

# *TORRENT ENERGY LIMITED*

*6<sup>th</sup> ANNUAL REPORT*

*FOR THE YEAR*

*2013-14*

## AUDITOR'S REPORT TO THE MEMBERS OF TORRENT ENERGY LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of Torrent Energy Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, 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 Management is responsible for 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 the internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 Management, 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.

## 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

# Deloitte Haskins & Sells

Deloitte Haskins & Sells  
Chartered Accountants  
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- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm Registration No. 117365W)

Hemendra L. Shah  
Partner  
(Membership No. 33590)

9<sup>th</sup> May, 2014

## ANNEXURE TO THE AUDITORS' REPORT

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

1. Having regard to the nature of the Company's business / activities / results during the year, clauses (xiv) and (xv) of CARO are not applicable.
2. 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 fixed assets have been physically verified by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
3. In respect of its inventory:
  - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory and no discrepancies were noticed on such physical verification.

4. The Company has neither granted nor taken any loans, secured/unsecured, to/from Companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us and having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory and fixed assets and sale of services and during the course of audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
6. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
7. According to the information and explanations given to us, the Company has not accepted any deposits during the year from public within the meaning of provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
8. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
9. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
10. According to the information and explanations given to us in respect of statutory dues :
  - (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income tax, Sales tax,

- Wealth tax, Service Tax, Custom Duty, Excise duty, Cess and Other material statutory dues with appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears, as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax/VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31<sup>st</sup> March, 2014 on account of disputes.
11. The accumulated losses of the Company at the end of the financial year are not more than fifty per cent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
12. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not issued any debentures.
13. In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
15. 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.
16. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have, *prima facie*, not been used during the year for long-term investment.
17. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies

# Deloitte Haskins & Sells

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Act, 1956.

- 18 The Company has not issued any debentures during the year.
- 19 The Company has not raised money by public issue during the year.
20. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Registration No. 117365W)

Hemendra L. Shah  
Partner  
(Membership No. 33590)

9<sup>th</sup> May, 2014



**TORRENT ENERGY LIMITED**  
**BALANCE SHEET**

As at 31st March, 2014

	Note	As at 31st March, 2014	Rs. As at 31st March, 2013
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	2	19,88,22,00,000	12,64,02,00,000
Reserves and surplus	3	16,78,86,119	4,50,42,837
		<u>20,05,00,86,119</u>	<u>12,68,52,42,837</u>
<b>Non-current liabilities</b>			
Long term borrowings	4	30,08,13,54,546	13,61,17,00,000
Deferred tax liabilities	34	5,79,62,680	1,21,99,000
Other long term liabilities	5	25,33,28,953	21,11,51,606
Long term provisions	6	1,12,81,575	1,21,79,727
		<u>30,40,39,27,754</u>	<u>13,84,72,30,333</u>
<b>Current liabilities</b>			
Short term borrowings	7	16,21,71,861	1,84,92,40,636
Trades payables	8	1,77,58,436	45,27,967
Other current liabilities	8	5,40,06,18,367	17,87,24,11,599
Short term provisions	6	58,68,740	50,58,520
		<u>5,58,64,17,405</u>	<u>19,73,12,38,722</u>
		<u>56,04,04,31,278</u>	<u>46,26,37,11,892</u>
<b>Assets</b>			
<b>Non-Current assets</b>			
<b>Fixed assets</b>			
Tangible assets	9	6,14,23,56,417	1,91,70,39,917
Intangible Assets		75,55,592	1,53,757
Capital work in progress		44,22,34,65,532	40,80,48,51,448
		<u>50,37,33,77,541</u>	<u>42,72,20,45,122</u>
Non-Current Investments	10	32,28,750	-
Long term loans and advances	11	1,66,70,79,422	2,92,75,48,712
Other non-current assets	12	25,23,685	6,64,50,868
		<u>52,04,62,09,398</u>	<u>45,71,60,44,702</u>
<b>Current assets</b>			
Current investments	13	3,45,53,20,803	32,94,46,583
Inventories	14	6,48,71,204	-
Trade receivables	15	13,19,40,153	3,93,64,862
Cash and bank balances	16	29,52,81,328	5,71,38,915
Short term loans and advances	11	3,31,54,298	2,13,24,195
Other current assets	12	1,36,54,094	10,03,92,635
		<u>3,99,42,21,880</u>	<u>54,76,67,190</u>
		<u>56,04,04,31,278</u>	<u>46,26,37,11,892</u>
Significant accounting policies	1B		
Other notes forming part of financial statements	22 to 39		

As per our attached report of even date

For Deloitte Haskins & Sells  
Chartered Accountants

Jinal Mehta  
Director

T P Vijayasathy  
Director

Hemendra L Shah  
Partner

Chaitali Bhatt  
Company Secretary

Place : Ahmedabad,  
Date : 9th May 2014

Place : Ahmedabad  
Date : 9th May 2014

# TORRENT ENERGY LIMITED

## Statement of Profit and Loss

For The Year ended 31st March, 2014

	NOTE	Year ended 31st March, 2014	Rs. Year ended 31st March, 2013
<b>Income</b>			
Revenue from operations	17	37,95,22,362	41,84,30,560
Other income	18	18,62,43,800	2,93,25,573
<b>Total revenue</b>		<b>56,57,66,162</b>	<b>44,77,56,133</b>
<b>Expenses</b>			
Electrical energy purchased		31,63,97,300	31,76,28,346
Employee benefit expenses	19	41,95,381	41,01,555
Operation and other expenses	20	2,51,00,687	3,05,18,927
Finance costs	21	6,87,38,205	6,43,25,761
Depreciation		3,72,46,415	2,88,87,687
Transfer from service line contribution		(37,43,643)	(18,92,412)
<b>Total expenses</b>		<b>3,35,02,772</b>	<b>2,69,95,275</b>
<b>Profit before tax</b>		<b>11,78,31,818</b>	<b>41,86,269</b>
<b>Tax expenses</b>			
Current tax		2,45,75,976	-
Deferred tax		4,57,63,680	75,59,000
Short / (Excess) Provision of Current Tax for earlier years		(7,28,332)	-
<b>Profit / (loss) after tax</b>		<b>4,82,20,493</b>	<b>(33,72,731)</b>

Basic and diluted earnings/(loss) per share of face value of Rs.10/- each (in rupees) 35 0.03 (0.00)

Significant accounting policies 1B  
Other notes forming part of financial statements 22 to 39

As per our attached report of even date

For Deloitte Haskins & Sells  
Chartered Accountants

Jinal Mehta  
Director

T P Vijayasathy  
Director

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Partner

Chaitali Bhatt  
Company Secretary

Place : Ahmedabad,  
Date : 9th May 2014

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**TORRENT ENERGY LIMITED**
**CASH FLOW STATEMENT**

For The Year ended 31st March, 2014

	Year ended 31st March, 2014	Rs. Year ended 31st March, 2013
<b>Cash Flow from operating activities</b>		
Net profit before tax	11,78,31,818	41,86,269
<b>Adjustments for :</b>		
Depreciation and amortization expense	3,35,02,772	2,69,95,275
Interest on bank deposit	(1,02,70,677)	(73,10,579)
Finance cost	6,87,38,205	6,43,25,761
<b>Operating Profit before working capital changes</b>	<b>20,98,02,118</b>	<b>8,81,96,726</b>
<b>Movements in working capital</b>		
Increase/(decrease) other long-term liabilities	4,21,77,347	11,10,58,782
Increase/(decrease) long-term provision	(8,98,152)	68,11,773
Increase/(decrease) trade payables	1,32,30,469	(27,28,044)
Increase/(decrease) short-term provision	8,10,220	31,34,702
Increase/(decrease) other current liabilities	(1,61,05,452)	15,46,11,868
Decrease/(increase) in non-current advances	7,67,68,383	(14,61,93,815)
Decrease/(increase) in Inventories	(6,48,71,204)	-
Decrease/(Increase) in trade receivables	(9,25,75,291)	33,90,048
Decrease/(Increase) in current advances	(77,96,352)	1,80,18,106
Decrease/(increase) in other current assets	9,99,50,675	(1,41,555)
<b>Cash generated from / (used in) operations</b>	<b>5,06,90,643</b>	<b>14,79,61,865</b>
Taxes paid	(2,78,81,396)	(35,30,558)
<b>Net cash flow from / (used in) operating activities</b>	<b>23,26,11,366</b>	<b>23,26,28,033</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets including capital work-in-progress and capital advances	(7,33,60,17,748)	(19,66,32,60,048)
Long term loans advances for Capital assets	1,18,37,00,907	1,67,59,01,567
Purchase of non-current Investments	(32,28,750)	-
Redemption/maturity of bank deposits	(9,06,07,092)	90,93,181
Investments in bank deposits	5,75,25,975	56,05,620
Interest received on bank deposits	34,59,751	24,40,631
<b>Net cash used in investing activities</b>	<b>(6,18,51,66,958)</b>	<b>(17,97,02,19,049)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of share capital	7,24,20,00,000	3,44,97,00,000
Finance cost paid	(6,73,73,830)	(6,43,25,761)
Proceeds from long-term borrowings	19,83,25,82,477	12,79,29,35,682
Repayment of Long-term borrowings	(16,17,25,41,171)	-
Repayment of short-term borrowings	(1,68,70,68,775)	-
Proceeds from short-term borrowings	-	1,61,57,94,156
Proceeds from service line contribution	7,83,66,432	2,20,58,100
<b>Net cash flow from financing activities</b>	<b>9,22,59,65,133</b>	<b>17,81,61,62,177</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,27,34,09,540</b>	<b>7,85,71,161</b>
<b>Cash and cash equivalents as at beginning of the year</b>	<b>38,35,08,679</b>	<b>30,49,37,518</b>
<b>Cash and cash equivalents as at end of the year</b>	<b>3,65,69,18,219</b>	<b>38,35,08,679</b>

**Notes:**

1. Cash and cash equivalents as at end of the year:

Cash on hand	3,68,209	1,20,257
With banks in bank deposit (Original Maturity of less than three months)	8,27,22,912	31,96,260
With banks in current account	11,85,06,295	5,07,45,579
Current investments (investments in mutual funds)	3,45,53,20,803	32,94,46,583
	<u>3,65,69,18,219</u>	<u>38,35,08,679</u>

2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3 "Cash Flow Statement"

 3. Finance Cost paid is exclusive of and purchase of fixed assets is inclusive of finance cost capitalized  
 Rs. 5,51,46,23,616 (Previous Year Rs 3,04,07,48,131)

**As per our attached report of even date**

 For Deloitte Haskins & Sells  
 Chartered Accountants

 Jinal Mehta  
 Director

 Hemendra L Shah  
 Partner

 T P Vijayasarathy  
 Director

 Chaitali Bhatt  
 Company Secretary

 Place : Ahmedabad,  
 Date : 9th May 2014

 Place : Ahmedabad  
 Date : 9th May 2014

**TORRENT ENERGY LIMITED**  
**Notes forming part of the financial statements**

**NOTE 1A: CORPORATE INFORMATION**

Torrent Energy Limited is an integrated power utility and wholly owned subsidiary of Torrent Power Limited. Torrent Energy Limited will develop 1200 MW gas based combined cycle mega power project and associated transmission facility for power evacuation at Dahej SEZ area. It is also a distribution licensee for Dahej SEZ area.

The Company has been granted "co-developer status" by Ministry of Commerce & Industry for power generation, transmission and distribution in Dahej SEZ. As a co-developer, it is responsible for catering to the entire power requirement of entities coming up in SEZ.

**NOTE 1B: SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Preparation of Financial Statements:**

The Financial statements have been prepared and presented to comply in all material respects with the notified accounting standards by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 ("the 1956 Act"). The said rules continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted in India. Accounting policies have been followed consistently except as stated specifically.

**2. Use of Estimates:**

The preparation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

**3. Capital Receipts:**

Service line contributions received from consumers are treated as capital receipt and accounted as Capital Reserve.

**4. Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price, taxes and duties, labour cost and other direct costs incurred upto the date the asset is ready for its intended use. Allocation of indirect expenses to capital account is done on the basis of technical evaluation by the Management.

## **5. Impairment of Fixed Assets:**

Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an assets' net selling price and value in use.

## **6. Borrowing costs :**

Borrowing Cost comprising interest, finance charges, etc. to the extent related /attributed to the qualifying assets, such as new projects and/or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use. Other borrowing costs are charged to the statement of profit and loss account in the period of their accrual.

## **7. Depreciation and amortization:**

Depreciation is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted.

Depreciation for the year has been shown after reducing the proportion of the amount of depreciation provided on assets created against the service line contribution.

In respect of assets, depreciation is provided on a Straight Line Method considering the rates provided in Appendix III of CERC (Terms and conditions of Tariff) Regulation 2009.

## **8. Investments :**

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost less provision for diminution, other than temporary, if any, in the value of such investments.

## **9. Inventories:**

Inventories of stores, spare parts and loose tools are valued at weighted average cost or net realizable value, whichever is lower.

## **10. Revenue Recognition:**

- (i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue recognized in excess of billing has been reflected under "Other current assets" as unbilled revenue
- (ii) Interest income is accounted on an accrual basis.
- (iii) Dividend is accounted when the right to receive payment is established.
- (iv) Interest on overdue receivables of energy bills, insurance, coal and other claims, casual income etc. are accounted on grounds of prudence, as and when recovered.

## **11. Transaction in foreign Currency:**

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currency at the period end are restated at period end rates.
- (iii) Non-monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the statement of profit and loss.

## **12. Retirement and Other Employee Benefits:**

Retirement Benefits in the form of Provident Fund, Family Pension Fund and Superannuation Schemes, which are defined contribution schemes, are charged to the statement of profit and loss of the period in which the contributions to the respective funds accrue.

The Company has created Employees Group Gratuity Fund which has taken a Group Gratuity Insurance Policy from Life Insurance Corporation of India (LIC). Premium on the above policy as intimated by LIC is charged to the statement of profit and loss. The adequacy of balances available is compared with actuarial valuation obtained at the period-end and shortfall, if any, is provided for in the statement of profit and loss.

Actuarial gains and losses are immediately recognized in the statement of profit and loss and are not deferred.

## **13. Taxation:**

Provision for Current tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between accounting and taxable profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date. Deferred tax asset, on account of unabsorbed depreciation and carry forward losses are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets and on account of other assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such assets can be realized.

## **14. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized 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 value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as Contingent liability and not provided for.

Contingent assets are neither recognized nor disclosed in the financial statements.

**TORRENT ENERGY LIMITED**

Notes forming part of the financial statements

**NOTE 2 : SHARE CAPITAL**

	As at 31st March, 2014	Rs. As at 31st March, 2013
<b>Authorised:</b>		
2,30,00,00,000 Equity shares of Rs.10/- each	<u>23,00,00,00,000</u>	<u>23,00,00,00,000</u>
	<u>23,00,00,00,000</u>	<u>23,00,00,00,000</u>
<b>Issued , subscribed and paid up:</b>		
1,98,82,20,000 (PY 1,26,40,20,000) Equity Shares of Rs.10/- each	<u>19,88,22,00,000</u>	<u>12,64,02,00,000</u>
	<u>19,88,22,00,000</u>	<u>12,64,02,00,000</u>
<b>1. Reconciliation of Equity shares outstanding at beginning and at the end of the the year :</b>		
	No. of shares As at 31st March 2013	No. of shares As at 31st March 2013
At the beginning of the year	<u>1,26,40,20,000</u>	91,90,50,000
Issued during the year	<u>72,42,00,000</u>	<u>34,49,70,000</u>
<b>Outstanding at the end of the year</b>	<u>1,98,82,20,000</u>	<u>1,26,40,20,000</u>
<b>2.</b> 1,98,82,20,000 equity shares (1,26,40,20,000 equity shares as at 31st March 2013) of Rs.10/- each fully paid up are held by Holding Company- Torrent Power Limited including 700 equity shares held jointly with nominees.		
<b>3. Terms / Rights attached to equity shares</b>		
The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.		
<b>4. Details of shareholders holding more than 5% in the Company :</b>		
<b>Name of Shareholder</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
	No. of Shares held	No. of Shares held
Torrent Power Limited	1,98,82,20,000	1,264,020,000
	100%	100%

## TORRENT ENERGY LIMITED

Notes forming part of the financial statements

### NOTE 3 : RESERVES AND SURPLUS

	As at 31st March, 2014	Rs. As at 31st March, 2013
<b>Capital Reserve</b>		
Service line contributions		
As per last balance sheet	4,68,55,198	2,66,89,510
Add: Received during the year	7,83,66,432	2,20,58,100
	<u>12,52,21,630</u>	<u>4,87,47,610</u>
Less: Transfer to statement of profit and loss	(37,43,643)	(18,92,412)
	<u>12,14,77,987</u>	4,68,55,198
<b>Statutory Reserve</b>		
Contingencies Reserve		
As per last Balance sheet	-	-
Add: Transfer from Profit and Loss Account	61,92,446	-
Add: Addition during the year	-	-
	<u>61,92,446</u>	<u>-</u>
Surplus in the statement of Profit and Loss		
As per last Balance sheet	(18,12,361)	15,60,370
Add: Profit/(Loss) after tax for the year	4,82,20,493	(33,72,731)
Less: Transfer to Contingency Reserve	(61,92,446)	-
Net surplus in the statement of profit and loss	<u>4,02,15,687</u>	<u>(18,12,361)</u>
	<u>16,78,86,119</u>	<u>4,50,42,837</u>



## TORRENT ENERGY LIMITED

Notes forming part of the financial statements

### NOTE 4 : LONG TERM BORROWINGS

	Non-current portion		Current maturities		Rs.
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013	As at
<b>Secured Loans</b>					
Term loans:					
from banks	21,32,29,22,728	9,64,85,00,000	1,01,53,77,272	-	-
from financial institution	8,75,84,31,818	3,96,32,00,000	41,70,68,182	-	-
Buyers credit from banks	-	-	-	14,24,20,58,694	14,24,20,58,694
	<u>30,08,13,54,546</u>	<u>13,61,17,00,000</u>	<u>1,43,24,45,454</u>	<u>14,24,20,58,694</u>	
Amount disclosed under the head "Other current liabilities" (note 8)	-	-	1,43,24,45,454	14,24,20,58,694	
	<u>30,08,13,54,546</u>	<u>13,61,17,00,000</u>	<u>-</u>	<u>-</u>	

#### Of the above

- Term loans issued by financial institutions and banks are secured by first ranking charge by way of mortgage over entire freehold / leasehold immovable and movable properties (whether tangible or intangible), current assets including project bank accounts and charge over all project contracts, insurance policies, rights, permits, approvals, letter of credit and guarantee in respect of the Company's Generation and Distribution project in Dahej SEZ both, present and future.
- Buyers credit from banks are given based on letter of undertaking given by the lead banker for term loan, which undertaking is secured by the charge stated in one above.
- The future annual repayment obligations on principal amount for the above long term borrowings are as under:

Financial Year	Rs.	Financial Year	Rs.
2014-15	1,43,24,45,454	2020-21	2,86,48,90,909
2015-16	2,86,48,90,909	2021-22	2,86,48,90,909
2016-17	2,86,48,90,909	2022-23	2,86,48,90,909
2017-18	2,86,48,90,909	2023-24	2,86,48,90,909
2018-19	2,86,48,90,909	2024-25	2,86,48,90,909
2019-20	2,86,48,90,909	2025-26	1,43,24,45,454

### Note 5 : OTHER LONG TERM LIABILITIES

	As at 31st March, 2014	As at 31st March, 2013	Rs.
<b>Others</b>			
Security deposit from customers	25,33,28,953	21,11,51,606	
	<u>25,33,28,953</u>	<u>21,11,51,606</u>	

### NOTE 6 : PROVISIONS

	Long-term		Short-term		Rs.
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013	As at
<b>Provision for employees' benefits (note 26)</b>					
Provision for gratuity and other funds	-	39,74,714	46,74,139	42,07,407	
Provision for leave encashment	1,12,81,575	82,05,013	11,94,601	8,51,113	
	<u>1,12,81,575</u>	<u>1,21,79,727</u>	<u>58,68,740</u>	<u>50,58,520</u>	

## TORRENT ENERGY LIMITED

Notes forming part of the financial statements

### NOTE 7 : SHORT TERM BORROWINGS

	As at 31st March, 2014	Rs. As at 31st March, 2013
<b>Secured loan</b>		
Buyers Credit from banks (see foot note 2 to note 4)	-	1,61,76,45,525
	<u>-</u>	<u>1,61,76,45,525</u>
<b>Unsecured loan</b>		
Interest free loan from holding company repayable on demand	16,21,71,861	23,15,95,111
	<u>16,21,71,861</u>	<u>23,15,95,111</u>
	<u>16,21,71,861</u>	<u>1,84,92,40,636</u>

### Note 8 : OTHER CURRENT LIABILITIES

	As at 31st March, 2014	Rs. As at 31st March, 2013
Trade payables for goods and services (note 27)	1,77,58,436	45,27,967
<b>Other liabilities</b>		
Current maturities of long-term debt (note 4)	1,43,24,45,454	14,24,20,58,694
Interest accrued but not due	1,06,65,891	8,63,79,446
Credit balance of consumers	1,49,889	84,879
Service line and security deposits from consumers	9,62,79,715	15,66,01,069
Statutory dues	1,46,81,021	1,20,66,130
Payables for capital goods	3,80,48,60,397	3,37,52,21,381
Sundry Payables	4,15,36,000	-
	<u>5,40,06,18,367</u>	<u>17,87,24,11,599</u>



**TORRENT ENERGY LIMITED**

Notes forming part of the financial statements

**NOTE 10: NON-CURRENT INVESTMENTS**

	As at 31st March, 2014	Rs. As at 31st March, 2013
Contingency Reserve Investments (Quoted)		
8.28% GOI BOND -2032	<u>32,28,750</u>	-
Total	<u>32,28,750</u>	-
Aggregate amount of quoted investments	32,28,750	-
Aggregate amount of Market value of quoted investments	32,52,200	

# TORRENT ENERGY LIMITED

## Notes forming part of the financial statements

### Note 11 : LOANS AND ADVANCES

Unsecured (considered good unless otherwise stated)

	Non Current		Current		Rs.
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013	
Capital Advances	1,44,67,88,737	2,63,04,89,644	-	-	
Deposit	7,77,54,975				
Advances recoverable in cash or in kind or for value to be received	14,25,35,710	29,70,59,068	1,62,84,860	84,88,508	
<b>Other Loans and advances</b>					
Advance tax and tax deducted at source (Net of provision )	-	-	1,68,69,438	1,28,35,687	
	<u>1,66,70,79,422</u>	<u>2,92,75,48,712</u>	<u>3,31,54,298</u>	<u>2,13,24,195</u>	

### Note 12 : OTHER ASSETS

Unsecured (considered good unless otherwise stated)

	Non Current		Current		Rs.
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013	
Non current bank balances (note 16)	25,00,000	6,00,25,975	-	-	
Recoverable from consumers (Regulatory assets)	-	-	-	9,99,50,675	
Interest accrued but not due on bank deposits	23,685	64,24,893	1,36,54,094	4,41,960	
	<u>25,23,685</u>	<u>6,64,50,868</u>	<u>1,36,54,094</u>	<u>10,03,92,635</u>	

# TORRENT ENERGY LIMITED

Notes forming part of the financial statements

## NOTE 13 : CURRENT INVESTMENTS

	No of units as at 31st March, 2014	No of units as at 31st March, 2013	Face Value	As at 31st March, 2014	Rs. As at 31st March, 2013
<b>Investment in Mutual Funds (unquoted)</b>					
Birla Sun Life Cash Plus	44,06,417	-	100	88,42,36,438	-
HDFC Liquid Fund	15,75,315	-	10	3,96,34,891	-
ICICI Prudential Liquid Plan	-	12,18,672	100	-	12,18,67,231
ICICI Prudential Growth Plan	27,13,714	-	100	50,20,92,305	-
IDFC Cash Fund - Plan C - Super IP - Dividend	-	71,429	1,000	-	7,14,47,074
IDFC Cash Fund	1,24,342	-	1,000	19,08,45,747	-
SBI Premier Liquid Fund	6,40,678	-	1,000	1,26,34,00,000	-
Tata Liquid Fund	1,44,296	-	1,000	33,40,58,161	-
DSP BlackRock Liquidity Fund- Growth	1,34,233	-	1,000	24,10,53,261	-
Tata Liquid Fund - SHIP - Daily Dividend	-	1,36,132	1,000	-	13,61,32,278
<b>Total</b>				<b>3,45,53,20,803</b>	<b>32,94,46,583</b>
Aggregate amount of unquoted investments				3,45,53,20,803	32,94,46,583
Aggregate NAV of investments in Mutual Funds				3,53,48,81,110	32,95,33,820

## NOTE 14 : INVENTORIES

	As at 31st March, 2014	As at 31st March, 2013
Stores	6,48,71,204	-
	<b>6,48,71,204</b>	<b>-</b>

## NOTE 15 : TRADE RECEIVABLES

	As at 31st March, 2014	As at 31st March, 2013
Other Debts		
Secured - Considered good	12,30,49,136	3,93,63,775
Unsecured - Considered good	88,91,017	1,087
	<b>13,19,40,153</b>	<b>3,93,64,862</b>

## NOTE 16 : CASH AND BANK BALANCES

	Non-Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Cash and Cash Equivalents</b>				
Balance in current accounts			11,85,06,295	5,07,45,579
Balance in Fixed Deposit account (Original Maturity of less than three months)			8,27,22,912	31,96,260
Cash on hand			3,68,209	1,20,257
<b>Other bank balances</b>				
Balance in fixed deposit account (Original maturity for more than three months but less than twelve months)			9,36,83,912	30,76,819
Balance in fixed deposit account (Original maturity for more than twelve months*)	25,00,000	6,00,25,975	-	-
	<b>25,00,000</b>	<b>6,00,25,975</b>	<b>29,52,81,328</b>	<b>5,71,38,915</b>
Amount Disclosed Under Non Current Asset (note 12)	(25,00,000)	(6,00,25,975)	-	-
	<b>-</b>	<b>-</b>	<b>29,52,81,328</b>	<b>5,71,38,915</b>

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# TORRENT ENERGY LIMITED

Notes forming part of the financial statements

## NOTE 17 : REVENUE FROM OPERATIONS

	Year ended 31st March, 2014	Rs. Year ended 31st March, 2013
Revenue from power supply (Note 25)	37,84,85,136	41,56,12,795
<b>Other operating income</b>		
Hire of meters	3,98,295	3,16,542
Miscellaneous income	6,38,931	25,01,223
	<u>37,95,22,362</u>	<u>41,84,30,560</u>

## NOTE 18 : OTHER INCOME

	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest income on bank deposits	1,01,71,114	73,10,579
Interest income from consumers	85,448	-
Interest income from others	14,115	-
Dividend on current investments	48,42,376	1,58,71,352
Profit on sale of current investment	16,56,25,649	-
Miscellaneous income	55,05,098	61,43,642
	<u>18,62,43,800</u>	<u>2,93,25,573</u>

## NOTE 19 : EMPLOYEE BENEFIT EXPENSES

	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries, wages and bonus	34,26,361	28,61,835
Contribution to provident and other funds	4,69,999	2,83,673
Employees welfare expenses	2,79,812	3,69,274
Gratuity and leave encashment	19,209	5,86,773
	<u>41,95,381</u>	<u>41,01,555</u>

## NOTE 20 : OPERATION AND OTHER EXPENSES

	Year ended 31st March, 2014	Year ended 31st March, 2013
Consumption of stores and spares	3,64,06,791	21,26,16,898
Rent and hire charges	28,82,192	20,45,253
Repairs to Plant and machinery	44,45,166	36,67,743
Insurance	3,63,934	2,03,546
Miscellaneous expenses	79,24,280	1,71,46,390
Auditors remuneration	5,85,020	6,10,171
Legal, professional and consultancy fees	4,70,685	12,02,908
Registration and filing fees	84,29,410	56,42,916
	<u>6,15,07,478</u>	<u>24,31,35,825</u>
Less : Allocated to capital works, repairs and other relevant revenue accounts	<u>(3,64,06,791)</u>	<u>(21,26,16,898)</u>
	<u>2,51,00,687</u>	<u>3,05,18,927</u>

## NOTE 21 : FINANCE COSTS

	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>Interest</b>		
Term Loan	5,63,40,172	5,34,40,548
Security deposits from consumers	1,18,48,425	1,03,32,819
Others	1,14,600	-
Bank Charges	19,695	89,957
Guarantee Commission	4,15,313	4,62,437
	<u>6,87,38,205</u>	<u>6,43,25,761</u>

## Notes to financial statements

	As at 31st March, 2014	(Rs.) As at 31st March, 2013
22) Estimated amount of contracts remaining to be executed on Capital Accounts (Net of Advances)	2,24,71,80,835	5,88,05,07,133
23) Contingent Liabilities not provided for in respect of: Disputed Indirect-tax matters	-	4,35,65,929

In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute. No reimbursement is expected.

- 24) The company is in the business of Generation and Distribution of electricity. The company commenced its distribution activity from 1<sup>st</sup> April, 2010 in Dahej SEZ.

In respect of its Generation activity, the Company has already awarded EPC contract for the construction of gas based power plant and is under commissioning stage.

- 25) Revenue for power supply is net off Rs. 9,99,50,675 which represents the regulatory asset recognized during the FY 2010-11 reversed during the current year on receipt of the Appellate Tribunal for Electricity's order dated 3rd July, 2013.
- 26) (i) The Company uses forward contracts to hedge its risk associated with foreign currency fluctuation relating to firm commitments. The Company does not use forward contracts for speculative purposes. As at the year end, the company has no outstanding forward exchange contract to hedge the foreign currency risk of a firm commitment.
- (ii) Foreign currency exposure not hedged by derivative instruments as at 31<sup>st</sup> March, 2013:

	Currency	As at 31st March, 2014	As at 31st March, 2013
Foreign Currency Loans Payable	USD	-	29,15,96,034
Foreign Currency Interest/Finance Charges payable	USD	-	15,32,287
Foreign Currency Capital Liability	USD	4,27,19,269	3,98,03,984

- 27) There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. No interest is paid / payable during the year and no amount is outstanding at the year end.



28) Capitalization of expenditure incurred during the year is as under

(Rs.)

<b>Pre-operative expenditure</b>	<b>As at 31<sup>st</sup> March 2014</b>	<b>As at 31<sup>st</sup> March 2013</b>
Opening Balance	1,38,99,28,996	93,93,25,116
<b>Expenditure incurred during the year</b>	-	-
Salary, wages, bonus, gratuity and superannuation	17,48,22,229	14,80,68,942
Employees Welfare Expenses	20,92,981	26,56,584
Advertisement	-	5,000
Insurance	31,02,612	25,36,301
Legal, Professional and Consultancy fees	2,78,75,285	10,81,19,274
Rates and Taxes	5,39,624	4,59,560
Electricity Charges	44,81,389	41,96,426
Miscellaneous Expenses	8,74,48,137	9,15,05,319
Printing, Stationery, Postage and Telephone	21,11,262	12,72,493
Repairs and Maintenance	59,95,703	16,36,332
Travelling Expenses	55,80,880	64,36,738
Registration, Filing Fees	7,01,000	1,48,228
Vehicle Hiring Charges	18,14,501	-
Rent Expenses	2,71,19,218	2,47,19,297
Security Service Charges	38,09,868	-
Depreciation	6,77,15,524	4,33,14,060
Commissioning Power	-	95,60,103
CDM Registration Fees	4,50,000	2,08,11,182
CSR Expenses	1,10,45,233	-
Startup Cost	2,43,60,17,890	-
Capital Stores	5,21,568	-
<b>Total</b>	<b>2,86,32,44,904</b>	<b>46,54,45,839</b>
Less : Capitalized during the year	5,03,92,196	1,48,41,959
Less : Sale of Infirm power	30,53,15,610	
<b>Closing balance</b>	<b>3,89,74,66,094</b>	<b>1,38,99,28,996</b>

## 29) Employee Benefits:

The liability on account of gratuity and leave (retirement benefit in the nature of defined benefits plan) is accounted as per AS 15 (Revised 2005) "Employee Benefits".

The Company operates a defined benefit plan (the Gratuity and Leave Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and tenure of employment.

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
<b>a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:</b>				
Obligations at the beginning of the year	89,66,964	1,57,30,480	55,87,663	75,23,518
Current Service cost	12,39,223	25,24,410	20,16,401	16,30,228
Interest Cost	4,97,551	1,58,438	3,39,170	6,39,499
Actuarial (gain) / loss	31,60,696	10,79,552	15,46,593	60,07,383
Benefits paid	(13,88,258)	(6,02,900)	(5,22,863)	(70,148)
<b>Obligations at the end year</b>	<b>1,24,76,176</b>	<b>1,99,89,980</b>	<b>89,66,964</b>	<b>1,57,30,480</b>
<b>b. Reconciliation of opening and closing balances of the fair value of plan assets:</b>				
Plan assets at the beginning of the year, at fair value	-	75,48,359	-	58,85,347
Expected return on plan assets	-	6,56,707	-	5,00,254
Actuarial gain / (Loss)	-	5,53,982	-	1,54,407
Contributions	-	69,55,402	-	10,78,499
Benefits paid	-	(3,98,609)	-	(70,148)
<b>Plan assets at the end of the year, at fair value</b>	<b>-</b>	<b>1,53,15,841</b>	<b>-</b>	<b>75,48,359</b>
<b>c. Reconciliation of the present value of the defined benefit obligation &amp; fair value of plan assets:</b>				
Obligations at the end of the year	1,24,76,176	1,99,89,980	89,66,964	1,57,30,480
Plan assets at the end of the year at fair value	-	1,53,15,841	-	75,48,359
<b>Liability recognized in Balance sheet as on 31<sup>st</sup> March, 2014</b>	<b>1,24,76,176</b>	<b>46,74,139</b>	<b>89,66,964</b>	<b>81,82,121</b>
<b>d. Cost for the year:</b>				
Current service cost	12,39,223	25,24,410	20,16,401	16,30,228
Interest cost	4,97,551	12,58,438	3,39,170	6,39,499
Expected return on plan assets	-	(6,56,707)	-	(5,00,254)
Net Actuarial (gain) / loss	31,60,696	5,25,570	15,46,593	58,52,976
<b>Net Cost</b>	<b>48,97,470</b>	<b>36,51,711</b>	<b>39,02,164</b>	<b>76,22,449</b>
<b>e. Investment details of plan assets:</b>				
Contributions to fund the obligations under the gratuity plan are made to Life Insurance Corporation of India, who has invested the funds substantially in the government securities.				
<b>f. Assumptions</b>				
Discount rate	9.25%	9.25%	8.00%	8.00%
Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31 <sup>st</sup> March, 2014)	-	9.50%	-	8.70%

### Note

The estimates of future salary increases considered in the actuarial valuation take into account inflation, promotion and other relevant factors, such as supply and demand in the employment market. Future separation and Mortality rates are obtained from relevant data of Life Insurance Corporation of India.

**Current year and past four year's data for defined benefit obligation and fair value of plan** (Rs.)

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>
Present value of defined benefit obligations at the end of the period (independent actuary)	3,24,66,156	2,46,97,444	1,31,11,181	80,75,934	35,625
Fair value of plan assets at the end of the period	1,53,15,841	75,48,359	58,85,347	13,62,698	20,834
Net assets / (Liability) at the end of the period	(1,71,50,315)	(1,71,49,085)	(72,25,834)	(67,13,236)	(14,791)

**30) Auditors remuneration**

(Rs.)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2014</b>	<b>Year ended 31<sup>st</sup> March, 2013</b>
Audit Fees	4,40,000	4,00,000
Tax Audit Fees	1,10,000	1,00,000
Other Services - Certificates	-	1,07,000
Reimbursement of Expenses	35,020	3,171
<b>Total</b>	<b>5,85,020</b>	<b>6,10,171</b>

**31) C.I.F. Value of imports:**

(Rs.)

	<b>Year ended 31<sup>st</sup> March, 2014</b>	<b>Year ended 31<sup>st</sup> March, 2013</b>
Capital Goods (EPC)	75,70,16,441	9,19,04,10,259
Capital Goods (Others)	52,87,698	16,19,61,946
<b>Total</b>	<b>76,23,04,139</b>	<b>9,35,23,72,205</b>

**32) Value of stores and spare parts consumed :**

(Rs.)

	<b>Year ended 31<sup>st</sup> March, 2014</b>		<b>Year ended 31<sup>st</sup> March, 2013</b>	
	<b>Rs.</b>	<b>%</b>	<b>Rs.</b>	<b>%</b>
Imported	-	-	1,01,28,013	4.76
Indigenous	3,64,06,791	100%	20,24,88,885	95.24
<b>Total</b>	<b>3,64,06,791</b>	<b>100%</b>	<b>21,26,16,898</b>	<b>100.00</b>

**33) Quantitative information:**

	<b>Year ended 31<sup>st</sup> March, 2014</b>	<b>Year ended 31<sup>st</sup> March, 2013</b>
Units supplied (million kWh Units)	<b>85.07</b>	66.48
Units procured (million kWh Units)	<b>88.13</b>	70.81

**34) Deferred Tax :**

(Rs.)

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Asset	Liability	Asset	Liability
Depreciation		5,79,62,680		1,21,99,000
Provision for Gratuity	-		-	
Provision for Leave Encashment	-		-	
Unabsorbed Depreciation	-		-	
Provision for Superannuation	-		-	
<b>Total</b>	-	<b>5,79,62,680</b>	-	<b>1,21,99,000</b>
<b>Net Deferred Tax(Asset) / Liability</b>		<b>5,79,62,680</b>		<b>1,21,99,000</b>

**35) Earnings/ (Loss) Per Share :**

(Rs.)

Particulars	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Profit/(Loss) after tax	4,82,20,493	(33,72,731)
Nominal Value per Equity Share (Rs.)	10	10
No. of Equity Shares (Weighted)	1,63,79,16,438	1,09,62,23,589
Basic and Diluted Earnings/ (Loss) per Share (Rs.)	0.03	(0.0031)

36) The Company's activities during the period revolved around setting up of the Power Project at Dahej and distribution of purchased power at Dahej SEZ. Considering the nature of Company's business and operation, there is only one reportable segment (business and / or geographical) and hence no further disclosure is required in accordance with the requirements of Accounting Standard 17 "Segment Reporting".

37) Capitalization of Exchange Difference: The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29 December 2011 to AS 11 The Effects of Changes in Foreign Exchange Rates, to allow companies deferral / capitalization of exchange differences arising on long-term foreign currency monetary items.

In accordance with the amendment to AS 11, the company has capitalized exchange loss, arising on long-term foreign currency loan, amounting to Rs. 2,54,15,55,910 (as at 31<sup>st</sup> March 2013 gain of Rs. 17,39,86,291) to the cost of Capital work in progress/plant and equipment.

**38) Related Party Disclosures:**

Particulars	Enterprises controlled by the Company		Holding Company/ Enterprises controlled by the Holding Company		Key Management Personnel		Enterprises controlled by Key Management Personnel / Relatives of Key Management Personnel		TOTAL	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>A) Volume of Transactions</b>										
Purchase of Materials	-	-	1,74,05,865	2,96,74,437	-	-	-	-	1,74,05,865	2,96,74,437
Torrent Cables Ltd	-	-	1,74,05,865	2,96,74,437	-	-	-	-	1,74,05,865	2,96,74,437
Purchase of Power	-	-	-	-	-	-	-	-	-	-
Torrent Power Ltd.	-	-	-	-	-	-	-	-	-	-
Services Received	-	-	-	67,89,553	-	-	49,76,665	89,78,042	49,76,665	1,57,67,595
Torrent Cables Ltd.	-	-	-	67,89,553	-	-	-	-	-	67,89,553
Munjil Bhatt Architects							44,94,400	50,41,331	44,94,400	50,41,331
Tsunami Tours & Travels Pvt. Ltd.							4,82,265	39,36,711	4,82,265	39,36,711
Advance Received	-	-	-	30,10,38,454	-	-	-	-	-	30,10,38,454
Torrent Power Ltd.	-	-	-	30,10,38,454	-	-	-	-	-	30,10,38,454
Advance Paid	-	-	-	29,46,03,439	-	-	-	-	-	29,46,03,439
Torrent Power Ltd.	-	-	3,22,85,905	29,46,03,439	-	-	-	-	-	29,46,03,439

Expense Reimbursement Torrent Power Ltd.	-	-	1,96,36,151	2,51,08,015	-	-	-	-	-	1,96,36,151	2,51,08,015
Torrent Pipavav Generation Limited	-	-	1,96,36,151	2,46,68,015	-	-	-	-	-	1,96,36,151	2,46,68,015
			-	4,40,000							4,40,000
Managerial Remuneration	-	-	-	-	1,44,46,080	1,69,46,079	-	-	-	1,44,46,080	1,69,46,079
Shri Deepak Dalal	-	-	-	-	-	-	-	-	-	-	-
Shri Jinal Mehta	-	-	-	-	1,44,46,080	1,69,46,079	-	-	-	1,44,46,080	1,69,46,079
Contribution to Funds (Net)	85,15,540	11,57,338	-	-	-	-	-	-	-	85,15,540	11,57,338
TEL Gratuity Trust	70,62,636	11,57,338	-	-	-	-	-	-	-	70,62,636	11,57,338
TEL Superannuation Fund	14,52,904	-	-	-	-	-	-	-	-	14,52,904	-
Equity Contribution	-	-	7,24,20,00,000	3,44,97,00,000	-	-	-	-	-	7,24,20,00,000	3,44,97,00,000
Torrent Power Ltd.	-	-	7,24,20,00,000	3,44,97,00,000	-	-	-	-	-	7,24,20,00,000	3,44,97,00,000
Loans Received	-	-	-	4,60,51,000	-	-	-	-	-	-	4,60,51,000
Torrent Power Ltd.	-	-	-	4,60,51,000	-	-	-	-	-	-	4,60,51,000
Loan Repaid	-	-	5,67,73,496	7,90,05,400	-	-	-	-	-	5,67,73,496	7,90,05,400
Torrent Power Ltd.	-	-	5,67,73,496	7,90,05,400	-	-	-	-	-	5,67,73,496	7,90,05,400

B) Balances at the end of the period										
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Current Liability	-	-	-	-	-	-	-	-	-	23,22,74,067
Torrent Cables Ltd.	-	-	-	-	-	6,78,956	-	-	-	6,78,956
Torrent Power Ltd.	-	-	-	-	-	23,15,95,111	-	-	-	23,15,95,111
Investment in Equities	-	-	19,88,22,00,000	-	-	12,64,02,00,000	-	-	19,88,22,00,000	12,64,02,00,000
Torrent Power Ltd.	-	-	19,88,22,00,000	-	-	12,64,02,00,000	-	-	19,88,22,00,000	12,64,02,00,000
Loans & Advances	-	-	16,21,71,861	-	-	-	-	-	16,21,71,861	-
Torrent Power Ltd.	-	-	16,21,71,861	-	-	-	-	-	16,21,71,861	-

**Names of Related Parties and description of relationship:**

1	Holding Company/ Enterprise Controlled by the Holding Company	<p>Torrent Power Limited          Torrent Private Limited          Torrent Pipavav Generation Limited          Torrent Power Grid Limited          Torrent Power Bhiwandi Limited          Torrent Pharmaceuticals Limited          Torrent Cable Limited          Gujarat Lease Financing Limited          Torrent Power Services Private Limited          Heumann Pharma Gmbh &amp; Co. Generica KG,          Torrent Do Brasil Ltda.          Zao Torrent Pharma          Torrent Pharma GmbH.          Torrent Pharma Inc.          Torrent Pharma Philippines Inc.          Torrent Australasia Pty Ltd.          Laborotrios Torrent SA de CV          Torrent Pharma Canda Inc.          Torrent Pharma (Thailand) Co., Ltd.          Norispharm GmbH.          Heunet Pharma GmbH.          Torrent Pharma (UK) Ltd.          Torrent Pharma S.R.L.          Laboratories Torrent (Malaysia) Sdn.Bhd.          TPL (Ahmedabad) Gratuity Trust          TPL (Ahmedabad) Superannuation Fund          TPL (Surat) Gratuity Trust          TPL (Surat) Superannuation Fund          TPL (SUGEN) Gratuity Trust          TPL (SUGEN) Superannuation Fund          TPL Employee Group Gratuity Trust          TPL Employee Superannuation Trust          TPG Gratuity Trust          TPG Superannuation Trust          AEC Cements &amp; Constructions Limited          Tidong Hydro Power Limited          Torrent Financiers          Torrent Fincorp Pvt. Ltd.          Torrent Pharmaceuticals Sikkim          Tsunami Tours &amp; Travels Private Limited          Munjal Bhatt &amp; Associates          Opening Pharma, France</p>
2	Enterprise Controlled by the Company	<p>TEL Gratuity Trust          TEL Superannuation Fund</p>
3	Key Management Personnel	<p>Jinal Mehta,          Director          (Resigned from the post of CEO w.e.f 31/3/2014)</p>
4	Relatives of Key Management Personnel	<p>Nirja Mehta, Wife          Saira Mehta, Daughter          Rishaan Mehta, Son          Sudhir Mehta, Father          Anita Mehta, Mother          Varun Mehta, Brother</p>



**39) Previous year Figures:**

The previous year figures have been regrouped / re-cast, where necessary, to conform to the current year's classification.

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Signature to Note 1 to 39

As per our report even date attached

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No 117365W)

**Jinal Mehta**  
Director

**T P Vijayasathy**  
Director

**Hemendra L Shah**  
Partner

**Chaitali Bhatt**  
Company Secretary

Place: Ahmedabad  
Date : 9<sup>th</sup> May 2014

Place: Ahmedabad  
Date : 9<sup>th</sup> May 2014