL) | India |
| Poolavadi Windfarm Limited (PWL) | India |
| Vagarai Windfarm Limited (VWL) | India |
| Nivade Windfarm Limited (NWL) | India |
| TP Kinnali Limited (TPKL) | India |
| TP Solapur Limited (TPSL) | India |
| Tata Power Green Energy Limited (TPGEL) (w.e.f. 8th August, 2022) | India |
| Tata Power Solar Systems Limited (TPSSL) (w.e.f. 8th August, 2022) | India |
| Chirasthaayee Saurya Limited (CSL) (w.e.f. 8th August, 2022) | India |
| TP Solapur Saurya Limited (TP Solapur Saurya) (w.e.f. 8th August, 2022) | India |
| TP Kinnali Solar Limited (TPKSL) (w.e.f. 8th August, 2022) | India |
| TP Solapur Solar Limited (TP Solapur Solar) (w.e.f. 8th August, 2022) | India |
| TP Akkalkot Renewable Limited (TPARL) (w.e.f. 8th August, 2022) | India |
| Supa Windfarm Limited (SWL) (w.e.f. 8th August, 2022) | India |
| TP Roofurja Renewable Limited (TPRRL) (w.e.f. 8th August, 2022) | India |
| TP Saurya Limited (TP Saurya) (w.e.f. 8th August, 2022) | India |
| TP Green Nature Limited (TPGNL) (incorporated on 5th August, 2022) | India |
| TP Nanded Limited (TPNL) (incorporated on 4th July, 2022) | India |
| TP Solar Limited (TP Solar) (incorporated on 29th June, 2022) | India |
| TP Vardhaman Surya Limited (TPVSL) (incorporated on 12th January, 2023) | India |
| TP Vivagreen Limited (TPVL) (incorporated on 13th January, 2023) | India |
| TP Bhaskar Renewables Limited (TPBRL) (incorporated on 28th December, 2022) | India |
| TP Govardhan Creative Limited (TPGCL) (incorporated on 28th December, 2022) | India |
| TP Narmada Solar Limited (TPNSL) (incorporated on 27th December, 2022) | India |
| TP Kaunteya Saurya Limited (TP Kaunteya) (incorporated on 11th January, 2023) | India |
| TP Saurya Bandita Limited (TPSBL) (incorporated on 9th September, 2022) | India |
| TP Adhrit Solar Limited (TPASL) (incorporated on 2nd September, 2022) | India |
| TP Arya Saurya Limited (TP Arya Saurya) (incorporated on 6th September, 2022) | India |
| TP Ekadash Limited (TPEL) (incorporated on 14th September, 2022) | India |
| TP Atharva Solar Limited (TP Atharva) (incorporated on 28th December, 2022) | India |
| Fellow Subsidiaries (where transactions have taken place) | |
| Tata Power Solar Systems Limited (TPSSL) (upto 8th August, 2022) | India |
| Tata Power Green Energy Limited (TPGEL) (upto 8th August, 2022) | India |
| Maithon Power Limited (MPL) | India |
| Tata Power Trading Company Limited (TPTCL) | India |
| Chirasthaayee Saurya Limited (CSL) (upto 8th August, 2022) | India |
| TP Saurya Limited (TP Saurya) (upto 8th August, 2022) | India |
| TP Akkalkot Renewable Limited (TPARL) (upto 8th August, 2022) | India |
| TP Kinnali Solar Limited (TPKSL) (upto 8th August, 2022) | India |
| TP Solapur Solar Limited (TP Solapur Solar) (upto 8th August, 2022) | India |
| TP Renewable Microgrid Limited (TPRML) | India |
| Tata Power Western Odissa Distribution Limited (TPWODL) | India |
| Others (where transactions have taken place) | |
| Tata Sons Private Limited (Promoter of the Holding Company) (Tata Sons) | India |
| Tata AIG General Insurance Company Limited (Subsidiary of Tata Sons Private Limited) (Tata AIG) | India |
| Tata Communications Limited (Subsidiary of Tata Sons Private Limited) (TCL) | India |
| Tata Consultancy Services Limited (Subsidiary of Tata Sons Private Limited) (Tata Consultancy) | India |
| Tata Capital Financial Services Limited (Subsidiary of Tata Sons Private Limited) (TCFSL) | India |
| Tata Consulting Engineering Limited (Subsidiary of Tata Sons Private Limited) (TCEL) | India |
| Niskalp Infrastructure Services Limited (Subsidiary of Tata Sons Private Limited) (NISL) | India |
| Tata Toyo Radiator Limited (Subsidiary of Tata Autocomp Systems Limited) (TTRL) | India |
| Tata Lockheed Martin Aerostructures Limited (Joint Venture of Tata Advanced Systems Limited) (TLMAL) | India |
| Tata Autocomp Systems Limited (Subsidiary of Tata Sons Private Limited) (TACO) | India |
| Key Management Personnel & Directors | |
| Ashwinikumar Patil (ceased to be Chief Executive Officer w.e.f. 8th August, 2022) | India |
| Ashish Khanna - (Chief Executive Officer w.e.f. 9th August, 2022) | India |
| Jeraz Mahernosh (Company Secretary w.e.f. 9th August, 2022) | India |
| Amey Naik (ceased to be CFO w.e.f. 31st January, 2022) | India |
| Jyoti Kumar Agarwal (CFO w.e.f. 3rd October, 2022) | India |
| Behram Mehta (ceased to be CFO w.e.f. 2nd October, 2022) | India |
| Mona Purandare (ceased to be Company Secretary w.e.f. 31st October, 2021) | India |
| Poonam Shirke (Company Secretary w.e.f. 1st November, 2021 upto 18th July, 2022) | India |
| Dr. Praveer Sinha - Non Executive Director (w.e.f. 18th October, 2022) | India |
| Sanjay Bhandarkar - Independent and Non Executive Director | India |
| Ramesh Subramanyam - Non Independent and Non Executive Director (ceased to be Director w.e.f. 6th January, 2022) | India |
| Sanjeev Churiwala - (ceased to be Director w.e.f. 19th October, 2022) | India |
| Anjali Bansal - Independent and Non Executive Director (w.e.f. 18th October, 2022) | India |
| Rajiv Mehrishi - Independent and Non Executive Director (w.e.f. 18th October, 2022) | India |
| Saurabh Agrawal - (Non-Executive Director and Chairman of the Board w.e.f. 18th October, 2022) | India |
| Eduard Ruljs - (Non-Executive Director w.e.f. 18th October, 2022) | Netherlands |
| Dr. Aditi Raja - (ceased to be Independent and Non Executive Director w.e.f. 19th October, 2022) | India |



35. Related Party Transactions (contd.)

(b) Details of Transactions / Balances Outstanding:

| Particulars | ₹ Crores | | | | | | | | | | | | | |
|---|----------------------|------------------|----------------|------------------|-----------------|--------------|------------------|--------------|----------------|--------------------|--------|---------------|----------|-------|
| | TPCL | WREL | TPWPL | VWL | PWL | NWL | TPKL | TPSL | CSL | TPSSL | TPWODL | MPL | TP Solar | TPRRL |
| Operation / Project Management Service expenses | 14.59 0.42 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Guarantee commission | 1.82 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Receiving of Services | 2.60 1.01 | - | - | - | - | - | - | - | - | 36.81 21.84 | - | - | - | - |
| Other Income | - | - | - | - | 2.63 2.63 | - | - | - | - | - | - | - | - | - |
| Purchase of Fixed asset | - | - | - | - | - | - | - | - | - | 218.24 1835.84* | - | - | - | - |
| Guarantees taken including corporate guarantee | 7.76 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Guarantees returned including corporate guarantee | 1,168.23 202.02 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Expenditure | 14.48 53.49 | 34.62 11.37 | - | - | - | - | 0.03 0.01 | - | - | - | - | 2.19 | - | - |
| Interest Income | - | 5.29 | 1.11 3.48 | 11.39 11.91 | 5.08 6.09 | 0.15 | 12.52 2.55 | 5.04 | 4.51 5.29 | 0.60 | - | 3.89 | - | - |
| Interest Expense on deferment of capex payments | - | - | - | - | - | - | - | - | - | 0.68 13.98 | - | - | - | - |
| Dividend Received | - | 6.80 | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings Received | 10.00 1,955.32 | 760.14 463.75 | - | - | - | - | 46.59 | - | - | - | - | 222.70 57* | - | - |
| Borrowings Repaid (including conversion in equity) | 1,010.81 1,744.12 | 306.32 492.81 | - | - | - | - | 46.59 | - | - | - | - | 222.70 | - | - |
| Investment in equity | - | - | - | 0.03 | - | 5.21 | - | - | - | - | - | - | 0.05 | 0.05 |
| Sale of Investment in equity | - | - | - | 0.05 | - | 0.01 | - | - | - | - | - | - | - | - |
| Right Issue of shares to TPCL | 5,160.00 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of investment from TPCL | 1,058.04 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Repayment of Unsecured perpetual securities | 3,895.00 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Business Undertaking as per BTA(Net) | 162.39 51.96 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Power (Net of discount) | 234.78 171.36 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loans given or assigned | 2.17 | 500.00 | 4.80 19.80 | 1.65 12.93 | 158.48 53.05 | 17.43 | 425.09 162.83 | 155.73 | - | 105.00 | - | - | 335.87 | - |
| Loans given (received back) | 2.17 | 500.00 | 46.56 33.84 | 8.92 7.40 | 19.75 25.20 | 0.34 | 61.19 173.58 | 9.20 | 19.80 | 105.00 | - | 0.90 | - | - |
| Transfer in of Employee benefit liability from | 9.99 3.34 | 0.08 0.26 | - | - | - | - | - | - | - | 0.06 0.07 | - | 0.01 | - | - |
| Transfer out of Employee benefit liability to | 0.10 0.02 | 0.15 0.02 | - | - | - | - | - | - | - | 0.64 0.04 | - | 0.29 | - | - |
| Expenses incurred on behalf of | - | 0.03 | - | - | - | - | - | - | - | 0.00 | - | - | - | - |
| Balance Outstanding | | | | | | | | | | | | | | |
| Loans taken (including interest thereon) | 1,000.82 | 850.80 396.99 | - | - | - | - | 0.00 46.59 | - | - | - | - | 57* | - | - |
| Perpetual securities outstanding | 3,895.00 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan given outstanding (including interest accrued thereon) | - | - | 1.51 43.16 | 119.40 129.25 | 197.38 58.65 | 17.09 | 366.37 | 151.06 | 60.79 59.70 | - | - | - | 338.46 | - |
| Purchase of Business Undertaking as per BTA | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Payables | 32.35 2.37 | 0.10 | - | - | - | - | 0.00 | - | - | 81.69 236.27* | 0.24 | 0.03 | - | - |
| Other Receivable | 82.46 82.87 | 0.01 0.08 | 0.07 0.07 | 0.01 0.01 | 0.38 5.74 | 0.06 0.03 | 0.31 0.31 | 2.07 0.20 | - | - | - | - | 36.89 | - |
| Fair value of corporate guarantee | 5.00 5.00 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Guarantees given on behalf of TPREL | 1,639.43 2,807.66 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Bank Guarantees given on behalf of | - | 15.10 15.10 | - | - | - | - | - | - | - | - | - | - | 16.00 | - |

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35. Related Party Transactions (contd.)

(b) Details of Transactions / Balances Outstanding:

| Particulars | ₹ Crores | | | | | | | | | | | |
|---|----------|-------|-------|------------------|-----------|-------|------|----------|------|------------------|-----------|--------------------------|
| | TPGEL | TPKSL | TPTCL | TP Solapur Solar | TP Saurya | TPARL | TACO | Tata AIG | TCL | Tata Consultancy | Tata Sons | Key Management Personnel |
| Receiving of Services | - | - | - | - | - | - | - | 5.79 | - | 0.07 | - | - |
| | - | - | - | - | - | - | - | 10.56 | 0.12 | 0.19 | - | - |
| Other Income | - | 0.18 | - | 0.14 | - | - | - | 22.56 | - | - | - | - |
| | - | 0.18 | - | 0.14 | - | - | - | 24.99 | - | - | - | - |
| Interest Income | 17.37 | 0.17 | - | 0.35 | 35.84 | 1.07 | - | - | - | - | - | - |
| | 2.81 | - | - | - | 0.30 | - | - | - | - | - | - | - |
| Sale of Power | - | - | - | - | - | - | 1.78 | - | - | - | - | - |
| | - | - | 0.56* | - | - | - | 2.20 | - | - | - | - | - |
| Investment in Equity | - | - | - | 9.48 | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of investment in Equity | - | - | - | - | - | - | - | - | 0.01 | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| Loans given or assigned | 459.59 | 9.06 | - | 10.31 | 1,007.49 | 27.36 | - | - | - | - | - | - |
| | 51.20 | - | - | - | 32.85 | - | - | - | - | - | - | - |
| Loans given (received back) | 117.11 | 7.42 | - | 3.85 | 4.36 | 3.02 | - | - | - | - | - | - |
| | 0.79 | - | - | - | - | - | - | - | - | - | - | - |
| Expenses incurred on behalf of | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | 0.15 | - | - | - | - | - | - |
| Remuneration * | - | - | - | - | - | - | - | - | - | - | - | 5.66 |
| | - | - | - | - | - | - | - | - | - | - | - | 2.84 |
| Tata Brand Equity | - | - | - | - | - | - | - | - | - | - | 3.44 | - |
| | - | - | - | - | - | - | - | - | - | - | 3.08 | - |
| Balance Outstanding | | | | | | | | | | | | |
| Loan given outstanding (including interest accrued thereon) | 393.65 | 1.71 | - | 6.65 | 1,066.45 | 25.10 | - | - | - | - | - | - |
| | 50.41 | - | - | - | 33.12 | - | - | - | - | - | - | - |
| Other Payables | - | - | 0.35 | - | - | - | - | - | - | 0.00 | 4.07 | - |
| | - | - | 0.01* | - | - | - | - | - | 0.12 | 0.07 | 3.14 | - |
| Other Receivable | 0.86 | 0.18 | 0.24 | 0.08 | - | 0.01 | 0.01 | 0.55 | - | - | - | - |
| | 0.01 | 0.51 | 0.43* | 0.31 | - | 0.01 | 0.26 | 0.49 | - | - | - | - |
| Bank Guarantees given on behalf of | - | - | - | - | 116.68 | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |

*Restated (Refer note 42a)

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

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35. Related Party Transactions (contd.)

(b) Details of Transactions / Balances Outstanding:

| Particulars | ₹ Crores | | | | | | | | | | |
|--|----------|---------------|------------|-------------|-------|------|----------------|-------|------|-------|-------|
| | TCEL | TCFSL | TP Atharva | TP Kaunteya | TPVSL | TPEL | TP Arya Saurya | TPNSL | TPVL | TPBRL | TPGCL |
| Receiving of Services | 1.55 | 0.02 0.02* | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | - | - |
| Investment in equity | - | - | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
| Transfer in of Employee benefit liability from | - | - | - | - | - | - | - | - | - | - | - |
| Transfer out of Employee benefit liability to | - | - | - | - | - | - | - | - | - | - | - |
| Balance Outstanding | | | | | | | | | | | |
| Other Receivable | 1.27 | - | - | - | - | - | 0.07 | - | - | - | - |
| Bank Guarantees given on behalf of | - | - | - | - | - | - | 2.73 | - | - | - | - |

*Restated (Refer note 42a)

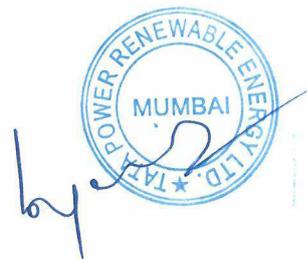
(b) Details of Transactions / Balances Outstanding:

| Particulars | ₹ Crores | | | | | | | | |
|---|----------|------|-------------------|-------|-------|-------|------|------|-------|
| | TPGNL | TPNL | TP Solapur Saurya | TPASL | SWL | TPRML | NISL | TTRL | TLMEL |
| Interest Income | 0.27 | - | 0.48 | - | - | - | - | - | - |
| Investment in Equity | 18.70 | 0.05 | 0.05 | 0.05 | 10.82 | - | - | - | - |
| Sale of Power | - | - | - | - | - | - | - | 0.52 | 0.30 |
| Sale of investment in Equity | 0.01 | 0.01 | 0.01 | - | - | - | - | - | - |
| Loans given or assigned | 51.53 | - | 55.84 | - | - | - | - | - | - |
| Loans given (received back) | - | - | - | - | - | - | - | - | - |
| Transfer in of Employee benefit liability from | - | - | - | - | - | 0.16 | - | - | - |
| Transfer out of Employee benefit liability to | - | - | - | - | - | - | - | - | - |
| Contribution to Employee Benefit Plans | - | - | - | - | - | - | - | - | - |
| Balance Outstanding | | | | | | | | | |
| Loan given outstanding (including interest accrued thereon) | 51.77 | - | 56.32 | - | - | - | - | - | - |
| Other Receivable | 0.08 | - | - | - | - | - | - | 0.04 | - |

*Restated (Refer note 42a)

Note: Previous period figures are in Italics. Comparative period of the movement is for the year 01st April, 2021 to 31st March, 2022 and closing balance is for the year ended 31st March, 2022.

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Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

36. Tax expense reconciliation

Accounting Policy

(i) 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.

Income taxes recognised in the statement of profit and loss

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|---|---|---|
| Current tax - in respect of the previous years | (18.68) | - |
| Deferred Tax - in respect of current year | 32.67 | 73.51 |
| Deferred Tax - in respect of previous years | 3.05 | - |
| Total income tax expense recognised in statement of profit or loss | 17.04 | 73.51 |

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

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|---|---|---|
| Profit before tax | 113.10 | 249.05 |
| Income tax expense calculated at 25.17% | 28.47 | 62.69 |
| Effect of expenses that are not deductible in determining taxable profit | 3.46 | 7.30 |
| Effect of Tax on items pertaining to earlier period (Refer note 3 below) | (18.68) | - |
| Effect of movement of tax on which no deferred tax was recognised or adjustment arising in current year | 3.05 | 0.14 |
| Effect of tax on other Items | 0.74 | 3.38 |
| Income tax expense recognised in statement of profit or loss | 17.04 | 73.51 |

1. The tax rate used for the year 2022-23 and 2021-22 is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under the Indian tax law.
2. The rate used for calculation of deferred tax is 25.17% for 2022-23 and 2021-22.
3. During the year, the Company has assessed the chances of reassessment of past assessment years and basis that reversed the provision pertaining to earlier years amounting to Rs 18.68 crores.

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36. Tax expense reconciliation (contd.)

(ii) Deferred Tax

Accounting Policy

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 (DTL) 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.

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 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.

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|----------------------------------|--|--|
| Deferred tax | | |
| In respect of the current year | 32.67 | 73.51 |
| In respect of the previous years | 3.05 | - |
| | 35.72 | 73.51 |

Deferred tax recognised in other comprehensive income

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|---------------------------------------|--|--|
| Remeasurement of Defined Benefit Plan | 0.49 | 0.17 |
| Total | 0.49 | 0.17 |

The space has been left blank intentionally.



37. Earnings per Share:

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Basic and Diluted | | |
| Net profit for the year attributable to equity shareholders for Basic EPS (₹ crores) | 96.06 | 175.54 |
| Net profit for the year attributable to equity shareholders for Diluted EPS (₹ crores) | 105.15 | 175.54 |
| Weighted Average Number of Equity Shares for Basic EPS (Nos) | 1,25,90,12,864 | 1,04,51,07,715 |
| Weighted Average Number of Equity Shares for Diluted EPS (Nos) | 1,26,63,44,632 | 1,04,51,07,715 |
| Par value per equity share (₹) | 10.00 | 10.00 |
| Basic Earnings per share (₹) | 0.76 | 1.68 |
| Diluted Earnings per share (₹) | 0.76 | 1.68 |

Note: Diluted EPS is anti dilutive and hence diluted EPS is same as Basic EPS.

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38. Financial Instruments

(a) (i) Fair Value

The carrying value of financial instruments by categories as of 31st March, 2023 is as follows:

| Particulars | ₹ crores | | | | |
|---|------------------------------------|------------------------|------------------|----------------------|------------------|
| | Fair Value through Profit and Loss | Fair Value through OCI | Amortised Cost | Total Carrying Value | Fair Value |
| Assets : | | | | | |
| Cash and Cash Equivalents | - | - | 306.46 | 306.46 | 306.46 |
| Trade Receivables | - | - | 424.31 | 424.31 | 424.31 |
| Unbilled Revenue | - | - | 129.67 | 129.67 | 129.67 |
| Investments (mutual funds) | 341.49 | - | - | 341.49 | 341.49 |
| Other balances with banks | - | - | 2,529.01 | 2,529.01 | 2,529.01 |
| Loans | - | - | 2,805.46 | 2,805.46 | 2,805.46 |
| Finance lease receivables | - | - | 67.80 | 67.80 | 67.80 |
| Other financial assets | - | - | 414.35 | 414.35 | 414.35 |
| Total | 341.49 | - | 6,677.06 | 7,018.55 | 7,018.55 |
| Liabilities : | | | | | |
| Fixed rate borrowings (including current maturities) | - | - | 2,664.31 | 2,664.31 | 2,658.84 |
| Floating rate borrowings (including current maturities) | - | - | 7,942.40 | 7,942.40 | 7,940.56 |
| Finance Lease Liabilities | - | - | 134.45 | 134.45 | 134.45 |
| Trade Payables | - | - | 137.53 | 137.53 | 137.53 |
| Other Financial Liabilities | - | - | 198.87 | 198.87 | 198.87 |
| Total | - | - | 11,077.56 | 11,077.56 | 11,070.25 |

The carrying value of financial instruments by categories as of 31st March, 2022 is as follows:

| Particulars | ₹ crores | | | | |
|---|------------------------------------|------------------------|------------------|----------------------|------------------|
| | Fair Value through Profit and Loss | Fair Value through OCI | Amortised Cost | Total Carrying Value | Fair Value |
| Assets : | | | | | |
| Cash and Cash Equivalents | - | - | 270.65 | 270.65 | 270.65 |
| Trade Receivables | - | - | 576.64 | 576.64 | 576.64 |
| Unbilled Revenue | - | - | 182.64 | 182.64 | 182.64 |
| Investments (mutual funds) | 1.67 | - | - | 1.67 | 1.67 |
| Loans | - | - | 367.85 | 367.85 | 367.85 |
| Finance lease receivables | - | - | 69.84 | 69.84 | 69.84 |
| Other financial assets | - | - | 168.28 | 168.28 | 168.28 |
| Total | 1.67 | - | 1,635.90 | 1,637.57 | 1,637.57 |
| Liabilities : | | | | | |
| Fixed rate borrowings (including current maturities) | - | - | 2,765.23 | 2,765.23 | 2,824.23 |
| Floating rate borrowings (including current maturities) | - | - | 6,636.12 | 6,636.12 | 6,580.32 |
| Finance Lease liabilities | - | - | 87.28 | 87.28 | 87.28 |
| Trade Payables | - | - | 107.96 | 107.96 | 107.96 |
| Other Financial Liabilities | - | - | 523.12 | 523.12 | 523.12 |
| Total | - | - | 10,119.71 | 10,119.71 | 10,122.91 |

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38. Financial Instruments (contd.)

(ii) Fair Value hierarchy

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

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

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

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

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

| ₹ crores | | | | |
|-------------------------|---------------|----------|----------|---------------|
| As at 31.03.2023 | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Mutual fund investment | 341.49 | - | - | 341.49 |
| Total | 341.49 | - | - | 341.49 |
| | | | | |
| As at 31.03.2022 | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Mutual fund investment | 1.67 | - | - | 1.67 |
| Total | 1.67 | - | - | 1.67 |

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

| ₹ crores | | | | |
|---|-----------------|-----------------|----------|------------------|
| As at 31.03.2023 | Level 1 | Level 2 | Level 3 | Total |
| Financial Liabilities | | | | |
| Fixed rate borrowings (including current maturity) | 590.71 | 2,068.13 | - | 2,658.84 |
| Floating rate borrowings (including current maturity) | 404.61 | 7,535.95 | - | 7,940.56 |
| Total | 995.32 | 9,604.08 | - | 10,599.40 |
| | | | | |
| As at 31.03.2022 | Level 1 | Level 2 | Level 3 | Total |
| Financial Liabilities | | | | |
| Fixed rate borrowings (including current maturity) | 502.00 | 2,322.23 | - | 2,824.23 |
| Floating rate borrowings (including current maturity) | 874.00 | 5,706.32 | - | 6,580.32 |
| Total | 1,376.00 | 8,028.55 | - | 9,404.55 |

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

Long-term fixed-rate and floating-rate borrowings (including current maturities) are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and the risk characteristics of the financed project. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the borrowing. These cash flows are discounted at a rate that reflects current market rate and the current credit risk.

The fair value of loans given is determined using the discounted cash flow method. Future cashflows are based on the terms of loan. Cashflows are discounted at the current market rate reflecting current market and credit risks.

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38. Financial Instruments (contd.)

b) Capital Management and 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 shareholder value.

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. The Company's policy is to keep the gearing ratio around 100% at consolidated level. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations as detailed in the notes below.

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

Gearing ratio

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

| | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|--|--|
| | ₹ Crores | ₹ Crores |
| (i) Debt | 10,688.27 | 9,498.11 |
| Less : Cash and Bank balances | 2,985.48 | 270.66 |
| Net debt | 7,702.79 | 9,227.45 |
| (ii) Capital | 10,576.05 | 5,198.09 |
| Capital and net debt | 18,278.84 | 14,425.54 |
| Net debt to Total Capital plus net debt ratio (%) | 42.14 | 63.97 |

(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) Capital 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, among other things, aims 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 have been no significant breaches in the financial covenants of 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, 2023 and 31st March, 2022.

c) Financial Risk Management:

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

(i) Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31st March, 2023 and 31st March, 2022.

Interest rate risk management:

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

Interest rate risk sensitivity:

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

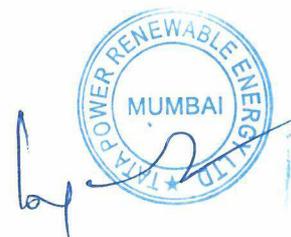
Interest rate sensitivity:

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

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

| | ₹ Crores | | | |
|-----------------------------|------------------------|-----------------|------------------------|-----------------|
| | As of 31st March, 2023 | | As of 31st March, 2022 | |
| | 50 bps increase | 50 bps decrease | 50 bps increase | 50 bps decrease |
| Interest expense on loan | (+ ₹ 34.59) | (-) ₹ 34.59 | (+ ₹ 18.80) | (-) ₹ 18.80 |
| Effect on profit before tax | (-) ₹ 34.59 | (+ ₹ 34.59) | (-) ₹ 18.80 | (+ ₹ 18.80) |

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38. Financial Instruments (contd.)

(ii) Credit risk management

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

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

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

| | For the year ended 31st March, 2023 ₹ Crores | For the year ended 31st March, 2022 ₹ Crores |
|------------------------|--|--|
| Trade receivables | 424.31 | 576.64 |
| Unbilled revenue | 129.67 | 182.64 |
| Loans | 2,805.46 | 367.85 |
| Other financial assets | 414.35 | 168.28 |

All of the above are due from the parties with strong financial position under normal course of the business and as such the Company believe exposure to credit risk to be minimal.

(iii) Liquidity risk management

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

| Expected maturity for financial Liabilities | | | | | ₹ crores | |
|---|-----------------|-----------------|-------------|-----------|-----------------|-----------|
| | Up to 1 year | 1 to 5 years | 5+ years | Total | Carrying Amount | |
| 31st March, 2023 | | | | | | |
| Borrowings (including current maturity) | 1,955.94 | 4,178.74 | 4,502.88 | 10,637.56 | | 10,606.71 |
| Interest payable on above borrowings | 656.32 | 2,056.45 | 1,645.23 | 4,358.00 | | 81.56 |
| Lease Liability | 10.79 | 45.31 | 299.59 | 355.69 | | 134.45 |
| Trade Payables | 137.53 | - | - | 137.53 | | 137.53 |
| Other Financial Liabilities | 117.31 | - | - | 117.31 | | 117.31 |
| 31st March, 2022 | | | | | | |
| Borrowings (including current maturity) | 2,788.58 | 2,530.13 | 4,103.02 | 9,421.73 | | 9,401.35 |
| Interest payable on above borrowings | 539.81 | 1,937.32 | 1,471.71 | 3,948.84 | | 96.76 |
| Lease Liability | 8.09 | 34.43 | 165.75 | 208.27 | | 87.28 |
| Trade Payables | 107.96 | - | - | 107.96 | | 107.96 |
| Other Financial Liabilities | 426.36 | - | - | 426.36 | | 426.36 |

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Company. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

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

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

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39. Financial Ratios

| Sl No | Ratios | Numerator | Denominator | As at 31st March, 2023 | As at 31st March, 2022 | % of Variance | Reason for variances |
|-------|---|---|--|---------------------------|---------------------------|---------------|--|
| a) | Current Ratio (Refer Note i) | Currents Assets | Current Liabilities | 1.69 | 0.31 | 451 | There is an improvement in current ratio as current asset increased due to increase in cash & cash equivalents due to issuance of CCPS & current liabilities decreased due to reclassification of short term borrowings to long term borrowings. |
| b) | Debt-equity ratio (Refer Note ii) | Total Debt | Total Equity | 1.02 | 1.84 | (44) | There is an improvement in debt-equity ratio due to increase in total equity on account of issuance of CCPS & issue of shares to Green Forest New Energies Bidco Ltd. (UK). |
| c) | Debt service coverage ratio (Refer Note iii) | Profit before Tax + Interest expenses including interest expense on lease payments + Depreciation and amortisation expenses | Interest expenses including interest expense on lease payments + Repayment of Non-Average Shareholder's Equity | 1.15 | 1.57 | (27) | There is a decrease in debt service coverage ratio as earnings available for debt service has reduced and term loan repayment has increased in comparison to last year. |
| d) | Return on equity ratio (Refer Note iv) | Net Profit after taxes | Average Shareholder's Equity | 1.22 | 3.43 | (64) | Return on equity declined due to lower profits in current year as compared to last year. |
| e) | Inventory turnover ratio | Cost of goods sold | Average Inventories | - | - | - | This ratio is not applicable since there is no inventory of finished goods. |
| f) | Trade receivables turnover ratio (in number of days) (Refer Note v) | Revenue from operations | Average trade receivable | 148.99 | 152.75 | (2) | Refer below note (a) |
| g) | Trade payables turnover ratio (in number of days) (Refer Note vi) | Net credit Purchases | Average trade payable | 1,015.97 | 1,220.29 | (17) | Refer below note (a) |
| h) | Net capital turnover ratio (Refer Note vii) | Net Sales | Working Capital | 1.01 | (0.60) | (269) | There is an improvement in net capital turnover ratio due to increase in working capital on account of increase in current assets as compared to previous year. |
| i) | Net profit ratio | Net Profit after taxes | Revenue from operations | 5.97% | 12.29% | (51) | There is a decline in net profit ratio mainly due to increase in finance cost |
| j) | Return on capital employed (Refer Note viii) | Earning before interest and taxes | Average Capital Employed | 4.89% | 5.86% | (17) | Refer below note (a) |
| k) | Return on investment (Refer Note ix) | Interest Income+Dividend Income+ Gain of fair value of Investment | Average Investment+Fixed Deposit+Loans Given | 2.43% | 1.09% | 123 | Return on investment have increased due to higher interest income and increased fair value gain on investments. |

(a) Note :- Reason for variance has been given for those ratios whereby variation is more than 25% (+/-)

Formula used to compute ratios

i) Current Ratio = Current Assets/ Current Liabilities

ii) Debt Equity Ratio = Total Debt / Total Equity

Total debt = Long term borrowings (including current maturities of long term borrowings)+ lease liabilities (current and non current) + short term borrowings + Interest accrued on borrowings + interest accrued on lease liabilities.

Total Equity includes Share capital, Compulsorily Convertible Preference Shares, Other Equity and Unsecured Perpetual Securities

iii) Debt Service Coverage Ratio (DSCR) = (Profit before Tax + Interest expenses including interest expense on lease payments + Depreciation and amortisation expenses) / (Interest expenses including interest expense on lease payments + Repayment of Non-current borrowings)

iv) Return on equity = Net Profit after taxes/ Average Shareholder's Equity

Net Profit: Profit for the year attributable to owners of the Company and Average Shareholder's Equity: Average of opening and closing balance of Total Equity

Total Equity: Issued share capital and other equity

v) Trade receivables turnover ratio = Revenue from operations / [(Total Opening trade receivables + Total closing trade receivables)/2+(Opening unbilled revenue + closing unbilled revenue)/2]

vi) Trade payables turnover ratio = Net credit purchases/ Average trade payable

Net credit purchases consist of other expenses excluding

a) Bad debts (including provision)

b) Net loss on foreign exchange

c) CSR expenses

d) Loss on Disposal of Property, Plant and Equipment

Trade Payable as per balance sheet less employee related trade payables

vii) Net capital turnover ratio = Net Sales/ Working capital

Net sales shall be calculated as total revenue from operations. Working capital shall be calculated as current assets minus current liabilities

viii) Return on capital employed= Earning before interest and taxes / Average Capital employed

Earning before interest and taxes means Profit before tax plus interest expense

Average Capital Employed: Total equity + Total Debt + Deferred Tax Liability

Total Debt: Long term borrowings (including current maturities of long term borrowings), lease liabilities (current and non current), short term borrowings and interest accrued on debts

Total Equity: Issued share capital, other equity

ix) Return on investment = (Interest income + Dividend income + Gain on fair value of current investment at FVTPL)/ Average of (Investment + Fixed deposit+ Loans Given)

Interest Income: Interest on bank deposits + Interest on non-current investment + Interest on loans given to subsidiaries

Dividend Income from subsidiaries

Investment: Includes Non-current investment + Current Investment + Fixed deposit+ Loan Given



Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

40. Micro, Small and Medium Enterprises Disclosures

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, 2023 ₹ Crores | 31st March, 2022 ₹ Crores |
|--|------------------------------|------------------------------|
| (a) Principal amount remaining unpaid as on 31st March | 3.30 | 1.43 |
| (b) Interest due thereon as on 31st March | 0.01 | 0.00 |
| (c) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day * | - | - |
| (d) The amount of Interest due and payable for the year * | - | - |
| (e) The amount of Interest accrued and remaining unpaid as at 31st March * | 0.07 | 0.02 |
| (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 * | - | - |

Due 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.

* Amounts unpaid to Micro and small enterprises vendors on account of retention money have not been considered for the purpose of interest calculation.

41. Operating Segments:

The Company generates electric power from wind and solar energy which is considered to be a single segment and there are no other reportable segments as per Ind AS 108 - Operating Segments. There are no non-current assets located outside India. The Company has earned more than 10 percent revenue from two customers amounting to ₹ 662.71 crores during the year ended 31st March, 2023 (from four customers amounting to ₹ 628.15 crores for the year ended 31st March, 2022).

42. Pursuant to the agreements signed with Green Forest New Energies Bidco Ltd. (UK) on 14th April, 2022, and after obtaining all necessary approvals, the company has undertaken the following actions to ensure that all conditions subsequent to the agreements were completed:

a. Acquired 30.95 MW of operational wind assets and 95.647 MW operational & under construction rooftop projects effective 1st August, 2022 pursuant to the Business Transfer Agreement dated 22nd April, 2022, signed with The Tata Power Company Limited (TPCL), the holding company for a consideration of ₹ 162.39 crores. Consequently, the acquisition was accounted as per Appendix C of Ind-AS 103 and financial statements for the comparative period have been restated and negative capital reserve of ₹ 42.74 crores have been accounted in standalone financial statements.

b. Purchased equity investment in Tata Power Solar Systems Limited, Tata Power Green Energy Limited., TP Saurya Limited., TP Kirnali Solar Limited, TP Solapur Solar Limited, TP Akkalkot Renewable Limited, TP Solapur Saurya Limited, TP Roofurja Renewable Limited and Supa Windfarm Limited from TPCL for a consideration of ₹ 1,058.04 crores.

c. The Company issued 25,07,65,416 Equity Shares on rights basis (face value of ₹ 10 per share) at a premium of ₹ 195.77 per share for an aggregate amount of ₹ 5,160.00 crores to TPCL, the existing shareholders of the Company.

d. The Company repaid ₹ 3,895.00 crores of Unsecured Perpetual Securities which had been given by TPCL.

e. Post completion of the above actions, Green Forest New Energies Bidco Ltd. (UK), infused ₹ 2,000.00 crores and accordingly the Company allocated 8,36,05,049 Equity Shares on preferential basis (face value of ₹ 10 per share) at a price of ₹ 239.22 per share.

f. Further on 28th February 2023, Green Forest New Energies Bidco Ltd. (UK), infused ₹ 2,000 crore as a second tranche in terms of the agreement and accordingly the Company issued 20,00,00,000 Compulsorily Convertible Preference Shares (CCPS) of the face value of ₹ 100/- each. The Company has reclassified the said CCPS as Equity on the reporting date as number of shares that would be issued post conversion has been fixed.

43. The Board of Director of the Company in its meeting held on 23rd January 2023 has approved the Schemes of Arrangement for merger of Walwhan Renewable Energy Limited and its 19 Subsidiaries Companies, TP Wind Power Limited, Tata Power Solar Systems Limited and Chirasthaayee Saurya Limited with the Company. Post regulatory and other necessary approvals, the merger would be accounted by applying the principles of Appendix C of Ind AS 103 - 'Business combinations of entities under common control' using pooling of interest method.

44. Based on various favourable order received towards the Company's claim on account of change in law for GST, safeguard duty etc, the Company has recognized revenue amounting to ₹ 33.33 crores (includes ₹18.49 crores for earlier years) and carrying cost amounting to ₹ 9.93 crores.

45. The Company has raised claim of late payment surcharges (LPS) on few Discoms as per Power Purchase Agreement. During the year ended 31st March 2023, based on acceptance/realisation from the Discoms, the Company has recognized ₹ 29.07 crores as Other Income in the standalone financial statements.

46. During the F.Y. 2018-19, Andhra Pradesh Regulatory Electricity Commission (APERC) vide its order dated 28th July, 2018 allowed the DISCOMs to deduct the amount of Generation Based Incentive (GBI) out of monthly bills paid to wind power generators. The Company has filed a writ petition with Hyderabad High Court against this order and obtained a stay on the order passed by APERC. Based on the legal opinion obtained, the Company believes it has a strong case on merit and is confident of recovering outstanding balance amounting to ₹ 25.82 crores.

47. In relation to Company's 100 MW wind project in Andhra Pradesh ('AP'), there is an on-going litigation with respect to unilateral reduction in tariff by APDISCOM. Pursuant to the petition filed by the Company, the AP High court had directed AP DISCOM to settle all bills at PPA mentioned rates within six weeks from it's order date for which APDISCOM had filed a writ petition seeking an extension up to 12 months. APDISCOM had also filed an SLP with Supreme court challenging the AP High court order.

During the current year, APDISCOM has agreed to settle all outstanding dues (including disputed tariff) till May 2022 in 12 equal instalments subject to the outcome of the SLP, out of which eight installments till year end have been received. Accordingly, Company continues to recognise revenue at PPA rate and considers outstanding balance amounting to ₹ 99.86 crores as on 31st March, 2023 (As at 31st March, 2022 ₹ 158.38 crores) as fully recoverable based on the favourable orders and legal evaluation.



48. Adjustments to Revenue from Power Supply

a) In relation to the Power Purchase Agreement (PPA) signed with Gujarat Urja Vikas Nigam Ltd. (GUVNL) for 300 MW Dholera solar power plants in Gujarat, the Company had entered into an Implementation and Support Agreement (ISA) with Gujarat Power Corporation Ltd. (GPCL) for evacuation facilities and maintenance of transmission lines. On Scheduled Commercial Operation Date (SCOD) plants were ready for synchronization but power evacuation infrastructure were not made available by GPCL. The Company had sought compensation for the revenue losses suffered by the Company on account of delay in constructing power evacuation infrastructure which is breach of ISA. Based on the legal opinion obtained and remedies available to the Company for delay in constructing power evacuation infrastructure as per the PPA and ISA, the Company had recognized Revenue from Operations in the year ended 31st March, 2022 amounting to ₹ 57 crores. The Company had filed petition before High court of Gujarat for appointment of arbitrator. During the year ended 31st March, 2023, based on the direction of the High Court of Gujarat, the Company issued notice to GPCL for an amicable settlement to the matter and the same has been favourably responded to. Pending settlement of the dispute, the Company continues to recognize receivables amounting to ₹ 57 crores as at 31st March, 2023

b) In January 2017 and March 2017, the Company had commissioned 100 MW Nimbagallu wind farm in state of Andhra Pradesh. The entire capacity of the plant is connected to Uravakonda Grid substation (GSS). Post commissioning of the plant, AP State Load Despatch Centre (APSLDC) and Transmission Corporation of Andhra Pradesh (AP Transco) have resorted to arbitrary backdowns.

As per the Power Purchase Agreement, the responsibility of the transmission of power beyond the Interconnection Point is of the Discom viz. Southern Power Distribution Company Limited of Andhra Pradesh (APSPDCL) / AP Transco and that they would be responsible for the availability or non-availability of the transformers at Uravakonda GSS.

The Company had filed a petition before the Andhra Pradesh Electricity Regulatory Commission (APERC) for appropriate directions for APSPDCL, APSLDC and APTRANSCO to compensate for the loss of revenue on account of such non-availability of power transmission infrastructure. As per various orders by judicial authorities in other cases and legal opinion obtained, the Company believes that the Company is entitled for the deemed generation charges on account of non-availability of power transmission infrastructure and has strong chances of recovering the same.

Accordingly, the Company had recognized Revenue from Operations in the year ended 31st March, 2022 aggregating to ₹ 50.58 crores and has continued to recognize receivables as at 31st March, 2023.

c) The Company operates 99 MW wind farm at Poolavadi in Tamil Nadu of which 49.5 MW is under REC scheme. The billing under REC scheme should take place based on Average Pooled Power Purchase Cost (APPCC) rates as periodically fixed by Tamil Nadu Electricity Regulatory Commission (TNERC). However, in practice, specific lower rates were communicated by TANGEDCO basis which invoices were raised by all developers from Financial Year 2013. TNERC had recently issued favourable order for another developer (based on the earlier ATE Order for another developer), wherein it had upheld the contention of the developer and allowed the recovery of differential rate from TANGEDCO in a time bound manner along with applicable interest rate. Accordingly, on basis of above favourable order, during the year ended 31st March, 2022 the Company had recognized for differential revenue aggregating to ₹ 26.20 crores and has continued to recognize receivables as at 31st March, 2023.

49. Relationship with Struck off Companies

| S.No. | Name of struck off Company | Nature of transaction with struck off Company | Transaction during the year ended March 31, 2023 (₹ in crores) | Balance outstanding as on March 31, 2023 | Balance outstanding as on March 31, 2022 | Relationship with the struck off Company |
|-------|----------------------------|---|--|--|--|--|
| 1 | RNS Motors Private Limited | Purchase of Vehicles | 0.11 | - | - | Supplier |

50. Other Statutory Information

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- e) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- f) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961



Tata Power Renewable Energy Limited

Notes forming part of the Standalone Financial Statements

51. Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Standalone Financial Statements.

52. During the year ended March 2023, there was a cyber-attack on some of the Information Technology (IT) infrastructure of the Tata Power Group. The Holding Company had taken steps to retrieve and restore the systems. All critical operational systems were functioning, however as a measure of abundant precaution, restricted access and preventive checks had been put in place by the Holding Company. The Holding Company with the help of the external experts had investigated the matter and concluded that there is no significant impact on the operations of the Group and no impact on the standalone financial statements of the Company for the year ended March 31, 2023 on account of this incident.

53. The Tata Power Group has defined process to take daily back -up of books of account maintained electronically and maintain the logs of the back-up of such books of account for cyclic period of 90 days only. Hence, this is not been considered as non-compliance with a provision of The Companies (Accounts) Rules, 2014 (as amended), since, at any point of time, logs are available for a period up to 90 days. However, management is taking steps to configure systems to ensure that logs of daily backup for books of account is maintained on a daily basis so long as they are required to be maintained under applicable statute.

54. Events occurring after reporting period:

There were no significant adjusting events after the end of the reporting period which require any adjustment or disclosure in the Standalone Financial Statements .

55. Approval of Standalone Financial Statements:

The Standalone Financial Statements were approved by the Board of Directors on 24th April, 2023.

As per our report of even date

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


per Suresh Yadav
Partner
Membership No.: 119878



For and on behalf of the Board,


Saurabh Agrawal
Chairman
DIN:02144558


Praveer Sinha
Director
DIN:01785164


Ashish Khanna
Chief Executive Officer


Jeraz Mahernosh
Company Secretary

Mumbai, 24th April, 2023

Mumbai, 24th April, 2023

