

TATA POWER RENEWABLE ENERGY LIMITED

Annual Report 2015-16



CORPORATE INFORMATION (as on 14.05.2016)

CORPORATE IDENTITY NUMBER: U40108MH2007PLC168314

BOARD OF DIRECTORS

| | |
|--------------------------|---|
| Chairman | Mr. Anil Sardana |
| Independent Directors | Mr. Nawshir H. Mirza Dr. Homlar S. Vachha |
| Woman Director | Ms. Anjali J. Kulkarni |
| CEO & Executive Director | Mr. Rahul C. Shah |
| Non Executive Directors | Mr. Ramesh N. Subramanyam Mr. Mahesh D. Paranjpe |

CHIEF FINANCIAL OFFICER Mr. Jinendra V. Patil

COMPANY SECRETARY Ms. Mona H. Purandare

STATUTORY AUDITORS Deloitte Haskins & Sells LLP

DEBENTURE TRUSTEES SBI CAP Trustee Company Ltd
6th Floor Apeejay House
3, Dinshaw Wachha Road
Churchgate
Tel No +91 22 43025555
Fax No +91 22 22040465
E-mail:
sneha.jadhav@sbcaptrustee.com

BANKERS State Bank of India
State Bank of Patiala
IDFC Bank
Kotak Mahindra Bank
Yes Bank
ICICI Bank
IndusInd Bank

REGISTERED OFFICE

C/o The Tata Power Company Ltd
Corporate Centre, A Block
34, Sant Tukaram Road
Carnac Bunder
Mumbai 400 009
Tel: 022 67171000
E-mail: tprel@tatapower.com
Website: www.tatapowerrenewables.com

REGISTRARS

TSR Darashaw Ltd.
6-10 Haji Moosa Patrawala Industrial
Estate
20, Dr E Moses Road
Mahalaxmi,
Mumbai 400 001
Tel: 022 6656 8484 Fax 022 6656 8494
Email : csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com



The NINTH ANNUAL GENERAL MEETING of TATA POWER RENEWABLE ENERGY LIMITED will be held on Thursday, the 19th day of August, 2016 at 12.30 p.m. in the Conference Room of The Tata Power Company Limited, Bombay House, 24, Homi Mody Street, Mumbai 400 001, to transact the following business:-

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March 2016 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Ms Anjali Kulkarni (DIN: 06993909), who retires by rotation and is eligible for re-appointment.
3. **Appointment of Statutory Auditors**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made there under, as amended from time to time, the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W / W-100018) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till, the conclusion of the tenth AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at Mumbai and the Divisions for the financial year 2016-17, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of service tax, travelling and out-of-pocket expenses, be and is hereby ratified."

4. **Ratification of Cost Auditors' Remuneration**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 2,00,000/- plus service tax and actual out-of-pocket expenses payable to M/s. Sanjay Gupta and Associates, Cost Accountants, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2016-17."



5. Authority to borrow in excess of the paid-up share capital and free reserves

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

"RESOLVED that in supersession of the Resolution passed at the Annual General Meeting of the Company held on 11th August 2014 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made

thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for borrowing from time to time any sum or sums of money, not exceeding at any time the sum of ₹ 8,000 crore (Rupees eight thousand crore) over the aggregate of the paid-up share capital of the Company and its free reserves, on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company apart from the temporary loans obtained from the Company's bankers in the ordinary course of business will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

6. Creation of charges

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

"RESOLVED that in supersession of the Resolution passed at the Annual General Meeting of the Company held on 11th August 2014 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to create such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, to or in favour of all or any of the financial institutions/banks/ insurance



Companies/other investing agencies/trustees for holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial Institutions/banks/insurance companies/other investing agencies or any other person(s)/bodies corporate by way of private placement or otherwise to secure Rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that the total amount of loans together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements entered into/to be entered into by the Company in respect of the said Loans, shall not at any time exceed the limit of ₹ 8,000 crore (Rupees eight thousand crore)

FURTHER RESOLVED that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

7. Increase in limits of investments in other bodies corporate

To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

"RESOLVED that pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to invest/acquire the securities of anybody corporate by way of subscription/purchase or otherwise, upto a sum of ₹ 5,000 crore, notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/will exceed the limits laid down by the Act.

RESOLVED FURTHER that the Board be and is hereby authorised to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (collectively "transactions") including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction."



NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos. 4 above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation.
3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

On behalf of the Board of Directors,

Company Secretary

Mumbai, 14th May 2016

Registered Office:

C/o The Tata Power Company Limited
Corporate Center, 'A' Block,
34, Sant Tukaram Road
Carnac Bunder,
Mumbai 400 009.
CIN: U40108MH2007PLC168314
Tel: 022 67171000
E-mail: tprel@tatapower.com
Website: www.tatapowerrenewables.com



EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 6 of the accompanying Notice dated 14th May 2016.

Item No. 4: Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the appointment of M/s Sanjay Gupta & Associates, Cost Accountants (SGA) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2016-17, at a remuneration of ₹ 2,00,000/- plus service tax and actual out-of-pocket expenses.

SGA, have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous year under the provisions of the Companies Act, 2013 and the rules thereunder.

The Board commends the Resolution at Item No. 4 of the accompanying Notice for ratification by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

Item Nos 5 & 6: On implementation of the Companies Act, 2013 (the Act), Section 180(1)(c) and Section 180(1)(a) of the Act were made effective from 12th September 2013, which provide for approval by the Shareholders by way of Special Resolutions as against Ordinary Resolutions under the Companies Act, 1956. It is necessary to obtain approval of the Members by means of Special Resolutions, to enable the Board of Directors of the Company to: a) borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company; and b) create charge/mortgage/hypothecation on the Company's assets, both present and future, in favour of the Banks/Financial Institutions, other investing agencies/ trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

At the Annual General Meeting of the Company held on 11th August 2014, the Company had passed a Special Resolution to borrow upto a limit of ₹ 2,600 crore over the aggregate of the paid-up share capital of the Company and its free reserves, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's



bankers in the ordinary course of business) will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. This was as required under Section 180(1)(c) of the Companies Act, 2013.

At the same meeting, the Company had passed a Special Resolution for the creation of mortgages, charges and hypothecation to secure borrowings upto ₹ 3,050 crore. This was as required under Section 180(1)(a) of the Companies Act, 2013.

The Board at its meeting held on 24th March, 2016 has resolved on the purchase of 100% shareholding of Welspun Renewable Energy Private Limited (WERPL), a company which owns and operates Solar & Wind Assets with the capacity of 1140 MW. Presently, the Company has 312 MW of operating capacity and another 245 MW of Solar and 126 MW of wind under implementation. In addition another 500 MW of non-fossil fuel capacity is being carved out from the Tata Power Company Limited to its Balance Sheet. In order to meet the financial requirements for the acquisition and future projects as also for meeting other corporate requirements, borrowing limits previously sanctioned by the Members are proposed to be increased to ₹ 8000 crore.

The Board commends the Resolutions at Item Nos. 5 and 6 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions at Item Nos. 5 & 6 of the accompanying Notice.

Item Nos 7:

The Company being engaged in the business of providing infrastructural facilities, the loans made, guarantees given or security provided by it are exempt from the provisions of Section 186 of the Act. However, as per Section 186 of the Act read with the Rules framed thereunder, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

Based on its the financials as on 31st March 2016, 60% of the paid-up share capital plus free reserves and securities premium is approx. ₹ 331 crore and 100% of free reserves and securities premium is approx. ₹ 46 crore. As such, any investments in securities in excess of ₹ 331 crore would require a Special Resolution of the Members in its general meeting.

As on 31st March 2016, the Company had investment in securities of other companies amounting to ₹ 0.18 crore.



TATA POWER RENEWABLE ENERGY LIMITED

The parent company - The Tata Power Company Limited, has a strategic objective of having a capacity mix of 30% to 35% of renewable & clean energy and the Company being the primary vehicle for renewable capacity it intends to be a significant player in the Indian Renewable Sector. Further the current support and push for renewable sector by Government of India has given an opportunities for Company to scale it's capacity significantly and in addition there are acquisition opportunities in the renewable sector. To achieve the growth objective of the Company to invest in organic and inorganic growth may require substantial investments. Considering these requirements, the Company estimates the amount at ₹ 5000 crore for investment in the next approval period till August 2017.

Accordingly, approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to enable the Company to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

The Board commends the Resolution at Item No.10 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors or KMP of the Company or their respective relatives is concerned or interested in the Resolution at Item No.7 of the accompanying Notice.

On behalf of the Board of Directors,

Company Secretary

Mumbai, 14th May 2016

Registered Office:

C/o The Tata Power Company Limited
Corporate Center, 'A' Block,
34, Sant Tukaram Road
Carnac Bunder,
Mumbai 400 009
CIN: U40108MH2007PLC168314
Tel: 022 67171000
E-mail: tprel@tatapower.com
Website: www.tatapowerrenewables.com

**Details of the directors seeking re-appointment/appointment at the forthcoming Annual General Meeting (in pursuance Secretarial Standard-2 on General Meetings)**

| | |
|---|---|
| Name of the Director | Ms. Anjali Kulkarni |
| Date of Birth | 09.09.1958 |
| Date of Appointment | 27.02.15 |
| Relationship with other Directors, Manager and KMP of the Company | Ms. Kulkarni is not related to any other Director or KMP of the Company |
| Expertise in Specific functional area | Experience in areas of Engineering, Project Management, Commissioning and Maintenance of Thermal Power plants. She currently handles the position of Head – Project Engineering and is responsible for the engineering of the mechanical systems of new Thermal Power plant projects as well as engineering of capital expenditure projects for operating plants. |
| Qualification | Graduate in Electronics and Telecommunication from Poona University. |
| Directorships held in other Companies (excluding foreign companies) | <ul style="list-style-type: none">• Tata Power Renewable Energy Ltd.• Tata Power Trading Company Limited• Coastal Gujarat Power Ltd . |
| Chairman/Member of the Committee of the Board of directors of other Companies | NIL |
| Number of Shares held in the Company | NIL |
| Number of Board Meetings attended during the year | 6 |
| Terms and conditions of appointment | Appointed as a Non-Executive Director |
| Remuneration | Sitting Fees ₹3 lakhs |



DIRECTORS' REPORT

To The Members,

The Directors are pleased to present the 9th Annual Report on the business and operations of your Company and the Statements of Account for the year ended 31st March, 2016.

1 FINANCIAL RESULTS -

Figures in ₹ crore

| | FY16 | FY15 |
|--|---------------|---------------|
| (a) Net Sales / Income from Other Operations | 240.43 | 148.62 |
| (b) Operating Expenditure | 23.96 | 9.58 |
| (c) Operating Profit | 216.47 | 139.06 |
| (d) Less: Forex Loss | - | - |
| (e) Add: Other Income | 9.96 | 18.13 |
| (f) Less: Finance Cost | 98.41 | 84.30 |
| (g) Profit before Depreciation and Tax | 128.02 | 72.89 |
| (h) Less: Depreciation / Amortisation / Impairment | 94.99 | 59.55 |
| (i) Profit before Tax | 33.03 | 13.34 |
| (j) Tax Expenses | 9.07 | 7.03 |
| (k) Net Profit/(Loss) after Tax | 23.96 | 6.31 |
| (l) Less: Minority Interest | - | - |
| (m) Add: Share of Profit of Associates | - | - |
| (n) Net Profit after Tax, Minority Interest and Share of Profit of Associates | 23.96 | 6.31 |

2 DIVIDEND

The Company has not declared any dividend for the Financial Year 2016.

3 STATE OF COMPANY'S AFFAIRS -**Financial.**

The Companies Operating Revenue was higher at ₹ 240.43 crore, as against ₹ 148.62 crore in FY15, an increase of 62%. Your Company earned a higher Operating Profit compared to the previous year and reported a Profit after Tax (PAT) of ₹ 23.96 crore, as against ₹ 6.31 crore for the previous year. The increase in company's performance is attributable to capacity addition and better performance of solar units.

Earnings per share

Basic Earnings per share of the Company was ₹ 0.49 per share compared to ₹ 0.19 per share in Previous Year.

Confidential



No Material changes and commitments have occurred after the close of the year till the date of this Report, which affects the financial position of the Company.

Business Environment

The business environment for renewable energy worldwide is improving with growing awareness of the causes and impact of climate change. Countries like the USA, UK, Japan, Germany, and China have been at the forefront driving renewables capacity addition with supportive policies, tax incentives and financing.

The Government of India has been encouraging renewables with supportive policy frameworks, subsidies and tax incentives. The Government has recently signed the Paris Agreement, a global treaty to limit climate change, which was negotiated at the COP-21 Summit in Paris in November-December 2015. This further strengthens the Government's commitment to the rapid scale up of the country's renewable energy capacities. The initial growth of renewables in India was driven by subsidies and tax incentives. Despite the reduction of subsidy and incentive support in recent years, the renewables capacity addition, especially wind and solar, has shown healthy growth.

The renewable energy ecosystem comprising developers, OEMs, financial institutions, power procurers, regulators, nodal government agencies and consultants, is maturing rapidly with learnings from India and overseas being available.

The Government of India has ambitious plans of aggressively growing India's renewable energy capacity, with solar power finding special emphasis through the National Solar Mission. It proposes to enable the addition of solar power capacity by developing solar parks, net metering, solar procurement obligations, and other mechanisms.

The challenges to the addition of renewable energy capacity are in land acquisition, transmission constraints, tariff uncertainty, and creditworthiness of distribution companies who are the major procurers of power.

Operations

As on 31st March 2016, Operating Capacity of the Company was 264 MW, consisting of 53.8 MW of Solar plants and 210.2 MW of Wind Assets.

Details of Operating Plants are as under:

| | Location | State | Type | Capacity (in MW) | Return / Earnings Model |
|---|-----------|-------------|-------|------------------|---|
| 1 | Mithapur | Gujarat | Solar | 25 | Long term Power Purchase Agreement based on Feed in |
| 2 | Palaswadi | Maharashtra | Solar | 28.8 | |



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| | | | | | | |
|--------------|--------------------|----------------|------|------------|---|--|
| 3 | Daloth | Rajasthan | Wind | 21 | Tariff as notified by the respective State Regulatory Authorities | |
| 4 | Dangri | Rajasthan | Wind | 18 | | |
| 5 | Girija Shankarwadi | Maharashtra | Wind | 32 | | |
| 6 | Rojmal | Gujarat | Wind | 56 | | |
| 7 | Dwarka | Gujarat | Wind | 39.2 | | |
| 8 | Lahori | Madhya Pradesh | Wind | 44 | | |
| Total | | | | 264 | | |

The Company's 25 MW solar power plant at Mithapur commissioned in January 2012 has performed satisfactorily with generation higher than originally estimated.

The 21 MW wind capacity at Dalot in Rajasthan commissioned in March 2013 has performed well during FY16 with generation in line with estimates. The wind farm was recognized at a recent industry event as the "Best Performing Project 2015".

The Company's 28.8 MW solar project at Palaswadi in Maharashtra was ready for commissioning before 31st March 2014, but could not be commissioned as the State transmission company could not arrange a shut-down of the line where the interconnection was to be made. The plant was commissioned on 31st May 2014 after availing shut-down of the lines. The Company had petitioned the Maharashtra Electricity Regulatory Commission (MERC) for applicability of the generic solar Feed In Tariff (FIT) up to March 2014. MERC recently ruled against the Company's petition. The Company has appealed the MERC order in the Appellate Tribunal. The Palaswadi plant's generation is in line with estimates.

Your Company merged its wholly owned subsidiary NSW with itself during the year. The 39.2 MW windfarm in Devbhumi Dwarka district of Gujarat which was owned by NSW continued to operate at expected levels.

Your Company commissioned 50 MW wind capacity at Rojmal in Gujarat progressively by December 2015, and a further 6 MW wind capacity in March 2016, as well as 44 MW wind capacity at Lahori in Madhya Pradesh in March 2016. The operations of these plants are being stabilized.

During the year, the Company placed a turnkey order for 50 MW each for wind power projects in Madhya Pradesh and Gujarat, on Inox Wind Limited, for commissioning in FY16 and FY17. The Company also placed a turnkey order on Gamesa India for a 100 MW wind project in Andhra Pradesh for commissioning in FY17 and FY18.



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The Company also won a 15 MW solar project in Telangana under a competitive bidding process, which will be commissioned in FY17.

- Projects Under Execution

The following projects of the Company are under execution:

- 44 MW wind power project at Rojmal, Gujarat
- 100 MW wind power project at Nimbagallu, AP.
- 15 MW solar project in Telangana.

- Future Growth Areas

The Company intends to build a robust renewable energy portfolio and is evaluating organic and inorganic opportunities for growth in wind, solar and other forms of renewable energy.

Your Company is evaluating both greenfield and turnkey wind and solar power projects in various states.

The Company signed a share purchase agreement for acquisition of 100% shares of Indo Rama Renewables Jath Ltd, a company engaged in the business of power generation owning a 30 MW Wind power project at Jath in Sangli, Maharashtra.

4 RESERVES

The net movement in the reserves of the Company for FY16 and the previous year are as follows:

| Particulars | ₹.crore | |
|--|--------------|--------------|
| | FY16 | FY15 |
| Capital Reserve (Pursuant to Scheme of Amalgamation of Subsidiary Company - NewGen Saurashtra Windfarms Ltd) | 8.08 | NIL |
| Debenture Redemption Reserve | 13.43 | NIL |
| Surplus in P&L | 24.05 | 12.70 |
| Total General Reserve | 45.56 | 12.70 |

5 SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

NewGen Saurashtra Windfarms Limited (NSW) contributing 39.2 MW of wind capacity, was successfully merged with the Company after the approval of the amalgamation scheme by the High Court of Mumbai. The 39.2 MW wind farm is operating at expected levels.

Confidential



TATA POWER RENEWABLE ENERGY LIMITED

. During the financial year FY16, your Company has purchased the 100% Shares of Tata Power Green Energy Limited from Af-Taab Investment Company limited at price consideration of ₹ 2,51,500/-.

Your Company has also formed 3 new Subsidiary Companies namely –

- Supa Windfarm Limited – incorporated on 10th December 2015
- Nivade Windfarm Limited – incorporated on 17th December 2015
- Poolavadi Windfarm Limited – incorporated on 09th January 2016.

Report on the performance and financial position of these subsidiary Companies have been provided in Annexure-.I.

The Company does not have any joint ventures and associate companies

5.1 Scheme of Arrangement

The Tata Power Company Limited (TPCL) currently owns renewable energy projects in the states of Maharashtra, Gujarat, Karnataka, Tamil Nadu and West Bengal. At its Board meeting held on 9th November, 2015, TPCL had approved the transfer of twelve (12) renewable projects ("Assets", listed in below), as per the submitted Scheme of Arrangement.

At its meeting held on 17th December, 2015, the Board approved, subject to statutory and regulatory approvals, the acquisition on slump sale basis of the existing renewable energy projects of TPCL viz

Brahmanvel (11.3 MW)
Khandke (50.4 MW)
Samana (50.4 MW)
Gadag (50.4 MW)
Visapur (10 MW)
Sadawaghapur (17.5 MW)
Agaswadi (49.5 MW)
Mulshi (3 MW)

(Together "Renewable Energy Undertaking No.1" or "RE1") by the Company &

Supa (17 MW) (Renewable Energy Undertaking No.2 or "RE2")
Nivade (21 MW) (Renewable Energy Undertaking No.3 or "RE3")
Poolavadi (99 MW) (Renewable Energy Undertaking No.4 or "RE4")
Haldia (120 MW) (Renewable Energy Undertaking No.5 or "RE5")

by four companies (Subsidiaries) to be set up/ acquired as wholly owned subsidiaries of the Company with a view to sell power under the captive route to industrial and commercial consumers. Total installed capacity of these assets are 499.5 MW.

The proposed transfer of the renewable energy business of the TPCL to the Company will increase the size of the portfolio in the Company and will improve its visibility as a

renewable energy company of stature and will position the Company as the primary clean and renewable energy vehicle of the Tata Power group. It will align management focus and create core competence in Renewables to fuel growth and result in synergies in business development, operations and maintenance of clean and renewable energy assets.

The proposed transfer of the renewable energy businesses to wholly owned subsidiaries of the Company i.e., the Subsidiaries would enable them to pursue captive generation opportunity if available, subject to receipt of necessary approvals and compliance with the provisions of the Electricity Act Rules, 2005 (and the rules made there under) and other applicable laws and regulations

The proposed restructuring/carve out is sought to be implemented by way of a Scheme of Arrangement ("Scheme") under Sections 391 and Section 394 and other applicable provisions of the Companies Act, 1956.

The consideration for the transfer and vesting sale of the renewable energy undertakings will be equal to a lump sum amount representing the net asset value i.e., book value of the assets and liabilities being transferred pertaining to each of the renewable energy units as on 1st April 2016 ("Appointed Date") will be paid by the Company and the respective transferee companies to TPCL.

The scheme will be effective on approval from Honourable Bombay High Court.

6 DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of Section 149 of the Act, the Board on 9th March 2015, appointed the following as Independent Directors of the Company:

Mr. Nawshir Mirza
Dr. Homiar S. Vachha

In terms of Section 203 of the Act, the following were designated as Key Managerial Personnel of your Company by the Board:

- Mr. Rahul Shah, CEO & Director (w.e.f. 27th February 2015)
- Mr. Yogesh Kokane, Chief Financial Officer (upto 30th September 2015)
- Mr J.V Patil, Chief Financial Officer (w.e.f. 1st October 2015)
- Ms. Nilufer Irani, Company Secretary (upto 16th December 2015)
- Ms Mona Purandare (w.e.f.17th December 2015)

In accordance with the requirements of the Act and the Articles of Association of the Company, Ms Anjali Kulkarni retires by rotation and is eligible for re-appointment.

Eight Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held were as follows:

13th May 2015, 23rd July 2015, 21st September 2015, 14th October 2015, 29th October 2015, 17th December 2015, 2nd February 2016, 24th March 2016



TATA POWER RENEWABLE ENERGY LIMITED

A letter confirming compliance of independence under section 149 of the Act has been obtained from all independent directors, at the time of their appointment and also at the beginning of each financial year.

Governance Guidelines:

The Company has adopted Governance Guidelines on Board Effectiveness. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director remuneration, subsidiary oversight, Code of Conduct, Board Effectiveness Review and mandates of Board Committees.

7 REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act, the NRC is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Board Diversity and Director Attributes which is reproduced in Annexure-II and Remuneration Policy for Non-Executive Directors, Key Managerial Personnel and other employees of the Company which is reproduced in Annexure-III.

8 COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. Each Committee of the Board functions according to its role and defined scope.

- Audit Committee of Directors
- Nomination and Remuneration Committee (NRC)
- Corporate Social Responsibility Committee (CSR)
- Finance Committee

Audit Committee of Directors

Composition of the Audit Committee of Directors (Audit Committee) and details of the meetings attended by the directors during the year is as under

| Sl. No. | Name of the Director | Category | No of Meetings attended |
|---------|-----------------------------|------------------------------------|-------------------------|
| 1. | Mr. Nawshir Mirza, Chairman | Non-Executive Independent Director | 5 |
| 2. | Dr. H. S. Vachha | | 5 |
| 3. | Mr. Ramesh Subramanyam | Non-Executive Director | 5 |

The Audit Committee met five times during the year under review on the following dates:



13th May 2015, 23rd July 2015, 29th October 2015, 20th January 2016 and 2nd February 2016.

The Board of Directors of your Company has adopted the Charter of the Audit Committee to bring the terms of reference, role and scope in conformity with the provisions of the Act. The Charter specifies the composition, meetings, quorum, powers, roles and responsibilities etc. of the Committee.

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The CEO & ED and the Chief Financial Officer attend the meetings. The Statutory Auditors and Internal Auditors are also invited to the meetings. Ms. Mona Purandare, Company Secretary, acts as the Secretary of the Committee.

Nomination and Remuneration Committee

Composition of the Nomination and Remuneration Committee (NRC) and details of the meetings attended by the directors during the year are as under:

| Sl. No. | Name of the Director | Category | No of Meetings attended |
|---------|--------------------------------|------------------------|-------------------------|
| 1. | Mr. Nawshir H. Mirza, Chairman | Non-Executive | 3 |
| 2. | Dr. Homiar S. Vachha | Independent Director | 3 |
| 3. | Mr. Anil Sardana | Non-Executive Director | 3 |

The NRC met 3 times during the year under review on the following dates:

13th May 2015, 21st September 2015 and 18th March 2016.

The Company has adopted Charter for the Nomination and Remuneration Committee which specifies the principles and objectives, composition, meetings, authority and power, responsibilities, Reporting, Evaluation etc of the Committee.

The Board has delegated the following powers to the NRC:

- Investigate any matter within the scope of this Charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the Company.
- Ask for any records or documents of the Company.

The roles and responsibilities of the NRC include the following:

- Board Composition and Succession related
- Evaluation related
- Remuneration related
- Board Development related
- Review of HR Strategy, Philosophy and Practices
- Other functions



Corporate Social Responsibility Committee

Composition of the Corporate Social Responsibility Committee (CSR) and details of the meetings attended by the directors during the year are as under:

| Sl. No. | Name of the Director | Category | No of Meetings attended |
|---------|-------------------------------|------------------------------------|-------------------------|
| 1. | Mr. Mahesh Paranjpe, Chairman | Non-Executive Director | 2 |
| 2. | Mr. Rahul Shah | Executive Director | 2 |
| 3. | Dr. H. S. Vachha | Non-Executive Independent Director | 2 |

The CSR Committee met 2 times during the year under review on the following dates: 25th August 2015 and 18th February 2016

The Company has adopted a CSR Policy which indicates the activities to be undertaken by the Company which are mapped to the activities specified in the Schedule VII of the Companies Act 2013.

Finance Committee

Composition of the Finance Committee (FC) is as under:

| Sl. No. | Name of the Director | Category | No of Meetings attended |
|---------|-----------------------------|------------------------------------|-------------------------|
| 1. | Mr. Nawshir Mirza, Chairman | Non-Executive Independent Director | 1 |
| 2. | Mr. Ramesh Subramanyam | Non-Executive | 1 |

The Finance Committee was constituted on 17th December 2015 and met once during the year under review.

9 EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act 2013, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees.

Board Evaluation process

Feedback was sought from each Director about their views on the performance of the Board and other Directors. Self-assessment questionnaires were filled in by the Chairman of the Board (Board Chairman), Independent Directors, non-Independent Non-Executive Directors and the Executive Director.

The Nomination and Remuneration Committee then discussed the feedback received from all the Directors



The performance of the Board as a whole was then reviewed at a meeting of Independent Directors. The performance of the non-independent non-executive directors and Board Chairman was also reviewed.

The collective feedback of the Independent Directors on the performance of the Board (as a whole) was presented to the Board by the NRC chair. The NRC chair also discussed the feedback on individual directors with the Chairman of the Board. The chair of the Board/NRC provided feedback to individual directors based on this feedback.

Each committee of the board conducted a self-evaluation of its performance and the summary of the outcome was presented to the board.

10 REGULATORY AND LEGAL

Regulatory Environment

Some amendments have been made to the Tariff Policy. The Key Amendments are:

- 8% of total consumption of electricity, excluding hydro power, shall be from solar energy by March 2022. This would increase the Renewable Purchase Obligation (RPO) for Solar Energy by the Distribution companies.
- A new obligation called RGO (Renewable Generation Obligation) has been introduced which will mandate new coal/lignite based thermal plants after specified date to also establish/procure/purchase renewable capacity as prescribed by Government of India (GoI). The exact percentage would come from the Electricity Act which is yet to be finalized.
- No inter-State transmission charges and losses to be levied for renewable power (solar/wind) till such period as notified by GoI.

Amendment In REC Regulations - Fourth Amendment

As per the current regulations - The Renewable Energy generators selling electricity through Open Access and also availing concessional benefit are currently eligible for issuance of REC. The concessional benefits can be in the form of concessional wheeling or transmission charges, banking facility benefit or concessional cross subsidy surcharge. However as per the amendment, the RE generator will have to forgo all these concessional benefits, if it wants to participate in the REC mechanism.

Further, a new clause has been inserted as per which a Captive Generating Plant (CGP) based on renewable energy sources and a renewable energy generating plant not fulfilling the conditions of CGP as prescribed in Electricity Rules, 2005 but having self-consumption shall not be eligible for participating in the REC scheme for the energy generated from such plant to the extent of self-consumption.



The Regulation on Forecasting, Scheduling and Imbalance Handling for Variable Renewable Energy Sources (Wind and Solar) by CERC were announced. Other States like Tamilnadu are following suit.

CERC had issued an order on Implementation of Low Voltage Ride Through (LVRT) by wind/solar generators. Under this order the Wind/Solar Generators were required to hold on (i.e. should not trip) for Low Voltage Conditions for a certain period of time. This was required to be complied within 2 years.

MERC has issued a notification for solar PV net metering system

10.1 REGULATORY ORDERS OF RELEVANCE

- The various State Electricity Regulatory Commissions issued tariff Orders for their states determining the Feed In Tariff (FIT) of the Wind and Solar Projects. It has been noticed that while some states have retained their previous tariff, some others such as Madhya Pradesh has drastically reduced their tariffs. Most of the Wind rich states such as Tamilnadu, Karnataka, Andhra Pradesh, and Gujarat now have tariffs which are less than ₹5 per Unit thereby bringing Solar and Wind Tariffs closer.
- MERC ruled against the Company's petition for applicability of generic solar FIT beyond the control period for the 28.8 MW Palaswadi solar project in Maharashtra commissioned in May 2015. The Company has appealed against the MERC order in the Appellate Tribunal.

10.2 LEGAL MATTERS OF RELEVANCE

Through a formal O & M contract the Company engaged the services of Photon Energy System Private Ltd (Photon) Hyderabad for the Mithapur Solar Project. Photon issued a Performance Bank Guarantee ("PBG") for ₹ 14.7 crore. The Company desired to encash the PBG owing to non-performance of the said O & M contract by PHOTON resulting the Company's invocation of the said PBG. PHOTON got an interim injunction order from the Hyderabad City Civil Court restraining the Bank from encashing the said BG. Being aggrieved, the Company filed an appeal before the Hon'ble AP High Court. The HC has passed the order by upholding the civil court's order. Certified copy of the order is awaited. Upon receipt of the same and on studying the grounds of refusal, the Company will file an appeal in the Hon'ble Supreme Court of India challenging the HC order.

11 RISK MANAGEMENT FRAMEWORK AND INTERNAL FINANCIAL CONTROLS

Risk Management Framework

Based on the Risk Management Policy, a standardized Risk Management Process and System has been implemented in the Company. Risk plans have been framed for all identified risks and uploaded in the system with mitigation actions, target dates and responsibility. This has enabled continuous tracking of status of mitigation action and monitoring of Risk Mitigation Completion Index (RMCi). The Risk Register contains the



mitigation plans for fifteen categories of risk. Company Risk Management Committee (TPREL RMC) closely monitor and review the risk plans and identify new risks.

All risks have been classified into strategic, tactical and operational risks. Apex Risk Management Committee (ARMC) reviews major strategic and tactical risks annually.

The Company has refined its risk quantification method which will help identify key risks of the organisation and reduce subjectivity in assessment of residual value. This will further help implement appropriate controls in business process. Also grouping of risks has been undertaken for better management control.

In FY16 British Standards Institution (BSI) has completed the assessment of the Company and recommended for conferring the Statement of Compliance to ISO 31000:2009 for its Risk Management Systems, a recognition that implies that the Company has strong processes for risk identification, management and mitigation.

Internal financial controls

The Company carries out internal audit which endeavours to make meaningful contributions to the organisation's overall governance, risk management, and internal controls. The function reviews and ensures sustained effectiveness of Internal Financial Controls by adopting a systematic approach. Internal audit plan is executed by corporate audit team with support of an expert Internal Audit firm. This risk based audit plan has been used for the Company.

As per the provisions of Section 177 of the Companies Act, 2013 and the Audit Committee Charter adopted by the Board at its meeting held on 27th February 2015, one of the roles and responsibility of the Audit Committee, is to review the effectiveness of the company's internal control system, including financial controls, information technology security and its control.

Section 143(3) of the Companies Act, 2013 provides that the Auditor's Report shall state whether the Company has adequate Internal Financial Controls (IFC) system in place and the operating effectiveness of such controls

The Statutory Auditors shall report on the existence of adequate IFC and its operational effectiveness for the financial years on or after 1st April 2015.

For the Business Process level, controls are evaluated through internal audits and Control Self-Assessment (CSA). The Internal Audit process includes review and evaluation of process robustness, effectiveness of controls and compliances. It also ensures adherence to policies and systems, and mitigation of the operational risks perceived for each area under audit. The Company follows the Internal Audit Policy and Manual of the parent company, based on which a flexible risk based audit plan has been formulated that aligns with the organizational strategy and impact on business objectives. All processes of the Company have been classified under vital, essential and desirable, based on the analysis of process impact on Company's Strategic Objectives. Post the



audit, process is rated through the Risk Control Index and Process Robustness Index given by the Internal Auditors. The Audit Committee then reviews the Internal Audit reports and the status of implementation of the agreed action plan. Post recognition of 'General conformance to international audit standards' from Institute of Internal Auditors (IIA Global) in 2013, quality review of audit reports is carried out as per IIA global guidelines before the report is issued.

Control Self-Assessment: The Company rolled out a Control Self-Assessment process this year, whereby responses of all process owners are used to assess built in internal controls in each process. This helps the Company to identify focus audit areas, design audit plan and support CEO/CFO certification for internal controls. The Control Self-Assessment questionnaire is designed to test effectiveness of deployment of existing controls for processes which are not to be audited as per the audit plan. This ensures optimum coverage of audit universe to provide assurance on the operating effectiveness based on results of evaluation across all processes.

Process Robustness Index (PRI): The processes are examined to assess their robustness primarily from the perspective of system driven controls which ensure that deviations from the defined process do not occur due to manual errors. In case controls have not been embedded in the system, other compensating controls such as maker-checker are exercised to assess the robustness of the process. This index is computed on the basis of existence of robust controls and not on the basis of extent of implementation of these controls.

The statutory auditors carry out an audit at quarterly intervals and these reports have not reported any adverse findings. The Company's secretarial audit carried out in the current year has not indicated any major lapses.

12 SUSTAINABILITY

The Company has been conscious of its role as a sustainability steward and continuously works towards climate change abatement. It remains committed to the legacy of being a responsible organization and thus reinforces the Company core values of Leadership with Care. The Sustainability Model of Leadership with Care aims at strengthening structures and processes for environmental performance, stronger engagement with community, customers and employees, by using enablers like new technology, benchmarking and going beyond compliance in key operational parameters.

The initiatives, under the aegis of the Sustainability Model of Leadership with Care are several well-planned projects that generate power from wind and solar energy sources, and an unflinching commitment towards biodiversity conservation and community development. The Company will always strive to



lead on the path towards growth with responsibility and commitment of generating electricity using cleaner sources of energy.

12.1 SAFETY – CARE FOR OUR PEOPLE

The Company follows the safety policies and re-affirms its commitment to provide safe workplace and clean environment to its employees and to foster a safer, healthier and cleaner environment to the surrounding community as an integral part of its business philosophy and values.

The Company makes all efforts to ensure conscientious observance of all National, State and other statutory requirements for maintaining a safe, healthy and pollution-free work environment.

Safety Statistics FY16:

| Sl. No. | Safety Parameters (Employees and contractors) | FY15 | FY16 |
|---------|---|------|------|
| 1 | Fatality (Number) | 0 | 0 |
| 2 | LTIFR (Lost Time Injuries Frequency Rate per million man hours) | 0 | 0 |
| 3 | Total Injuries Frequency Rate (TIFR) (Number of Injuries per million man hours) | 0 | 0 |
| 4 | First Aid Cases (Number) | 0 | 0 |

12.2 CARE FOR OUR COMMUNITY/COMMUNITY RELATIONS

- Details of CSR spend are provided in Annexure IV.
- Your Company has been actively working on five thrust areas in CSR- Primary Education with focus on Livelihood and Employability, Health & Drinking water, Social Capital and Infrastructure and Inclusive Growth.
- Palsawade and Devapur villages close to Palsawadi plant premises were selected for making major CR interventions.
- Need assessment survey was done for both the villages in September 2015.
- Focus areas based on the needs as identified in the survey were finalized namely Livelihood and Employability, Social capital and infrastructure and nurturing sustainability.



- A Plan was made for next 3 years based on the interventions to be done in the three focus areas.

12.3 AFFIRMATIVE ACTION

The Company's Operations and day to day working is supported by departments of its parent Company, Tata Power. These departments are governed by the standard Tata Power practices and policies including those for Sustainability.

12.4 CARE FOR OUR ENVIRONMENT

The Company's renewable energy generation capacity does not consume fossil fuels and has no emissions. It aims to minimize the impact of its operations on the environment by acting responsibly towards the environment. Your Company addresses various aspects of resource conservation, energy efficiency, and biodiversity.

The following key initiatives were taken up during FY15:

- Creating pondage at Palsawadi with capacity over 50 lakhs ltrs, which is adequate to carry out 4 module cleaning cycles. This rainwater harvesting initiative is ready in all respects to impound water in the coming 2016 monsoon.
- Other rain water harvesting efforts continue to get around 3 lakh liters of water every year at both the sites.
- Installation of solar street lights at Palsawadi and solar inverter modules on the roof top of Central Control Room at Palsawadi to reduce the plant auxiliary consumption.

13 HUMAN RESOURCES

The Company has a lean management structure supported by Departments of Tata Power such as finance, accounts, operations, projects, contracting etc. under the Asset Management Service Agreements and Project Management Service Agreements. All these employees are covered by the Human Resources Practices and Policies of Tata Power.

Sexual Harassment –

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW") notified in December, 2013 requires an organization employing 10 or more persons to constitute an internal complaints committee ("ICC") for hearing complaints of sexual harassment and to include in its annual report the number of cases filed with the ICC and disposed of under



the Act in the previous financial year. Since the Company's employee count is below 10, the requirements of SHWW are not applicable to the Company.

14 CREDIT RATING

As on 31st March 2016, your Company had the following credit ratings:

- Short Terms rating of 'CARE A1'
- Long Term rating of 'CARE A' for loans without Corporate Guarantee
- Long Term rating of 'CARE AA (SO)' for loans with Corporate Guarantee

15 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees and securities under Section 186 of the Act. The details of investments is provided in the schedules to the financial statements.

16 FOREIGN EXCHANGE EARNINGS AND OUTGO-

| Particulars – Standalone | ₹ crore | |
|---|---------|-------|
| | FY 16 | FY 15 |
| Foreign Exchange Earnings mainly on account of interest, dividend | NIL | NIL |
| Foreign Exchange Outflow mainly on account of: | | |
| Fuel purchase | NIL | NIL |
| Interest on foreign currency borrowings, NRI dividends | NIL | NIL |
| Purchase of capital equipment, components and spares and other miscellaneous expenses | NIL | NIL |

There is no Foreign Currency Exposures to the Company as on 31st March 2016

17 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

17.1 CONSERVATION OF ENERGY;

The Company monitors auxiliary consumption at its plants and takes measures to reduce it through use of energy efficient appliances, prudent use of resources, natural ventilation, etc.

17.2 TECHNOLOGY ABSORPTION



The Company ensures that its equipment vendors share their supplier details, design drawings, trains Company personnel in operation and maintenance of the equipment.

18 EMPLOYEES AND REMUNERATION

The information required under section 197 (12) of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure V

19 DEPOSITS

The Company has not accepted any deposits.

20 RELATED PARTY TRANSACTIONS

Details of Related Party Transactions as per AOC-2 are provided in Annexure VI

21 EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Extract of Annual Return in Form MGT-9 is provided in Annexure-VII.

22 AUDITORS

Messrs. Deloitte Haskins & Sells LLP (DHS LLP), who are the statutory auditors of your Company, hold office until the conclusion of the Tenth AGM of the Company to be held in the year 2017, subject to ratification of their appointment at every AGM. The Members year on year will be requested, to ratify their appointment as Auditors and to authorize the Board of Directors to fix their remuneration. In this connection, the attention of the Members is invited to Item No. 3 of the Notice.

23 AUDITORS' REPORT

Messrs. Deloitte Haskins & Sells LLP (DHS LLP), who are the statutory auditors of your Company have given their Audit Report. The auditor had issued one emphasis of matter in its audit report as under:

"We draw attention to Note 29, to the financial statements which describes the "Scheme of Amalgamation" ("the Scheme") between NewGen Saurashtra Windfarms Limited ("the transferor company"), a wholly owned subsidiary, with the Company, effective from 1st April 2014 (appointed date). The Scheme is approved by the Hon'ble High Court of Judicature at Bombay vide its order dated 4th December, 2015 and is effective from 12th February, 2016. The entire



undertaking of the transferor company has been transferred to the Company as a going concern. Consequent to approval of the Hon'ble High Court, effect of the Scheme has been given in the financial statements, as stated in Note 29, which is in variance with Accounting Standards 14 "Accounting for Amalgamations", which states that the identity of the reserves is preserved and they appear in the financial statements of the transferee company in the same form in which they appeared in the financial statements of the transferor company.

Our opinion is not modified in respect of this matter."

24 COST AUDITOR AND COST AUDIT REPORT

M/s Sanjay Gupta & Associates, Cost Accountants, were appointed Cost Auditors of your Company for FY16.

In accordance with the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013, your Company carries out an audit of cost accounts relating to electricity every year. The Cost Audit Report and the Compliance Report of your Company for the Financial Year ended 31st March, 2015, which was due for filing by 30th September, 2015, was filed on 22nd September 2015 with the Ministry of Corporate Affairs through Extensive Business Reporting Language (XBRL) by M/s N. I. Mehta & Co., Cost Accountants.

25 SECRETARIAL AUDIT REPORT

M/s, Parikh & Associates, Company Secretaries, were appointed as Secretarial Auditors to conduct Secretarial Audit of records and documents of the Company for FY16. The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations, and Guidelines etc.

Secretarial Audit Report is given as Annexure VIII

26 VIGIL MECHANISM

The Company believes in the conduct of affairs of its constituents in a fair and transparent by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. In line with the Tata Code of Conduct any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the TCOC cannot be undermined.

Pursuant to clause 177(9) of the Act a vigil mechanism' was established for Directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud violation of the Company's code of conduct



or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company.

27 DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of compliance systems established and maintained by the Company, work performed by the internal, statutory, [cost]* and secretarial auditors and external consultant(s) and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's compliance systems were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and ability, confirmed that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;
- b) They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28 ACKNOWLEDGEMENTS

On behalf of the Directors of the Company, I would like to place on record our deep appreciation to our Shareholders, Customers, Business Partners, Vendors, Bankers, Financial Institutions and Academic Institutions.



TATA POWER RENEWABLE ENERGY LIMITED

The Directors are thankful to the Government of India and the various Ministries, the State Governments and the various Ministries, the Central and State Electricity Regulatory authorities, communities in the neighborhood of our operations, Corporation and Municipal authorities of Mumbai and local authorities in areas where we are operational.

On behalf of the Board of Directors,

A handwritten signature in black ink, appearing to read 'Anil Sardana', written over a horizontal line.

Anil Sardana
Chairman

Mumbai, 14th May 2016

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TATA POWER RENEWABLE ENERGY LIMITED

ANNEXURE - I

Form AOC-1

(Pursuant to rule provided in sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement detailing salient features of the financial statements of subsidiaries/ associated companies/joint ventures

Part 'A': Subsidiaries

| S/N | Name of the Subsidiary | Reporting period for the subsidiary concerned | Reporting currency | Equity/Shareholding Percentage as on 31st March 2018 | Share capital (incl. paid-up share) | Reserve as a surplus | Total assets | Total Liabilities (incl. Sec. Capital & Reserves) | Investments | Turnover | Other income | Total Revenue | Provision/losses before taxation | Provision for taxation (incl. deferred tax) | Profit/loss after taxation | Dividend on Equity Shares (%) | Dividend on Equity Shares | % of shareholding |
|-----|----------------------------|---|--------------------|--|-------------------------------------|----------------------|--------------|---|-------------|----------|--------------|---------------|----------------------------------|---|----------------------------|-------------------------------|---------------------------|-------------------|
| 1 | Mirinda Windfarm Ltd | 31st March, 2018 | Indian Rupee | 1.00 | 800000 | (41879) | 500000.00 | 51071 | Nil | Nil | Nil | Nil | (41879) | Nil | (41879) | Nil | Nil | 100.00 |
| 2 | Ellice Windfarm Ltd | 31st March, 2018 | Indian Rupee | 1.00 | 800000 | (81679) | 500000.00 | 5876 | Nil | Nil | Nil | Nil | (81679) | 88 | (81679) | Nil | Nil | 100.00 |
| 3 | Tata Power Ghosh Energy LP | 31st March, 2018 | Indian Rupee | 1.00 | 500000 | (28818) | 218002.70 | 15450 | Nil | Nil | Nil | Nil | (28817) | Nil | (28817) | Nil | Nil | 100.00 |

Notes: The following information shall be furnished at the end of the statement:

1. Name of subsidiaries which are yet to commence operations: Nil
2. Name of subsidiaries which have been liquidated or sold during the year: Nil
3. Name of subsidiaries which have been incorporated on 31st March 2018: In terms of section 2(47) of the Companies Act 2013, the first financial year of the company is the period ending on the 31st March 2017.

Part 'B': Associates and Joint Ventures

Statement pursuant to section 129 (D) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: The Company does not have any Associate Companies and Joint Ventures.

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Annexure II- Policy on Board Diversity and Director Attributes

1. **Objective**

- 1.1 The Policy on Board Diversity ('the Policy') sets out the approach to diversity on the board of directors ('the Board') of Tata Power Renewable Energy Limited (the company).
- 1.2 The company recognises that diversity at board level is a necessary requirement in ensuring an effective board. A mix of executive, independent and other non-executive directors is one important facet of diverse attributes that the company desires. Further, a diverse board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective board. All board appointments shall be made on merit having regard to this policy.

2. **Attributes of directors**

The following attributes need to be considered in considering optimum board composition:

- i) **Gender diversity:**
Having at least one woman director on the Board with an aspiration to reach three women directors.
- ii) **Age**
The average age of board members should be in the range of 40 - 60 years.
- iii) **Competency**
The board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, the environment, green technologies, operations of the company's businesses, energy commodity markets and other disciplines related to the company's businesses.
- iv) **Independence**
The independent directors should satisfy the requirements of the Companies Act, 2013 (the Act).
- v) **Additional Attributes**
- The directors should not have any other pecuniary relationship with the company, its subsidiaries, associates or joint ventures and the company's promoters, besides sitting fees and commission.
 - The directors should not have any of their relatives (as defined in the Act and Rules made thereunder) as directors or employees or other stakeholders (other than with immaterial dealings) of the company, its subsidiaries, associates or joint ventures.



TATA POWER RENEWABLE ENERGY LIMITED

- The directors should maintain an arm's length relationship between themselves and the employees of the company, as also with the directors and employees of its subsidiaries, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The directors should not be the subject of allegations of illegal or unethical behaviour, in their private or professional lives.
- The directors should have ability to devote sufficient time to the affairs of the Company.

3. Role of the Nomination and Remuneration Committee

3.1 The Nomination and Remuneration Committee ('the NRC') shall review and assess board composition whilst recommending the appointment or reappointment of independent directors.

4. Review of the Policy

4.1 The NRC will review this policy periodically and recommend revisions to the board for consideration.



TATA POWER RENEWABLE ENERGY LIMITED

Annexure III- Remuneration Policy for Non-Executive Directors, Key Managerial Personnel and other employees of the Company

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Tata Power Renewable Energy Limited ("company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Clause 49(IV)(B)(1) of the Equity Listing Agreement ("Listing Agreement"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

Key principles governing this remuneration policy are as follows:

Remuneration for independent directors and non-independent non-executive directors

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/



TATA POWER RENEWABLE ENERGY LIMITED

management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

Remuneration for managing director ("MD")/ executive directors ("ED")/ KMP/ rest of the employees¹

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
 - Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
 - Driven by the role played by the individual,
 - Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
 - Consistent with recognized best practices and
 - Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
 - The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
 - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
 - The company provides retirement benefits as applicable.
 - [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.]²
 - [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
 - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
 - Industry benchmarks of remuneration,
 - Performance of the individual.]³

¹ Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

² To be retained if Commission is provided to MD/ EDs

³ To be retained only if Commission is not provided to MD/ EDs

- The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.



TATA POWER RENEWABLE ENERGY LIMITED

Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

Policy Implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

Annexure IV – Details of Corporate Social Responsibility Spend

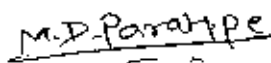
| | | |
|-----|---|---|
| 1. | Brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken with a reference to the web-link to the CSR policy and projects or programs | TPREL has been actively working in five thrust areas in CSR <ul style="list-style-type: none"> • Primary Education System with emphasis on girl child. • Healthcare Facilities including safe drinking water • Livelihood & Employability • Social Capital and Infrastructure • Inclusive Growth |
| 2. | The Composition of the CSR Committee | Mr. Mahesh Paranjpe, Chairman Mr. Rahul Shah Dr. H. S. Vachha |
| 3. | Average net profit of the company for last three financial years | ₹ 7.16 crore |
| 4. | Prescribed CSR Expenditure (two percent of the amount as in item 3 above) | ₹ 0.12 crore |
| 5. | Details of CSR spent during the financial year: | |
| (a) | Total amount spent for the financial year; | ₹ 0.15 crore |
| (b) | Amount unspent, if any; | NIL |
| (c) | Manner in which the amount spent during the financial year is detailed below | |

| Sl. No | CSR project or activity identified | Sector in which the project is covered | Project/ Program (Specify local area/ state and district) | Amount Outlay (Budget) project wise | Amount Spent on projects or programs Subheads: Direct and Overheads | Cumulative expenditure up to 31/03/15 | Amount spent: Direct or through implementation agency |
|--------|---|---|--|-------------------------------------|---|---------------------------------------|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Short duration Vocational and Skill Training for Rural Youth/Women (Vocational and Technical Skill Development training for | Enhancing programs on Livelihood (<i>Samridhi</i>) and Employability (<i>Daksh</i> | State: Maharashtra District: Satara Local Area: Palaswade Devpur | 0.07 | 0.0412 | 0.0412 | Tata Power Community Development Trust. |

TATA POWER RENEWABLE ENERGY LIMITED

| | | | | | | | |
|--|---|--|---|-------|--------|--------|---|
| | youth started | | | | | | |
| | Solar Street LED Light Systems (SSLS) (30 Solar Street Lights installed. Electrician from Palaswade trained for maintenance of the street lights) | Nurturing Sustainability for Inclusive Growth (Akshay) | State: Maharashtra District: Satara Local Area: Palaswade | 0.045 | 0.0448 | 0.0448 | Tata Power Community Development Trust. |
| | Solar water Pump Installation and commissioning services. | Nurturing Sustainability for Inclusive Growth (Akshay) | State: Maharashtra District: Satara Local Area: Palaswade | 0.0 | 0.0184 | 0.0184 | Tata Power Community Development Trust. |
| | Government at Door Step (Tie up with district administration to mobilize Government funds through various schemes available for villagers) | Building Social Capital and Infrastructure (Sanrachna) | State: Maharashtra District: Satara Local Area: Palaswade | 0.005 | 0.005 | 0.005 | Tata Power Community Development Trust. |
| | Watershed Management | Building Social Capital and Infrastructure (Sanrachna) | State: Maharashtra District: Satara Local Area: Palaswade | 0.0 | 0.0406 | 0.0406 | Tata Power Community Development Trust. |


 Rahul Shah
 CEO & Director


 Mahesh Paranjpe
 Chairman, CSR Committee



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Annexure – V: Disclosure of Managerial Remuneration

a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

| Name of Director | Ratio of Director's remuneration to the median remuneration of the employees of the company for the financial year |
|-------------------------|---|
| Mr. Anil Sardana, | NA* |
| Dr. Homiar S. Vachha | 0.55 |
| Mr. Nawshir H. Mirza | 0.54 |
| Mr. Ramesh Subramanyam | NA* |
| Mr. Mahesh Paranjpe | NA* |
| Ms. Anjali Kulkarni | 0.25 |
| Mr. Rahul Shah | 7.04 |

*Mr. Anil Sardana, Mr. Ramesh Subramanyam and Mr. Mahesh Paranjpe were not paid any remuneration during the year.

b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

| Name of Director and Key Managerial Personnel | Percentage increase in remuneration in the financial year |
|--|--|
| Mr. Anil Sardana, | NA* |
| Dr. Homiar S. Vachha | 100** |
| Mr. Nawshir H. Mirza | 100** |
| Mr. Ramesh N. Subramanyam | NA* |
| Mr. Mahesh Paranjpe | NA* |
| Ms. Anjali Kulkarni | 100** |
| Mr. Rahul Shah CEO & ED (KMP) | 552@ |
| Mr. Yogesh Kokane, Chief Financial Officer (KMP) (upto 30.09.2015) | -35# |
| Ms. Nilufer Irani, Company Secretary (KMP) (upto 16.12.2015) | 119# |

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| | |
|---|-------|
| Mr. Jinendra V Patil Chief Financial Officer (KMP) (w.e.f. 01.10.2015) | 100## |
| Ms. Mona Purandare, Company Secretary (KMP) (w.e.f. 17.12.2015) | 100## |

*Mr. Anil Sardana, Mr. Ramesh Subramanyam and Mr. Mahesh Paranjpe were not paid any remuneration during the year.

** Ms. Anjali Kulkarni was appointed as an Additional Director of the Company effective 27th February 2015. Since there were no Board meetings held, subsequent to her appointment, during FY2014-15, there were no sitting fees paid to her. Dr. Vachha and Mr. Mirza were appointed as Independent Directors of the Company effective 9th March 2015. Since there were no Board meetings held, subsequent to their appointment, during FY 2014-15, there were no sitting fees paid to them.

@During FY 2014-15, Mr. Shah was designated as CEO & ED of the Company effective 27th February 2015. The Company paid a sum of ₹ 0.22 crore in proportion to the service rendered by him. During FY16, the Company has paid ₹ 1.41 crore to him.

#Mr. Kokane and Ms. Irani were in office upto 30th September 2015 and 16th December 2015 respectively. The remuneration paid to Mr. Kokane and Ms. Irani for the period was ₹ 11.31 lakhs (₹17.15 lakhs in FY 2014-15) and ₹ 8.73 lakhs (₹ 3.98 lakhs in FY 2014-15) respectively.

##Mr. J V Patil was appointed as CFO from 1st October 2015 and Ms Mona Purandare was appointed Company Secretary wef 17th December 2015.

c) The percentage increase in the median remuneration of employees in the financial year. Since most of the employees were in office for part of the previous year, increase in the median remuneration of employees is not comparable in percentage terms.

d) The number of permanent employees on the rolls of the company including those who were employed for part of the year: 11

e) The explanation on the relationship between average increase in remuneration and company performance: The Company performance has improved from PAT of ₹6.31 crore in FY15 to ₹23.96 crore in FY16. The figures are not comparable to the increase in remuneration in percentage terms since most of the employees were in office for part of the previous year

f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

| Sr. No. | Particulars of remuneration for Key Managerial Personnel | Percentage of Standalone Operating Profit |
|---------|--|---|
| 1 | Mr. Rahul Shah, CEO and ED | 0.65 |
| 2 | Mr. Yogesh Kokane, CFO (upto 30.09.15) | 0.05 |
| 3. | Ms Nilufer Irani, Company Secretary (upto 16.12.15) | 0.04 |
| 3 | Mr. Jinendra Patil, CFO (wef 01.10.15) | 0.09 |

**TATA POWER RENEWABLE ENERGY LIMITED**

| | | |
|---|---|------|
| 4 | Ms. Mona Purandare, Company Secretary (wef 17.12.15) | 0.02 |
|---|---|------|

Note: Remuneration to all the KMPs (except Mr. Shah) was for part of the year.

- g) Market and financial performance related information: N.A.
- h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- Since most of the employees were in office for part of the year, the average increase in salaries employees is not comparable with the remuneration of managerial personnel in percentage terms.
- i) The key parameters for any variable component of remuneration availed by the directors: Not Applicable as the Company did not pay commission to any Director.
- j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: There is no employee who received remuneration more than the highest paid Director.
- k) Affirmation that the remuneration is as per the remuneration policy of the Company: It is affirmed that the remuneration is as per the 'Remuneration Policy for Directors, Key Managerial Personnel and other employees' adopted by the Board.



TATA POWER RENEWABLE ENERGY LIMITED

ANNEXURE VI – RELATED PARTY TRANSACTIONS

FORM No AOC-2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of subsection 3 of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Details of contracts or arrangements or transactions not at arm's length basis: Nil

Details of material contracts or arrangement or transactions at arm's length basis:

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration | Salient terms including value | Date (s) of approval by the Board | Amount paid as advances, if any |
|---|---|--|---|-----------------------------------|---------------------------------|
| Tata Power Company Limited (Holding Company) | Corporate Guarantee issued for issuance of Non-Convertible Debentures (NCD) | From 22 nd Jan 2016 & valid till 22 nd Jan 2025 | Guarantee for repayment of principal & interest payment to NCD holders for amount not exceeding ₹ 500 crore | 17.12.15 | - |
| Tata Power Company Limited (Holding Company) | Short Term Inter Corporate Loan | One time transaction | ₹ 106 crore | 14.10.2015 | - |
| Tata Power Company Limited (Holding Company) | Power Sale from Girija Shankarwadi Plant (32 MW Wind Plant) | Power Purchase Agreement (PPA) from 12 th August 2013 valid till 31 st December 2027 | ₹23.12 crore during the year | 02.01.2013 | - |

**TATA POWER RENEWABLE ENERGY LIMITED**

| | | | | | |
|--|--|---|------------------------------|------------|--|
| Tata Power Company Limited (Holding Company) | Power Sale from Palasawadi Solar Plant (28.8 MW Solar Plant) | Power Purchase Agreement (PPA) from 19 th December 2012 for 25 years period. | ₹42.81 crore during the year | 18.03.2013 | |
|--|--|---|------------------------------|------------|--|

Details of receipt of commission by a director from holding company or subsidiary company –

During the year, Mr. Nawshir Mirza and Dr. Vachha, also being Independent Directors of The Tata Power Company Limited (Tata Power) received commission of ₹ 74 lakhs and ₹ 80 lakhs, respectively from Tata Power for FY15.

On behalf of the Board of Directors

Anil Sardana
Chairman



TATA POWER RENEWABLE ENERGY LIMITED

Annexure VII - Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U40108MH2007PLC168314
- ii) Registration Date: 02/03/2007
- iii) Name of the Company: Tata Power Renewable Energy Limited
- iv) Category / Sub-Category of the Company: Public Company
- v) Address of the Registered office and contact details:
C/O The Tata Power Company Ltd.,
Corporate Center Block, 34,
Sant Tukaram Road,
Carnac Bunder, Mumbai-400009
- vi) Whether listed company: Yes / No-The Company has listed its Non Convertible debentures
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate (Near Famous Studio)
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400011
Tel.: 022 66568484, Fax.: 022 66568494
Email: csq-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Sale of Solar Power | 35105 | 67.48% |
| 2 | Sale of Wind Power | 35106 | 32% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| S. NO. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % Of Shares Held | Applicable Section |
|--------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1 | The Tata Power Company Limited Bombay House, 24 Homi Mody Street Mumbai 400001 | L28920MH1919PLC000567 | Holding | 100 | |

**TATA POWER RENEWABLE ENERGY LIMITED**

| | | | | | |
|----|--|------------------------|------------|-----|--|
| 2. | Supa Windfarm Ltd C/O The Tata Power Company Ltd., Corporate Center Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai-400009 | U40300MH2015PLC270878. | Subsidiary | 100 | |
| 3. | Nivade Windfarm Ltd C/O The Tata Power Company Ltd., Corporate Center Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai-400009 | U40300MH2015PLC271114. | Subsidiary | 100 | |
| 4. | Poolavadi Windfarm Ltd C/O The Tata Power Company Ltd., Corporate Center Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai-400009 | U40300MH2016PLC271899. | Subsidiary | 100 | |
| 5. | Tata Power Green Energy Ltd C/O The Tata Power Company Ltd., Corporate Center Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai-400009 | U40108MH2011PLC211851 | Subsidiary | 100 | |



TATA POWER RENEWABLE ENERGY LIMITED

| | | | | | |
|---|--|-----------------------|------------|-----|--|
| 6 | NewGen Saurashtra Windfarms Limited C/O The Tata Power Company Ltd., Corporate Center Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai-400009 (Merged with the Company wef 12 th February 2016) | U40108MH2010PLC260025 | Subsidiary | 100 | |
|---|--|-----------------------|------------|-----|--|

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding-

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------------------------|---|----------|--------------|-------------------|---|----------|--------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (i) Indian | | | | | | | | | |
| a) Individual/HUF | | | | | | | | | |
| b) Central Govt. | | | | | | | | | |
| c) State Govt. (s) | | | | | | | | | |
| d) Bodies Corp. | 48,76,07,709 | 6 | 48,76,07,715 | 100 | 50,61,07,709 | 6 | 50,61,07,715 | 100 | 103.78 |

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TATA POWER RENEWABLE ENERGY LIMITED

| | | | | | | | | | |
|---|---------------------|------------|---------------------|------------|---------------------|------------|---------------------|------------|---------------|
| e) Banks / FI | | | | | | | | | |
| f) Any Other.... | | | | | | | | | |
| Sub-total (A) (1):- | 48,76,07,709 | 6 | 48,76,07,715 | 100 | 50,61,07,709 | 6 | 50,61,07,715 | 100 | 103.79 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | | | | | | | | | |
| b) Other - Individuals | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks / FI | | | | | | | | | |
| e) Any Other.... | | | | | | | | | |
| Sub-to(a) (A) (2):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 48,76,07,709 | 6 | 48,76,07,715 | 100 | 50,61,07,709 | 6 | 50,61,07,715 | 100 | 103.79 |
| B. Public Shareholding | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 1. Institution | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |

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| | | | | | | | | | |
|---|--------------|-----|--------------|-----|--------------|-----|--------------|-----|--------|
| 1) Others (specify) | | | | | | | | | |
| Sub-total (B)(1):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. Non-institutions | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹. 1 lakh | | | | | | | | | |
| ii) Individual shareholders holding nominal share capital in excess of ₹1lakh | | | | | | | | | |
| c) Others (specify) | | | | | | | | | |
| Sub-total (B)(2):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | 48,76,07,709 | 6 | 48,76,07,715 | 100 | 50,81,07,709 | 6 | 50,81,07,715 | 100 | 103.79 |

(ii) Shareholding of Promoters (including the promoter group)

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | Shareholding at the end of the Year | % change in share holding during the year |
|--------|--------------------|---|-------------------------------------|---|
| | | | | |

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| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
|---|--------------------------------|---------------|----------------------------------|--|---------------|----------------------------------|--|--------|
| 1 | The Tata Power Company Limited | 48,76,07,715 | 100 | 20.40 | 50,61,07,715 | 100 | 51 | 103.79 |
| | Total | 48,76,07,715 | 100 | 20.40 | 50,61,07,715 | 100 | 51 | 103.79 |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| | Sl. No. | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|--|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | | 48,76,07,715 | 100 | 48,76,07,715 | 100 |
| Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for Increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Rights Issues: 27 th November 2015 | 1,85,00,000 | 100 | 50,61,07,715 | 100 |
| At the End of the year | | 50,61,07,715 | 100 | 50,61,07,715 | 100 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): N.A.

(v) Shareholding of Directors and Key Managerial Personnel:

| For Each of | Sl. No. | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|-------------|---------|---|--------------------------|---|----------------------|
| | | No. of shares | % of total shares of the | No. of shares | % of total shares of |



TATA POWER RENEWABLE ENERGY LIMITED

| the Directors and KMP | | | company | | the company |
|---|---|---|----------------------------------|---|----------------------------------|
| | Mr.Rahul Shah, CEO & Director (Share held jointly with The Tata Power Company Limited (TPC) with TPC being the first holder | | | | |
| At the beginning of the year | | 1 | 0.00 | 1 | 0.00 |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | | 0 | 0.00 | 0 | 0.00 |
| At the End of the year (or on the date of separation, if separated during the year) | | 1 | 0.00 | 1 | 0.00 |
| | Sl. No. | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
| For Each of the Directors and KMP | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | Mr.Ramesh Subramanyam, Director (Share held jointly with The Tata Power Company Limited (TPC) with TPC being the first holder | | | | |
| At the beginning of | | 1 | 0.00 | 1 | 0.00 |



TATA POWER RENEWABLE ENERGY LIMITED

| | | | | | |
|---|--|---|------|---|------|
| the year | | 0 | 0.00 | 0 | 0.00 |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | | | | | |
| At the End of the year (or on the date of separation, if separated during the year) | | 1 | 0.00 | 1 | 0.00 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment-

| | (₹. Cr) | | | |
|--|----------------------------------|-----------------|----------|--------------------|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 691.00 | 10.50 | | 701.50 |
| ii) Interest due but not paid | 2.82 | | | 2.82 |
| iii) Interest accrued but not due | 0.26 | 1.53 | | 1.79 |
| Total (i+ii+iii) | 694.07 | 12.03 | | 706.10 |
| Change in Indebtedness during the financial year | | | | |



TATA POWER RENEWABLE ENERGY LIMITED

| | | | | |
|--|---------------|---------------|----------|----------------|
| <input type="checkbox"/> Addition | | | | |
| i) Principal Amount | 13.46 | 417.39 | | 430.85 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | 1.59 | 6.14 | | 7.72 |
| <input type="checkbox"/> Reduction | | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | 2.82 | | | |
| iii) Interest accrued but not due | | | | |
| Net Change | 12.23 | 423.53 | | 435.75 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 704.46 | 427.89 | - | 1132.35 |
| ii) Interest due but not paid | 0.00 | 0.00 | - | 0.00 |
| iii) Interest accrued but not due | 1.85 | 7.67 | - | 9.51 |
| Total (i+ii+iii) | 706.30 | 435.56 | - | 1141.86 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. no. | Particulars of Remuneration | Name of MD/WTD/ Manager Mr Rahul Shah | Total Amount |
|---------|---|--|--------------|
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 14147747 | 14147747 |

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TATA POWER RENEWABLE ENERGY LIMITED

| | | | |
|----|--|----------|----------|
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | |
| 2. | Stock Option | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil |
| 4. | Commission - as % of profit - others, specify... | Nil | Nil |
| 5. | Others, please specify | Nil | Nil |
| | Total (A) | 14147747 | 14147747 |
| | Ceiling as per the Act (@10% of the profit calculated under section 198 of the Companies Act 2013) | | 33036750 |

B. Remuneration to other directors:

(₹)

| Sl. no. | Name of Directors | Particulars of Remuneration | | | Total Amount |
|---------|---|---|--------------|------------------------|--------------|
| | | Fee for attending board / committee Meetings* | Commission** | Others, please specify | |
| I. | Independent Directors | | | | |
| 1. | Dr. H. S. Vachha | 6,80,000 | Nil | Nil | 6,80,000 |
| 2. | Mr. N. H. Mirza | 6,80,000 | Nil | Nil | 6,80,000 |
| | Total (A) | 13,40,000 | Nil | Nil | Nil |
| II. | Other Non-Executive Directors | Nil | Nil | Nil | Nil |
| | Ms Anjali Kulkarni | 3,00,000 | | | 3,00,000 |
| | Total (B) | 3,00,000 | Nil | Nil | 3,00,000 |
| | Total Managerial Remuneration | 16,40,000 | Nil | Nil | 16,40,000 |
| | Overall Ceiling as per the Act (@1% of profit calculated under section 198 of the Companies Act 2013) | | | | 33,03,675 |

None of the NEDs had any pecuniary relationship or transactions with the Company

C. Remuneration to Key Managerial Personnel Other than Managing Director/Manager/Whole Time Director: Nil

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| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | | |
|---------|--|---|---|---|---|---------|
| | | Ms. Nilufer Irani, CS (upto 16 th December 2015) | Mr. Yogesh Kokane, CFO (upto 30 th September 2015) | Mr J V Patil CFO (wef 1st October 2015) | Ms Mona Purandare CS (wef 16 th December 2015) | Total |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | 873215 | 1131223 | 2009063 | 467178 | 4480679 |
| 2. | Stock Option | Nil | Nil | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil | Nil | Nil |
| 4. | Commission - as % of profit - others, specify... | Nil | Nil | Nil | Nil | Nil |
| 5. | Others, please specify | Nil | Nil | Nil | Nil | Nil |
| | Total | 873215 | 1131223 | 2009063 | 467178 | 4480678 |

* Mr Yogesh Kokane and Ms Nilufer Irani resigned as KMPs as of 30th September 2015 and 16th December 2015 respectively. Mr J V Patil and Ms Mona Purandare were appointed as KMPs with effect from 1st October 2015 and 17th December 2015 respectively

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|----------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| Penalty | Nil | | | | |
| Punishment | Nil | | | | |
| Compounding | Nil | | | | |
| OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | Nil | | | | |
| Punishment | Nil | | | | |
| Compounding | Nil | | | | |

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Tata Power Renewable Energy Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Power Renewable Energy Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')



- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:
1. The Electricity Act 2003 & National Tariff Policy
 2. Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources)
 3. CERC Order on determination of Benchmark Capital Cost Norm for solar PV power projects and Solar thermal power projects applicable during the year.
 4. State specific Renewable Power Obligations (RPO) regulations
 5. The Central Electricity Regulatory Commission (Terms and conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations
 6. State specific orders and regulations on RE tariff
 7. Procedure for issuance of renewable energy certificate to the eligible entity by Central Agency
 8. Order on determination of Forbearance and Floor price for REC
 9. Procedure for implementation of the framework on Forecasting, Scheduling and Imbalance Handling for Renewable Energy (RE) Generating Stations based on wind and solar energy at Inter-State level
 10. Deviation settlement mechanism regulations - (CERC and state specific)



We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

The Board of Directors of the Company have approved the following:

1. Scheme of Amalgamation of NewGen Saurashtra Windfarms Limited (NSW) with the Company.
2. Issue of 1,85,00,000 shares on rights basis in the ratio of 1 Equity Share of Rs.10/- each for 26.3571737837 Equity Shares of Rs.10/-
3. Issue of 4250 privately placed non-convertible Debentures of face value of Rs. 10 lakh each, aggregating Rs. 425 crore.
4. Application by The Tata Power Company Ltd (holding Company) for renewable carve out of its assets to the Company and its step down subsidiaries
5. Incorporation of 3 subsidiaries SupaWindfarm Ltd, NivadeWindfarm Ltd and Poolavadi Windfarm Ltd and subscribed and invested in the equity shares of the said companies for an amount of Rs. 5,00,000/- each.



6. Acquisition of 50,000 shares of Rs.10/- each of Tata Power Green Energy Limited (TPGEL), representing 100% of the paid-up Equity Share capital of TPGEL.
7. Acquisition of 100% shareholding of Indo Rama Renewables Jath Ltd (IRRL).
8. Issuance of Commercial Papers (CPs) for an aggregate amount of upto Rs.500 crore outstanding at any given point of time for a tenure not exceeding one year.

Place: Mumbai
Date: 14th May, 2016



**For Parikh & Associates
Company Secretaries**

Mitesh Dhabliwala

Signature:
Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,
The Members
Tata Power Renewable Energy Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 14th May, 2016



For Parikh & Associates
Company Secretaries

Mitlesh Dhabliwala
Signature:
Mitesh Dhabliwala
Partner

FCS No: 8331 CP No: 9511

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
Fax: +91 (022) 6185 4501/4601

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA POWER RENEWABLE ENERGY LIMITED Report on the Financial Statements

We have audited the accompanying financial statements of **TATA POWER RENEWABLE ENERGY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

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

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

Auditor's Responsibility

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

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

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

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

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

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

Opinion

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

Emphasis of Matter

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

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

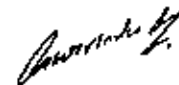
1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



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

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



Gurvinder Singh
Partner
Membership Number: 110128

MUMBAI, 14th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

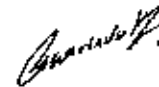
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Opinion

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

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



Gurvinder Singh
Partner
Membership Number: 110128

MUMBAI, 14th May, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

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

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / transfer deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date except in respect of land valued at Rs. 3.08 crores which is in the process of being transferred in the name of the Company.
- In respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreements.
- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.
 - (iii) The Company has not granted any loans; secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (iv) The Company has not granted any loans, made investments or provided guarantees which are covered under section 185 and 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.
 - (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have unclaimed deposits as at 31st March, 2016 and accordingly, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act are not applicable to the Company.

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

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

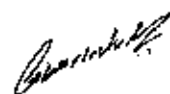
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government and dues to debentures holders.
- (ix) In our opinion and according to the information and explanations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

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

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



Gurvinder Singh
Partner
Membership Number: 110128

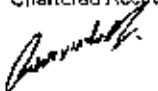
MUMBAI, 14th May, 2016

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

| | Notes | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|-------|--------------------------------|--------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 5,081,077,150 | 4,878,077,150 |
| Reserves and surplus | 4 | 455,565,820 | 126,995,403 |
| | | <u>5,516,642,970</u> | <u>5,003,072,553</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 11,035,747,878 | 6,396,800,790 |
| Deferred tax liabilities (net) | 6 | 63,048,359 | 54,849,396 |
| Other long term liabilities | 7 | 8,669,893 | 6,573,051 |
| | | <u>11,107,466,120</u> | <u>6,458,223,227</u> |
| Current liabilities | | | |
| Short-term borrowings | 8 | 1,077,261,757 | |
| Trade payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | | |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 60,553,417 | 35,873,207 |
| Other current liabilities | 9 | 3,807,625,624 | 2,173,521,434 |
| | | <u>4,945,430,798</u> | <u>2,209,394,641</u> |
| TOTAL | | <u>21,569,539,888</u> | <u>13,670,690,421</u> |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 10 | 15,572,083,486 | 9,078,785,887 |
| Capital work-in-progress | | 1,929,693,987 | 1,241,446,199 |
| | | <u>17,501,777,473</u> | <u>10,320,232,086</u> |
| Non-current investments | 11 | 1,781,600 | 474,418,462 |
| Long-term loans and advances | 12 | 1,258,110,930 | 1,490,259,061 |
| | | <u>18,761,639,003</u> | <u>12,284,909,609</u> |
| Current assets | | | |
| Current investments | 13 | 1,382,652,205 | 1,095,000,377 |
| Trade receivables | 14 | 421,534,230 | 85,450,868 |
| Cash and bank balances | 15 | 79,135,622 | 51,281,107 |
| Short-term loans and advances | 16 | 71,238 | 50,000 |
| Other current assets | 17 | 924,506,689 | 153,998,660 |
| | | <u>2,807,899,989</u> | <u>1,385,780,812</u> |
| TOTAL | | <u>21,569,539,888</u> | <u>13,670,690,421</u> |

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


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

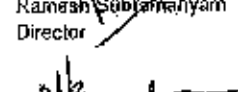

Gurvinder Singh
Partner


Rahul Shah
CEO & Director


Jineendra V Patil
Chief Financial Officer

For and on behalf of the Board


Ramesh Subramanyam
Director


Mona Purandare
Company Secretary

Mumbai 14th May 2016

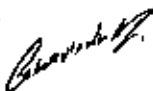
Mumbai 14th May 2016

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

| | Notes | For year ended 31st March, 2016 ₹ | For year ended 31st March, 2015 ₹ |
|--|-------|---|---|
| Income | | | |
| Revenue from operations | 18 | 2,404,349,227 | 1,486,185,834 |
| Other Income | 19 | 99,595,338 | 191,329,288 |
| Total revenue | | 2,503,944,565 | 1,687,521,122 |
| Expenses | | | |
| Employee Benefit Expenses | 20 | 342,098 | - |
| Finance costs | 21 | 964,092,531 | 892,974,210 |
| Depreciation | 10 | 949,879,879 | 695,482,731 |
| Other expenses | 22 | 239,262,555 | 95,609,589 |
| Total expenses | | 2,173,577,063 | 1,574,066,530 |
| Profit before tax | | 330,367,502 | 113,454,592 |
| Current tax | | 72,000,000 | 30,000,000 |
| Deferred tax | | 84,900,000 | 40,349,398 |
| Total tax expense | | 156,900,000 | 70,349,398 |
| Profit for the year | | 193,467,502 | 63,105,193 |
| Basic earnings per equity share (in ₹) (face value ₹ 10 per share) | | 0.39 | 0.19 |
| Diluted earnings per equity share (in ₹) (face value ₹ 10 per share) | | 0.39 | 0.19 |


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

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

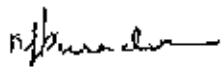

Gurvinder Singh,
Partner

For and on behalf of the Board


Rahul Shah
CEO & Director


Ramkishan Subramanyam
Director


Jitendra V. Pall
Chief Financial Officer


Mona Purandare
Company Secretary

Mumbai, 14th May 2016

Mumbai, 14th May 2016

T21 Power Renewable Energy Limited
Cash Flow Statement for the year ended 31st March, 2016

| | For year ended 31st March, 2016 ₹ | For year ended 31st March, 2015 ₹ |
|--|---|---|
| A Cash flow from Operating Activities | | |
| Profit before tax | 330,367,502 | 333,484,869 |
| Adjustments for: | | |
| Depreciation | 949,878,878 | 598,182,731 |
| Finance cost | 984,082,531 | 842,074,213 |
| Interest Income | (3,392,887) | (173,610,274) |
| Provision for Doubtful Deposits | 7,325,875 | - |
| Loss on Sale of Fixed Assets | 178,374 | - |
| Profit on sale of current investments | (50,149,895) | (79,873,061) |
| | 1,847,934,062 | 1,275,773,688 |
| Operating profit before working capital changes | 2,170,392,159 | 1,409,928,258 |
| Adjustments for (decrease) / (increase) in operating assets: | | |
| Trade receivables | (226,859,831) | (12,988,959) |
| Short term loans and advances | 35,560 | (23,377,375) |
| Long-term loans and advances | (11,118) | (1,391,430) |
| Other current assets (Refer Note 28) | 884,477,870 | (83,768,626) |
| | 297,842,381 | (71,517,300) |
| Adjustments for (decrease) / (increase) in operating liabilities: | | |
| Trade payables | 18,968,230 | 20,819,480 |
| Other current liabilities | 25,890,877 | 9,704,574 |
| | 44,859,107 | 30,523,954 |
| Cash generated from / (used in) operations | 2,520,102,860 | 1,398,284,979 |
| Taxes paid | (81,944,511) | (28,796,101) |
| Net Cash generated from Operating Activities | 2,438,158,349 | 1,369,488,878 |
| B Cash flow from Investing activities | | |
| Capital expenditure on fixed assets including capital advances (Refer Note 28) | (5,552,680,151) | (3,050,412,163) |
| Purchase of current investments | (5,175,044,281) | 180,400,000 |
| Sale of current investments | 4,977,542,420 | (2,366,400,000) |
| Loans to subsidiary | - | 1,447,540,000 |
| Loans repaid by subsidiary | - | 482,298,324 |
| Investment in Subsidiary Companies | (1,751,500) | - |
| Sale of Fixed Assets | 875,000 | - |
| Bank balances not considered as Cash and Cash Equivalents | 1,000 | - |
| Interest received from: | | |
| Subsidiaries | - | 14,788,392 |
| Bank deposits | 3,873,311 | 39,173,243 |
| Advances to vendor | - | 89,300,000 |
| | (6,747,780,175) | (3,143,311,236) |
| Net Cash used in Investing Activities | (4,309,621,826) | (1,773,822,358) |
| C Cash flow from Financing Activities | | |
| Proceeds received from issue of equity shares | 185,000,000 | 995,000,000 |
| Application money pending for allotment | - | - |
| Proceeds from long-term borrowings | 7,842,200,000 | 2,173,735,022 |
| Repayment of long-term borrowings | (4,408,772,052) | (674,826,850) |
| Proceeds from short-term borrowings | 17,251,757 | 100,000,000 |
| Repayment of short-term borrowings | - | (780,827,428) |
| Loan from the Holding Company | 1,080,000,000 | - |
| Interest paid | (1,182,180,842) | (732,471,817) |
| Other finance cost paid | (35,212,089) | (18,112,318) |
| | 3,277,288,884 | 989,596,817 |
| Net cash flow from financing activities | 3,277,288,884 | 989,596,817 |
| Net decrease in cash and cash equivalents (A+B+C) | (31,715,162) | (404,337,479) |
| Cash and cash equivalents at the beginning of the year | 51,281,107 | 884,674,954 |
| Cash equivalents acquired on amalgamation (Refer Note 28) | 38,494,877 | - |
| Cash and cash equivalents at the end of the year (Refer Note 15) : | 78,060,822 | 480,337,475 |

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

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Gurinder Singh
Partner
Mumbai, 14th May 2016


Rahul Shah
CEO & Director


Ramesh Subramanyam
Director


Jemima Y. Paul
Chief Financial Officer


Mona Purandare
Company Secretary

Mumbai, 14th May 2016

Note: 1) Previous year figures have been regrouped wherever necessary.
2) The amalgamation is a non-cash transaction and hence, has no impact on the Company's cash flow for the year (Refer Note 28).

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

In terms of our report attached.

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

1. Corporate Information:

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

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

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

2. Significant Accounting Policies:

(i) **Basic of Preparation:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(ii) **Use of estimates:**

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

(iii) **Cash and cash equivalents (for the purpose of Cash Flow Statement):**

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(iv) **Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(v) **Depreciation and amortisation:**

Depreciation on assets other than Roads and Leasehold land, has been provided on straight line method at rates/methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) Regulations & relevant state Commission Tariff Orders.

Road is depreciated on straight line method at the rate prescribed in Schedule II to the Companies Act, 2013 and leasehold land is depreciated over the period of lease.

(vi) **Revenue recognition:**

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

(vii) **Income from delayed payment charges/ liquidated damages:**

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

(viii) **Other income:**

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

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- (ix) **Incentive under generation based incentive scheme:**
Income from generation based incentive scheme is accounted on accrual basis considering eligibility of project for availing the incentive.
- (x) **Fixed Assets:**
Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets are capitalised at cost plus freight, insurance, sales tax, customs duty, erection/installation charges and consultancy fees.
- Capital work-in-progress:**
Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- (xi) **Investments:**
Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.
- (xii) **Borrowing costs:**
Borrowing costs include interest, amortisation of auxiliary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.
- (xiii) **Earnings per share:**
Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless set off such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability. Potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.
- (xiv) **Taxes on Income:**
Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable laws.
- Minimum Alternate Tax (MAT)** paid in accordance with the laws, which gives future benefits in the form of adjustment to future income tax liability, is considered as asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.
- Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(xv) **Impairment of assets:**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

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

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

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

(xvi) **Provisions and Contingencies:**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements and are disclosed in the Notes. Contingent asset is neither recognised nor disclosed in the financial statements.

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

Note 3 Share Capital

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

Note:

a. The authorised share capital was increased to 1,392,500,000 equity shares of ₹10 each pursuant to the amalgamation of Hawken Gaurashya Windfarms Limited (HSW) vide Order dated 04th December, 2015 of the Honble High Court of Judicature at Bombay

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

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|------------------------------------|------------------------|---------------|------------------------|---------------|
| | Nos. | ₹ | Nos. | ₹ |
| Equity Shares | | | | |
| As the beginning of the year | 487,607,715 | 4,876,077,150 | 455,026,632 | 4,550,266,320 |
| Issued during the year | 28,491,099 | 284,910,990 | 32,581,083 | 325,810,830 |
| Outstanding at the end of the year | 516,098,814 | 5,160,988,140 | 487,607,715 | 4,876,077,150 |

c. Terms/rights attached to equity shares

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

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

d. 506,107,715 Shares (31st March, 2015 - 487,607,715 shares) being entire share capital is held by The Tata Power Company Limited (The Holding Company).

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

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

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|--|------------------------|------------------------|------------------------|------------------------|
| | Numbers of shares held | % Holding in the class | Numbers of shares held | % Holding in the class |
| Equity shares of ₹10/- each fully paid | 506,107,715 | 100% | 487,607,715 | 100% |

Note 4 Reserves and Surplus

| | 31st March, 2016 | 31st March, 2015 |
|--|--------------------|--------------------|
| | ₹ | ₹ |
| A. Capital Reserve pursuant to the Scheme of Amalgamation (Refer note 29(a)) | 20,763,455 | NIL |
| B. Debenture Redemption Reserve | | |
| Opening Balance | | NIL |
| Add: Amount transfer from Surplus in Statement of Profit and Loss | 134,300,000 | NIL |
| Closing Balance | 134,300,000 | NIL |
| C. Surplus in the Statement of Profit and Loss | | |
| Opening Balance | 126,995,403 | 67,890,340 |
| Add: Deferred tax assets created as at 01st April 2014 (Pursuant to the Scheme of Amalgamation (Refer note 29)) | 56,276,560 | - |
| Less: Loss for the Financial Year 2014-15 and deferred tax impact (Pursuant to the Scheme of Amalgamation (Refer note 29 (b))) | (1,937,400) | - |
| Add: Profit for the year | 193,467,802 | 63,165,193 |
| Less: Transfer to Debenture Redemption Reserve | (134,300,000) | - |
| Closing Surplus in the statement of profit and loss | 240,582,365 | 126,995,403 |
| Total Reserve and Surplus | 455,565,620 | 126,995,403 |

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

Note 6 Long-term borrowings

| | Notes | As at 31st March, 2018 | | As at 31st March, 2015 | |
|---|-------|------------------------|--------------------|------------------------|--------------------|
| | | ₹ | Current | Non Current | Current |
| Debentures - Unsecured | | | | | |
| Compulsorily Convertible Debentures (i) | | 28,900,000 | - | 28,900,000 | - |
| Redeemable Non Convertible Debentures (j) | | 4,250,000,000 | - | - | - |
| Term Loans from Banks - Secured | | | | | |
| State Bank of India (g) | | - | - | 2,198,279,520 | 107,619,180 |
| Exim Bank of India (g) | | - | - | 981,700,000 | 92,600,000 |
| State Bank of Patiala (a) | | 798,559,140 | 58,492,120 | 855,051,260 | 51,722,090 |
| IDFC Bank Limited * (b) and (c) | | 2,839,437,000 | 137,201,000 | - | - |
| Kotak Mahindra Bank (f) | | 1,506,225,000 | 3,775,000 | - | - |
| Term Loans from Others - Secured | | | | | |
| IDFC Infra Debt Fund Limited (b) | | 337,995,000 | 12,005,000 | - | - |
| L&T Infrastructure Finance Co Limited (d) and (e) | | 1,274,831,798 | 78,234,000 | - | - |
| IDFC Limited * | | - | - | 2,276,770,000 | 386,230,000 |
| Other Loans and Advances - Unsecured | | | | | |
| Loan from Tata Chemicals Limited (k) | | - | - | 76,100,000 | - |
| | | 11,035,747,878 | 287,707,120 | 6,396,803,780 | 618,171,270 |

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

Notes:

- Loan of Rs. 90.67 crores from State Bank of Patiala for Daloth Project is repayable in 48 quarterly instalments based on an amortisation schedule commencing from 30th September, 2014. The last instalment is payable on 31st December, 2025. The loan facility is with the unconditional and irrevocable corporate guarantee given by the Holding Company, The Tata Power Company Limited for a period of 3 years from the date of commencement of the Daloth project or 31st March, 2017, whichever is later.
- Loans of Rs.165 crores from IDFC Bank Ltd and IDFC Infra Debt Fund Ltd for Pataswadi Project are repayable in 48 quarterly instalments based on an amortisation schedule commencing from 15th December, 2015. Last instalment is payable on 15th September, 2027.
- Loans of Rs 218 crores from IDFC Bank Ltd for Rojmal Phase I Project are repayable in 48 structured quarterly instalments based on an amortisation schedule commencing from September 15, 2016. Last instalment is payable on June 15, 2028.
- Loans of Rs 88 crores from L&T Infrastructure Finance Co Ltd for Dangri Project are repayable in 76 structured quarterly instalments based on an amortisation schedule commencing from March 2016. Last instalment is payable on 31st March 2035.
- Loans of Rs 128 crores from L&T Infrastructure Finance Co Ltd for Saurashtra Project are repayable in 50 structured quarterly instalments based on an amortisation schedule commencing from June 2015. Last instalment is payable on 31st March 2027.
- Loans of Rs 265 crores from Kotak Mahindra Bank Ltd for Lahol Project are repayable in 48 structured quarterly instalments based on an amortisation schedule commencing from March 2017. Last instalment is payable on 31st December 2029.

Security for above loans:

First charge over the entire movable assets, both present and future, cash flows, receivables, book debts, revenues, all bank accounts, all intangibles present and future pertaining to the Pataswadi Project.

First charge over the entire immovable properties, both present and future and Pledge of 51% of the equity shares held by the holding company (yet to be created) except for State Bank of Patiala & Kotak Mahindra Bank Ltd.

Upon non-payment of 2 consecutive instalments of the principal and/or interest of the Loans, lender has the right at their option to convert to equity either the whole or any part of the amount of the Loans and/or interest in respect of which default shall have been made by the Company into fully paid up equity shares of the Company at par except for State Bank of Patiala & Kotak Mahindra Bank Ltd.

- Rupee Loans from State Bank of India and Export-Import Bank of India are repayable in 44 quarterly instalments based on an amortisation schedule commencing from 31st March, 2019. The last instalment being payable on 31st December, 2023. Loan is repaid during the current year.
- Rupee Loans from IDFC Ltd of Rs 80 crores for Pellishipur Project are repayable in 45 quarterly instalments based on an amortisation schedule commencing from 15th March, 2016. Last instalment is payable on 15th March, 2027. Loan is repaid during the current year.

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Security for above loans :

First charge over the entire immovable properties, both present and future, movable assets, both present and future, receivables, all bank accounts including cash in hand, all intangibles present and future pertaining to the Mithapur Project.

Pledge of 51% of the equity shares held by the holding company.

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

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

- L. The Company will pay (and not accrue) interest to the investors of Unsecured compulsorily convertible debentures at a rate equivalent to dividend as percent of equity share capital (the "Applicable Rate") paid to shareholders of the Company. In case the cumulative interest paid to the investor at the end of a year is lower than the total interest to be paid in terms of section 372A of the Companies Act, 1956 (the "Minimum Rate"), the Company will accrue the balance interest. The conversion date of these debentures is at the end of five years from 25th January, 2012 which is the commercial operation date of Mithapur Project or earlier if approved by the Government of Gujarat.
- J. During the year, the Company has issued Non Convertible Debentures (NCD) of Rs. 425 crores with bullet repayment in three equal instalments payable at the end of 7th, 8th and 9th year from the allotment date i.e. 22nd January 2018. NCD has put/call option at the end of 5th year from the date of allotment. The facility is backed by unconditional and irrevocable Corporate Guarantee (CG) from The Tata Power Company Ltd for all amounts due under the facility including but not limited to interest, principal amount, penal interest and any other costs/charges under the issue. CG shall remain valid till the issue is completely redeemed.
- K. Unsecured subordinated loan from Tata Chemicals Limited is repayable only after full repayment of all Secured Loans availed for Mithapur Project from State Bank of India and EXIM Bank.

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

Note 6 Deferred Tax Liability (net)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|------------------------|------------------------|
| | ₹ | ₹ |
| Deferred tax liability Relating to Fixed Asset | 88,929,703 | 74,649,063 |
| Deferred tax asset Unabsorbed depreciation | (23,881,344) | (19,799,667) |
| | <u>65,048,359</u> | <u>54,849,396</u> |

Note 7 Other Long Term Liabilities

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--|------------------------|------------------------|
| | ₹ | ₹ |
| Interest accrued but not due on borrowings | | |
| Others | 8,669,883 | 8,573,051 |
| | <u>8,669,883</u> | <u>8,573,051</u> |

Note 8 Short Term Borrowings

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--------------------------------------|------------------------|------------------------|
| | ₹ | ₹ |
| Bank overdraft | 17,251,767 | - |
| Loan from Tata Power Company Limited | 1,060,000,000 | - |
| | <u>1,077,251,767</u> | <u>-</u> |

Note 9 Other Current Liabilities

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|------------------------|------------------------|
| | ₹ | ₹ |
| Current Maturities of long term debt - Secured (Refer Note 5) | 267,707,120 | 618,171,270 |
| Interest accrued and due on borrowings | | |
| Banks | - | 28,173,865 |
| Interest accrued but not due on borrowings | | |
| Banks | 10,457,292 | 2,584,712 |
| Holding company | 13,275,124 | 262,332,650 |
| Debentures | 76,650,958 | 16,298,070 |
| Other Payables | | |
| Payables on Purchase of Fixed Assets | 3,351,777,514 | 1,224,516,580 |
| Statutory Liabilities | 59,787,618 | 32,443,077 |
| | <u>3,807,625,624</u> | <u>2,173,621,434</u> |

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

Note 10 Tangible Assets

| | CARDS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | |
|---|--------------------------------|--|--------------------------------|------------|---------------------------------|------------------------------|--|--------------|--------------------------------|---------------------------------|----------------------------|
| | As at 1st April 2015 | Acquisition under leasehold (P&I New 20) | Additions | Deductions | As at 31st March 2016 | As at 1st April 2015 | Depreciation under schedule of amortisation (P&I New 20) | For the year | Deductions | As at 31st March 2016 | As at 31st March 2016 |
| 1. Freehold land # | 571,264,304 372,038,229 | - | 30,088,078 (871,890) | - | 401,822,578 371,744,904 | - | - | - | - | - | 401,822,578 371,744,904 |
| 2. Leasehold land # | 14,039,348 9,659,630 | - | 25,948,047 4,489,727 | - | 39,398,708 74,000,546 | 1,182,457 730,324 | 378,338 366,333 | - | - | 2,104,273 7,095,637 | 37,243,873 74,632,498 |
| 3. Buildings - plant | 44,799,201 42,873,463 | - | 2,207,085 | - | 44,799,201 46,789,231 | 10,886,621 6,694,373 | 3,001,474 2,172,490 | - | - | 18,558,282 17,668,871 | 29,231,051 32,322,230 |
| 4. Building others | - | 1,019,239 | - | 31,078,809 | - | - | 38,819 | (133,494) | - | - | - |
| 5. Plant and machinery | 9,727,261,769 8,851,747,733 | 1,825,109,200 | 5,791,209,776 7,065,513,997 | - | 17,450,790,002 9,727,261,730 | 1,294,181,945 625,887,228 | 931,229,033 580,830,739 | - | 3,494,346,897 1,201,491,565 | 14,609,411,236 9,622,788,904 | |
| 6. Roads | 4,626,212 4,676,212 | - | 12,688,770 | - | 17,284,987 4,876,212 | 1,003,283 736,429 | 1,437,660 327,334 | - | - | 2,500,022 1,069,263 | 14,843,024 3,612,949 |
| 7. Transmission lines and cable network | 150,274,023 120,731,623 | - | 767,860,508 | - | 911,275,629 794,214,203 | 18,881,722 18,846,067 | 78,183,748 | - | 38,506,470 16,363,722 | 376,889,553 134,882,831 | |
| - 2015-2016 | 30,316,746,115 | 1,366,780,003 | 4,367,264,974 | 11,673,239 | 38,388,268,344 | 1,237,580,329 | 947,975,479 | 1,199,884 | 2,998,413,886 | 38,672,067,494 | |
| - 2014-2015 | 6,654,977,227 | - | 1,497,824,222 | - | 48,176,766,716 | 643,277,487 | 699,482,774 | - | 1,227,862,229 | 3,072,762,817 | |

Notes:

* Reversal of assets provision accounted in respect of leasehold land, roads.

Includes land pending registration in the statement of the company.

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

Note 11 Non-Current Investments

| | Face Value | Quantity | As at 31st March, 2016 ₹ | Quantity | As at 31st March, 2015 ₹ |
|---|------------|----------|-----------------------------|------------|-----------------------------|
| Trade Investments (valued at cost less provision for diminution other than temporary, if any) | | | | | |
| Investment in Subsidiaries | | | | | |
| Ordinary Shares - (Unquoted) fully paid up | | | | | |
| NeaGen Saurashtra Windfarms Limited | 10 | 60,000 | 261,000 | 42,185,048 | 474,318,462 |
| Tata Power Green Energy Limited | 10 | 60,000 | 500,000 | - | - |
| Sups Windfarms Limited | 10 | 60,000 | 500,000 | - | - |
| Kiwada Windfarms Limited | 10 | 60,000 | 500,000 | - | - |
| Poolavadi Windfarms Limited | 10 | 60,000 | 500,000 | - | - |
| | | | <u>1,761,000</u> | | <u>474,318,462</u> |

Note 12 Long Term Loans and Advances-Unsecured

| | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|-----------------------------|-----------------------------|
| (a.) Capital Advances, considered good (Refer Note 26) | 1,084,677,592 | 1,302,392,122 |
| (b.) Security Deposit Considered good | 108,418,430 | 112,744,305 |
| Doubtful | 7,325,875 | - |
| | <u>115,744,305</u> | <u>112,744,305</u> |
| Less: Provision for Doubtful Deposits | (7,325,875) | - |
| | <u>108,418,430</u> | <u>112,744,305</u> |
| (c.) Advance Income Tax (Net of Provision for tax of ₹ 122,885,050 (As at 31st March 2015 - ₹ 50,353,000)) | 34,578,470 | 21,697,204 |
| (d.) Value added tax receivable, considered good | 62,436,495 | 58,425,300 |
| | <u>1,290,110,930</u> | <u>1,495,259,931</u> |

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

| | Face Value | Quantity | As at 31st March, 2016 ₹ | Quantity | As at 31st March, 2015 ₹ |
|--|------------|-----------|-----------------------------|-----------|-----------------------------|
| Mutual Funds (Unquoted) | | | | | |
| Redgare Swissco Liquid Fund - Growth | 100 | 100,787 | 303,129,430 | 257,648 | 415,700,288 |
| DSP BlackRock Liquidity Fund - Institutional Plan - Growth | 1000 | 42,024 | 87,520,200 | 775,003 | 236,179,772 |
| JM High Liquidity - Growth | 10 | 3,462,342 | 137,481,027 | 2,517,874 | 92,868,567 |
| LTI Liquid Fund - Cash Plan - Growth | 1000 | 73,931 | 170,657,875 | 34,441 | 77,370,184 |
| ICICI Prudential Liquid - Regular Plan - Growth | 100 | 1,873,923 | 41,251,638 | 1,589,417 | 289,780,466 |
| Axis Liquid Fund - Regular - Growth | 1000 | 43,828 | 72,741,000 | - | - |
| OHFL Premier India Cash Plus Fund - Direct - Growth | 100 | 248,430 | 47,681,258 | - | - |
| LIC Motives Liquid Fund - Growth Plan | 1000 | 23,881 | 67,285,000 | - | - |
| | | | <u>1,332,662,203</u> | | <u>1,096,000,177</u> |

Note 14 Trade Receivables - Unsecured, considered good

| | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|-----------------------------|-----------------------------|
| Trade receivables outstanding for a period of six months from the date they are due for payment | | |
| - For Power Sale | 43,784,086 | - |
| - Contract/for Base load | 17,915,460 | - |
| Other Trade receivables | 359,933,364 | 85,420,689 |
| | <u>421,632,910</u> | <u>85,420,689</u> |

Note 15 Cash and bank balances

| | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|-----------------------------|-----------------------------|
| A. Cash and Cash Equivalents: | | |
| Balances with banks: | | |
| In Current Accounts | 79,060,622 | 57,271,407 |
| In Deposit Accounts (maturity less than 3 months) | - | 40,000 |
| Cash and cash equivalents as per AS 3 Cash Flow Statement | <u>79,060,622</u> | <u>57,311,407</u> |
| B. Other Balances with Banks: | | |
| In Deposit Accounts (remaining maturity of more than twelve months) | 75,900 | - |
| | <u>75,900</u> | <u>-</u> |
| | <u>79,136,522</u> | <u>57,311,407</u> |

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

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

Note 17 Other Current Assets

| | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|-----------------------------|-----------------------------|
| Unbilled revenue | 173,442,862 | 150,998,660 |
| Receivable on Sale of Current Investments | 32,588,000 | - |
| Other recoverables (Refer note 28) | 736,473,729 | - |
| | <u>942,503,651</u> | <u>150,998,660</u> |

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

Note 18 Revenue from Operations

| | For year ended 31st March, 2016 | For year ended 31st March, 2015 |
|---|------------------------------------|------------------------------------|
| | ₹ | ₹ |
| (a) Sale of products | | |
| Revenue from power supply | 2,147,678,268 | 1,925,891,032 |
| | <u>2,147,678,268</u> | <u>1,925,891,032</u> |
| (b) Other operating revenue | | |
| Incentive under generation based incentive scheme | 115,850,000 | 38,263,818 |
| Compensation towards generation loss | 128,388,651 | 730,093,600 |
| Income on sale of voluntary emission reduction | | 7,140,066 |
| Income on sale of carbon credits | 12,697,970 | |
| | <u>256,936,621</u> | <u>775,497,484</u> |
| | <u>2,404,614,889</u> | <u>2,701,388,516</u> |

Note 19 Other Income

| | For year ended 31st March, 2016 | For year ended 31st March, 2015 |
|---|------------------------------------|------------------------------------|
| | ₹ | ₹ |
| Interest income from bank deposit | 3,392,997 | 38,842,902 |
| Interest income from subsidiary | - | 12,243,517 |
| Interest recovered on advance to vendor | - | 88,500,000 |
| | <u>3,392,997</u> | <u>140,586,422</u> |
| Profit on sale of current investments | 60,148,896 | 35,258,937 |
| Miscellaneous income | 6,052,348 | |
| Commission received on project cancellation (net) | 98,585,358 | 194,162,878 |
| | <u>164,887,592</u> | <u>329,424,717</u> |
| Less: Capitalised | <u>99,350,338</u> | <u>181,325,241</u> |

Note 20 Employee Benefit Expenses

| | |
|------------------------|----------------|
| Salary and Wages | 297,337 |
| Staff Welfare Expenses | 44,161 |
| | <u>341,498</u> |

Note 21 Finance Costs

| | For year ended 31st March, 2016 | For year ended 31st March, 2015 |
|--|------------------------------------|------------------------------------|
| | ₹ | ₹ |
| (a) Interest Expenses on: | | |
| Loans from Banks and Financial Institutions | 674,618,051 | 691,031,943 |
| Subsidised Loans: | | |
| Holding company | | 114,067,985 |
| Others | 7,898,670 | 8,581,250 |
| Interest on Corporate deposit from Holding company | 14,703,594 | 31,428,141 |
| Other interest and commitment charges | 18,668,382 | 7,312,729 |
| Debentures | 78,201,562 | 2,380,414 |
| | <u>894,270,659</u> | <u>846,802,662</u> |
| Less: Capitalised | <u>(44,721,283)</u> | <u>(52,576,163)</u> |
| (b) Other borrowing costs: | | |
| Other Finance costs | 35,212,099 | 18,712,318 |
| | <u>(882,924)</u> | <u>(7,714,288)</u> |
| Less: Capitalised | <u>34,849,175</u> | <u>(19,298,050)</u> |
| | <u>884,097,651</u> | <u>842,974,213</u> |

Note 22 Other Expenses

| | For year ended 31st March, 2016 | For year ended 31st March, 2015 |
|---|------------------------------------|------------------------------------|
| | ₹ | ₹ |
| Rent | 232,220 | 28,458 |
| Insurance | 10,108,288 | 5,032,841 |
| Rates and taxes | 1,604,681 | 944,248 |
| Repair and maintenance | 91,824,906 | 71,812,452 |
| Traveling and conveyance | 3,200,803 | 3,468,317 |
| Cost of services | 60,803,420 | 30,662,461 |
| Electricity Consumed | 11,278,091 | 8,904,925 |
| Tata Brand Equity | 5,759,435 | 4,313,708 |
| Payment to auditors | 3,931,188 | 2,287,238 |
| Payment to cost auditors | 236,810 | 134,632 |
| Other fees | 16,828,771 | 3,847,668 |
| Legal Charges | 8,248,737 | 3,045,411 |
| Provision for Doubtful Deposits | 7,325,975 | |
| Other operation Expenses | 228,185 | 1,687,540 |
| Cash discount | 8,694,048 | 5,608,864 |
| Director fees | 2,192,850 | - |
| Business Development Expenses | 7,889,178 | - |
| Corporate Social Responsibility Expense | 1,600,000 | 798,820 |
| Miscellaneous Expenses | 1,099,767 | 658,902 |
| Loss on Sale of Fixed Assets | 178,374 | - |
| | <u>238,262,355</u> | <u>108,028,330</u> |
| Less: Other Expenses Capitalised | <u>-</u> | <u>(10,418,981)</u> |
| | <u>238,262,355</u> | <u>97,609,349</u> |

Note:

Payment to auditors comprises (inclusive of Service tax)

| | For year ended 31st March, 2016 | For year ended 31st March, 2015 |
|-------------------------------|------------------------------------|------------------------------------|
| | ₹ | ₹ |
| As Auditors - Statutory audit | 3,165,875 | 2,896,640 |
| For Taxation Matters | 574,604 | 642,508 |
| For Other services | 190,609 | 28,090 |
| | <u>3,931,088</u> | <u>3,567,238</u> |

- 23 Contingent Liabilities:
As at 31st March, 2019 - Rs. 8,449,762 in respect of income tax appeals (31st March, 2019 Rs. 147,759).
The Company is in respect of above matter is distributable on receipt of judgement of various Courts / Tribunals.
- 24 (a) Capital Commitments:
Estimated amount of contracts remaining to be executed (net of capital advanced) as Capital account and not provided for ₹ 7,160,829/2019 (31st March, 2019 ₹ 1,860,075,264)
- (b) Other commitments :-
The Company in March 2018, has entered into Share Purchase Agreement (SPA) with High Range Renewable Energy - 160MW Company (HRE) to acquire 100% shareholding of the company - Tata Power Renewable Energy Limited (TREL) including requirement of related shareholders, subject to fulfilment of certain conditions Precedent and receipt of regulatory approvals necessary approvals which are yet to be fulfilled.
- 25 Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" as notified under the Companies (Accounting) Rules, 2014 is as follows:

(a) Names of the Related parties and description of relationship

| Name of the Related Party | Category of Relation |
|--|----------------------|
| Wholly owned | |
| The Tata Power Company Limited (TPCL) | India |
| 100% Subsidiaries | |
| Tata Power Energy Services Limited | India |
| Management Services Providers Limited (MSVP) | India |
| Tata Power Energy Limited | India |
| Project Management Limited | India |
| Project Management Limited | India |
| Former Subsidiaries (Under Transferring Asset/ Liabilities) | |
| Tata Power Energy Services Limited (TPESL) | India |
| Powerstar Transferring Asset/ Liabilities (PTAL) | India |
| Tata Power Energy Services Limited (TPESL) | India |
| PTAL Transferring Assets/ Liabilities | India |
| Key Management Personnel | |
| Rajesh Singh (CEO & Director) | India |

(b) Details of Transactions & Balances Outstanding

| Particulars | TRCL | TPREL | TPESL | MSVP | MSVP | Divid | Powerstar | MSVP | Amount in ₹ Key Management Personnel |
|--|-----------------|-----------------|---------------|-------------|--------|--------|-----------|---------|---|
| Project Management Services | 18,147,332 | - | - | - | - | - | - | - | - |
| | 5,894,383 | - | - | - | - | - | - | - | - |
| Rendering of Services | 30,680,749 | - | 36,554,376 | - | - | - | - | - | - |
| | 12,963,007 | - | 20,148,234 | - | - | - | - | - | - |
| Purchase of goods & supply | - | 18,237 | 147,185 | - | - | - | - | - | - |
| Financing of Fixed asset | 312,463 | - | 1,031,623,728 | - | - | - | - | - | - |
| Sale of Fixed Asset | - | (95,000,000.00) | - | - | - | - | - | - | - |
| Outstanding from unperfected corporate guarantees | 5,000,000,000 | - | - | - | - | - | - | - | - |
| | 249,364,335 | - | - | - | - | - | - | - | - |
| Guarantees returned/ included corporate guarantees | (2,711,494,144) | - | - | - | - | - | - | - | - |
| | 518,103,000 | - | - | - | - | - | - | - | - |
| Interest Expenses | 14,703,894 | - | - | - | - | - | - | - | - |
| | (49,218,129) | - | - | - | - | - | - | - | - |
| Interest Income | - | - | - | 13,412,911 | - | - | - | - | - |
| Borrowings Received | 1,050,000,000 | - | - | - | - | - | - | - | - |
| | (42,102,000) | - | - | - | - | - | - | - | - |
| Borrowings Repaid | (50,627,420) | - | - | - | - | - | - | - | - |
| Equity Contribution (through Share Application Money paid up by members) | 145,000,000 | - | - | - | - | - | - | - | - |
| | 467,964,504 | - | - | - | - | - | - | - | - |
| Sale of Power | 658,723,101 | - | - | - | - | - | - | - | - |
| | 462,893,020 | - | - | - | - | - | - | - | - |
| Comb. financial gain | 4,110,988 | - | - | - | - | - | - | - | - |
| | 4,509,094 | - | - | - | - | - | - | - | - |
| Losses repaid | 780,827,425 | - | - | 432,251,324 | - | - | - | - | - |
| Profit contribution | 3,211,314 | - | - | - | - | - | - | - | - |
| | 6,201,856 | - | - | - | - | - | - | - | - |
| DBPA contribution | 143,861 | - | - | - | - | - | - | - | - |
| Financial expenses recoverable | - | - | - | - | 31,500 | 23,000 | 25,928 | - | - |
| Reverses/credit | - | - | - | - | - | - | - | - | 12,548,575 |
| | - | - | - | - | - | - | - | - | 1,254,000 |
| Income from Project Management Services | - | 4,042,000 | - | - | - | - | - | - | - |
| Participating Investment | - | - | - | - | - | - | - | 181,639 | - |
| Equity Outstanding (Share loan (including interest charges)) | 1,071,235,121 | - | - | - | - | - | - | - | - |
| | 232,232,680 | - | - | - | - | - | - | - | - |
| Other Payable | 25,484,363 | 20,287 | 15,134,111 | - | - | - | - | - | - |
| | 14,727,635 | - | 20,048,719 | - | - | - | - | - | - |
| Other Receivable | 69,220,265 | - | - | - | 27,388 | 27,388 | 27,363 | - | - |
| | 63,298,309 | - | - | - | - | - | - | - | - |
| Government grants received from TREL | 8,145,741,222 | - | - | - | - | - | - | - | - |
| | 2,877,819,208 | - | - | - | - | - | - | - | - |
| Government's Share on behalf of MSVP | - | - | - | 51,000,000 | - | - | - | - | - |

Note: Previous period figures are in India, ₹ Refer note 29
- Reversal/credit of deposits sent to holding company.

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26 Earnings per Share

| | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2016 |
|--|--|--|
| | ₹ | ₹ |
| Basic | | |
| Net profit for the year attributable to equity shareholders (%) | 183,487,502 | 63,105,189 |
| Weighted Average Number of Equity Shares for Basic EPS (Nos) | 493,067,831 | 337,001,025 |
| Par value per equity share (%) | 10.00 | 10.00 |
| Basic Earnings Per Share (%) | 0.37 | 0.19 |
| Diluted | | |
| Net profit for the year attributable to equity shareholders (%) | 183,487,502 | 63,105,189 |
| Add: Interest expense on Compulsorily Convertible Debentures debited to Statement of Profit and Loss (%) | 1,832,832 | 2,039,548 |
| Profit attributable to equity shareholders on dilution (%) | 185,320,334 | 65,144,737 |
| The weighted average number of equity shares for Basic EPS (Nos) | 493,067,831 | 337,001,025 |
| Add: Effect of potential equity shares on conversion of compulsorily convertible debentures | 2,890,000 | 2,890,000 |
| Weighted average number of equity shares for Diluted EPS (Nos) | 495,957,831 | 339,891,025 |
| Par value per equity share (%) | 10.00 | 10.00 |
| Diluted Earnings Per Share (%) | 0.37 | 0.19 |

27 Segment Reporting:

As the Company's business activity consists only of generation and sale of electricity there are no separate reportable segments as per the requirements of Accounting Standard (AS-17) "Segment Reporting" as notified under the Companies (Accounts) Rules, 2014.

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

29 Scheme of Amalgamation:

The "Scheme of Amalgamation" ("the Scheme") between NavGen Sureshwa Windarms Limited (NSWL) ("Transferor Company") a wholly owned subsidiary with the Company under Section 281 to 294 and other applicable provisions, if any, of the Companies Act, 1956 and Companies Act, 2013, has been approved by the Honble High Court in Mumbai vide its order dated 4th December, 2015 ("Order") and is effective from 12th February 2016 (appointed date 1st April, 2014).

(a) All the assets, debts, liabilities and obligations of the transferor company have been vested in the Company with effect from appointed date as per the Order and have been recorded at their respective book values. As on 1st April, 2014, the book value of total assets and liabilities were Rs. 1,849,071,787/- and Rs. 1,281,889,670/- respectively.

The surplus of the value of assets over liabilities of Rs. 568,101,917/- of the transferor company over the investment value of Rs. 474,418,452/- of the Company is shown as Capital Reserve of Rs. 60,783,455/- under Reserves and Surplus of the Company.

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

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

The scheme, accounted for as per the Order, is in variance with the accounting treatment required by the pooling of interest method specified under Accounting Standard 14 "Accounting for Amalgamations" (AS 14) AS 14 which states that the identity of the reserves is preserved and they appear in the financial statements of the transferee company in the same form in which they appeared in the financial statements of the transferor company. As stated above and in order to comply with the Order, the Share premium Rs. 411,539,655/- and deficit in Statement of profit and loss Rs. 277,697,388/- of the transferor company is not accounted for separately but has been netted and treated as Capital Reserve.

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