

**Torrent Pipavav Generation Limited**

**7<sup>th</sup> Annual Report**

**Financial Year 2013-14**

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TORRENT PIPAVAV GENERATION LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **TORRENT PIPAVAV GENERATION 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 notified under 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 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 control 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.

### 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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.

# Deloitte Haskins & Sells

Deloitte Haskins & Sells  
Chartered Accountants  
Heritage, 3rd Floor  
Near Gujarat Advepatti  
On Ayazpur Road,  
Ahmedabad - 380 015  
Tel: +91 (079) 27582541  
+91 (079) 27582542  
+91 (079) 66073149  
Fax: +91 (079) 27581951

## 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 loss 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.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under 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 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)

Ahmedabad, 1st 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 (ii), (viii), (xiii) and (xiv) 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 Company does not have any tangible fixed assets and hence the question of physical verification of its fixed assets does not arise.
  - (c) The Company does not have any tangible fixed assets.
3. 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.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for 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. During the year, the Company has neither purchased nor sold electric power. In view thereof, the question of adequacy of internal controls in respect thereof does not arise.
5. 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.
6. 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.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
8. 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, 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 any disputes.
9. The accumulated losses of the Company at the end of the financial year are not more than fifty percent of its net worth. The Company has incurred cash losses in the financial year and in the immediately preceding financial year.
  10. In our opinion and according to the information and explanations given to us, the Company has not taken any loans from banks and financial institutions. The Company has not issued any debentures.
  11. 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.
  12. 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.
  13. The Company has not obtained term loans during the year.
  14. 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*, been used during the year for long-term investment.
  15. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
  16. The Company has not issued any debentures during the year.
  17. The Company has not raised money by public issue during the year.

# Deloitte Haskins & Sells

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Heritage, 3rd Floor,  
Near Gujarat Vidhyapeeth  
Off Ashram Road  
Ahmedabad - 380 014

Tel: +91 (079) 27582542  
+91 (079) 27582543  
+91 (079) 66073100  
Fax: +91 (079) 27582551

18. To the best of our knowledge and according to the information and explanations given to us, no 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)

Ahmedabad, 1st May, 2014

# TORRENT PIPAVAV GENERATION LIMITED

Balance Sheet as at 31st March, 2014

	Note	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>I. Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	3	50,00,00,000	50,00,00,000
Reserves and surplus	4	1,90,71,925	2,02,10,863
		<u>51,90,71,925</u>	<u>52,02,10,863</u>
<b>Current Liabilities</b>			
Short term borrowings	5	49,98,22,453	48,57,51,692
Trade payables	6	1,48,422	1,44,270
Other current liabilities	7	2,73,897	12,25,639
		<u>50,02,44,772</u>	<u>48,71,21,601</u>
		<u><u>1,01,93,16,697</u></u>	<u><u>1,00,73,32,464</u></u>
<b>II. Assets</b>			
<b>Non Current Assets</b>			
Fixed assets	8		
Tangible assets		-	-
Capital work- in-progress and pre operative exp.		9,11,00,364	7,91,71,867
		<u>9,11,00,364</u>	<u>7,91,71,867</u>
Long term loans and advances	9	92,78,46,557	92,78,46,557
Other non-current assets	10	16,140	18,141
		<u>1,01,89,63,061</u>	<u>1,00,70,36,565</u>
<b>Current Assets</b>			
Cash an' bank balances	11	3,47,092	2,89,205
Short term loans and advances	12	6,544	6,694
		<u>3,53,636</u>	<u>2,95,899</u>
		<u><u>1,01,93,16,697</u></u>	<u><u>1,00,73,32,464</u></u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

Sudhir Shah  
Director and CEO

Hemendra L. Shah  
Partner

T. P. Vijayasathy  
Director

Place : *Ahmedabad*  
Date : 1st May, 2014

Place : Ahmedabad  
Date : 1st May, 2014

# TORRENT PIPAVAV GENERATION LIMITED

Profit and Loss Statement for the year ended 31st March, 2014

	Note	Year ended 31st March, 2014 Rs.	Year ended 31st March, 2013 Rs.
<b>Income</b>			
Revenue from operations		-	-
Other income	13	1,642	1,122
<b>Total revenue</b>		<b>1,642</b>	<b>1,122</b>
<b>Expenses</b>			
Other expenses	14	11,40,080	9,56,815
<b>Total expenses</b>		<b>11,40,080</b>	<b>9,56,815</b>
<b>Profit before tax</b>		<b>(11,38,438)</b>	<b>(9,55,693)</b>
<b>Tax expenses</b>			
Current tax		550	400
Short / (excess) provision for earlier years		(50)	400
		<b>500</b>	<b>800</b>
<b>Profit after tax</b>		<b>(11,38,938)</b>	<b>(9,56,493)</b>
Basic and diluted earnings per share (In Rs.) Rs.10/- each (In Rupees)	21	(0.02)	(0.02)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

Sudhir Shah  
Director and CEO

Hemendra L. Shah  
Partner

T. P. Vijayarathy  
Director

Place : *Ahmedabad*  
Date : 1st May, 2014

Place : Ahmedabad  
Date : 1st May, 2014



# TORRENT PIPAVAV GENERATION LIMITED

Cash flow Statement for the year ended 31st March, 2014

	Year ended 31st March, 2014 Rs.	Year ended 31st March, 2013 Rs.
<b>Cash flow from operating activities</b>		
Net profit before tax	(11,38,438)	(9,55,693)
Adjustments for :		
Interest income	(1,642)	(1,122)
<b>Operating profit before working capital changes</b>	<b>(11,40,080)</b>	<b>(9,56,815)</b>
<b>Movement in working capital:</b>		
Increase/ (decrease) in Trade payables	4,152	22,921
Increase/ (decrease) in Other current liabilities	(9,51,741)	3,48,542
Decrease / (Increase) in Short term loans and advances	-	1,02,760
<b>Cash generated from operations</b>	<b>(20,87,669)</b>	<b>(4,82,592)</b>
Taxes paid	(350)	(400)
<b>Net cash flow from/(used in) operating activities</b>	<b>(20,88,019)</b>	<b>(4,82,992)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets including capital work-in-progress	(1,19,28,497)	(2,72,57,296)
Long term loans and advances for capital assets	-	(7,09,64,972)
Interest received	3,643	-
<b>Net Cash used in investing activities</b>	<b>(1,19,24,854)</b>	<b>(9,82,22,268)</b>
<b>Cash flow from financing activities</b>		
Proceeds from Short term borrowings	1,40,70,761	9,71,04,324
Repayment of Short term borrowings	-	-
<b>Net cash flow from financing activities</b>	<b>1,40,70,761</b>	<b>9,71,04,324</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>57,887</b>	<b>(16,00,936)</b>
<b>Cash and cash equivalents as at beginning of the year</b>	<b>2,89,205</b>	<b>18,90,141</b>
<b>Cash and cash equivalents as at end of the year</b>	<b>3,47,092</b>	<b>2,89,205</b>

**Notes:**

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

Cash on hand	14,466	17,664
With Banks		
On current Account	3,32,626	2,71,541
<b>Cash and cash equivalents</b>	<b>3,47,092</b>	<b>2,89,205</b>

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

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

Hemenara L. Shah  
Partner

Place : *Ahmedabad*  
Date : 1st May, 2014

Sudhir Shah  
Director and CEO

T. P. Vijayasaraty  
Director

Place : Ahmedabad  
Date : 1st May, 2014

## 6. 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.

## 7. Cash and Cash Equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term (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.

## 8. Revenue recognition:

- (i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exists.
- (ii) Dividend income is recognized when the right to receive the same is established.

## 9. 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 is recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such assets can be realized.

## 10. Earnings per share:

Basic earnings per share is computed by dividing the Profit/ (Loss) After Tax 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 as adjusted for dividend, interest and other charges to expense or income 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 they have been issued at a later date.

## 11. Provisions, contingent liabilities and contingent assets:

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 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. Such liability is not disclosed if the possibility of outflow of resources is remote.

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

# TORRENT PIPAVAV GENERATION LIMITED

## **Note-1: Corporate Information:**

The Company is a joint venture, between Torrent Power Limited (TPL) and Gujarat Power Corporation Limited (GPCL) – a Government of Gujarat undertaking, formed for the purpose of setting up coal-based thermal power plant at Pipavav, Gujarat. In the joint venture at present, TPL has 95% interest and GPCL has 5% interest.

## **Note- 2: 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. 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 directly attributable costs for self-constructed assets and other direct and overhead costs incurred upto the date the asset is ready for its intended use.

### **4. Impairment of fixed assets:**

Fixed Assets are reviewed for impairment losses, if any, 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 exceed its recoverable amount, which is the higher of an assets' net selling price and value in use.

### **5. 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.

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

# TORRENT PIPAVAV GENERATION LIMITED

Notes forming part of the Balance Sheet

## Note 3 : Share Capital

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>Authorised:</b>		
10,00,00,000 Equity Shares of Rs.10/- each	1,00,00,00,000	1,00,00,00,000
	<u>1,00,00,00,000</u>	<u>1,00,00,00,000</u>
<b>Issued, Subscribed and Paid up:</b>		
5,00,00,000 (5,00,00,000 as at 31st March, 2013) Equity Shares of Rs.10/- each Fully Paid Up	50,00,00,000	50,00,00,000
	<u>50,00,00,000</u>	<u>50,00,00,000</u>

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	No. of Shares 31st March, 2014	No. of Shares 31st March, 2013
At the beginning of the period	5,00,00,000	5,00,00,000
Issued during the period	-	-
<b>Outstanding at the end of the period</b>	<u>5,00,00,000</u>	<u>5,00,00,000</u>

b. 4,75,00,000 equity shares (4,75,00,000 equity shares as at 31st March, 2013) of Rs.10/- each fully paid up are held by the holding Company - Torrent Power Limited.

### c. Terms /Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs.10 per share

Each holder of Equity Shares is entitled to one vote per share

### d. Details of Shareholders holding more than 5% shares in the company

Sr. No	Name of the share holder	As at 31st March 2014		As at 31st March, 2013	
		No. of Shares	% of holding	No. of Shares	% of holding
	Torrent Power Limited	4,75,00,000	95.00%	4,75,00,000	95.00%

## TORRENT PIPAVAV GENERATION LIMITED

### Note 4 : Reserves and Surplus

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Surplus in the statement of Profit and Loss		
As per last Balance Sheet	2,02,10,863	2,11,67,356
Add: Profit / (loss) after tax for the year	(11,38,938)	(9,56,493)
Net Surplus in the statement of Profit and Loss	<u>1,90,71,925</u>	<u>2,02,10,863</u>
	<u>1,90,71,925</u>	<u>2,02,10,863</u>

### Note 5 : Short term borrowings

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>Unsecured</b>		
Loans and Advances from a related party	49,98,22,453	48,57,51,692
	<u>49,98,22,453</u>	<u>48,57,51,692</u>

### Note 6 : Trade payables

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Trade Payables for goods and services (Refer Note 18)	1,48,422	1,44,270
	<u>1,48,422</u>	<u>1,44,270</u>

### Note 7 : Other current liabilities

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Statutory dues	1,55,531	44,869
Payables for fixed assets	1,18,366	11,80,770
	<u>2,73,897</u>	<u>12,25,639</u>

**TORRENT PIPAVAY GENERATION LIMITED**

Note 8 : Fixed assets

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at 1st April, 2013	Additions during the Year	Deduction during the Year	As at 31st March, 2014	As at 1st April, 2013	For the Year	Deduction during the Year	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
I. Tangible Assets										
Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7,52,765</b>	<b>41,505</b>	<b>7,94,270</b>	<b>-</b>	<b>1,61,071</b>	<b>24,868</b>	<b>1,85,939</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous Year									9,11,00,364	7,91,71,867
II. Capital Work-in-Progress									9,11,00,364	7,91,71,867

Notes: Work in Progress include Pre-operative Expenditure of Rs. 7,65,61,785 (Previous Year Rs. 6,46,33,288) (Refer Note 17)

**TORRENT PIPAVAY GENERATION LIMITED**

## TORRENT PIPAVAV GENERATION LIMITED

### Note 9 : Long term loans and advances Unsecured (Considered good)

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Capital advances	92,76,40,001	92,76,40,001
Deposits	1,81,556	1,81,556
Other loans and advances		
Balance with Government Authority	25,000	25,000
	<u>92,78,46,557</u>	<u>92,78,46,557</u>

### Note 10 : Other non-current assets

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Non-current bank balances	15,000	15,000
Interest accrued on bank deposits	1,140	3,141
	<u>16,140</u>	<u>18,141</u>

## TORRENT PIPAVAV GENERATION LIMITED

### Note 11 : Cash and bank balances

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>Cash and Cash Equivalents</b>		
Bank Balance in current accounts	3,32,626	2,71,541
Cash on hand	14,466	17,664
	<u>3,47,092</u>	<u>2,89,205</u>
<b>Other Bank Balances</b>		
Balance in fixed deposit account (Original Maturity more than twelve Months)	15,000	15,000
	<u>15,000</u>	<u>15,000</u>
Less : amount disclosed under non-current asset	15,000	15,000
<b>Net Amount</b>	<u>3,47,092</u>	<u>2,89,205</u>

### Note 12 : Short term loans and advances Unsecured (Considered good)

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Advances recoverable in cash or in kind or for value to be received	4,096	4,096
Other loans and advances		
Advance Tax and Tax deducted at source (Net of Provision for Taxation)	2,448	2,598
	<u>6,544</u>	<u>6,694</u>



## TORRENT PIPAVAV GENERATION LIMITED

### Note 13 : Other income

	Year ended 31st March, 2014 Rs.	Year ended 31st March, 2013 Rs.
Interest income on bank deposits	1,642	1,122
	<u>1,642</u>	<u>1,122</u>

### Note 14 : Other expenses

	Year ended 31st March, 2014 Rs.	Year ended 31st March, 2013 Rs.
Miscellaneous expenses	30,000	10,000
Auditors' remuneration	1,40,450	1,40,450
Loss on Sale of Assets	-	78,330
Rates and taxes	9,32,158	6,81,967
Legal, Professional & Consultancy fees	37,472	46,068
	<u>11,40,080</u>	<u>9,56,815</u>

## TORRENT PIPAVAV GENERATION LIMITED

### Note-15: Capital and other commitments:

- 1) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 36,47,200 (Previous year Rs. 6,77,62,986).
- 2) As per Shareholders' Agreement (SHA), the Company has to reimburse to GPCL, all the pre-operative expenditure incurred by GPCL for the development of the Project, along with simple interest at the rate 10% per annum, on receipt of duly audited and certified information and documents. The amount in this respect is being ascertained.
- 3) As per Shareholders' Agreement (SHA), Gujarat Power Corporation Limited (GPCL) will apply to the Government of Gujarat for transfer of land in the name of Torrent Pipavav Generation Limited (the Company). The land allotted to GPCL shall be transferred to the Company at market rate to be decided by Government of Gujarat. There are certain litigations for the private land acquired by GPCL. The same are pending before the Court. The entire legal liability arising out of the final decision through court or otherwise on such litigations would be paid by the Company. Accordingly, the Company has paid compensation of Rs.90,26,40,001 towards the private land as per court orders. If compensation to be paid by the Company, as directed by High Court is higher than market price, the difference between the two is to be borne by the Company.

### Note- 16: Segment reporting:

The Company's activities during the year revolve around setting up of the Power Project. Considering the nature of Company's business and operation, there is/are no reportable segments (business and/ or geographical) in accordance with the requirements of Accounting Standard 17 "Segment Reporting".

### Note-17: Capitalization of expenditure during the year:

(Amount in Rs.)

Head	As at 31 <sup>st</sup> March,2014	As at 31 <sup>st</sup> March,2013
Opening balance	6,46,33,288	4,83,44,669
<b>Expenditure incurred during the year :</b>		
Salary and Wages Expenses	11,87,553	62,21,320
Rent Expenses	-	1,98,000
Repair and Maintenance Expenses - Others	11,695	1,16,787
Insurance	4,942	760
Miscellaneous Expenses	2,33,566	5,58,433
Legal and Professional Fees	16,44,949	28,33,450
Registration Fees	-	-
Travelling Expenses	88,855	3,47,061
Vehicle Hire Charges	-	2,44,369
Security Expenses	87,56,937	57,43,570
Depreciation	-	24,869
<b>Grand Total</b>	<b>7,65,61,785</b>	<b>6,46,33,288</b>

**Note-18: Balance due to micro and small enterprises as per MSMED Act:**

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.

**Note-19: Related party disclosures:**

(Amount in Rs.)

	Holding Company/ Company directly / indirectly controlled	
	Year ended 31 <sup>st</sup> March,2014	Year ended 31 <sup>st</sup> March,2013
<b>A) Volume of transactions :</b>		
Loan received	1,28,00,000	9,06,87,318
- Torrent Power Limited	1,28,00,000	9,06,87,318
Sale of fixed assets	-	4,40,000
- Torrent Energy Limited	-	4,40,000
Shared expenditure	12,70,761	64,17,006
- Torrent Power Limited	12,70,761	64,17,006
<b>B) Balances at the end of the year :</b>		
Unsecured Loans	49,98,22,453	48,57,51,692
- Torrent Power Limited	49,98,22,453	48,57,51,692

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

1	Holding Company/ directly/indirectly controlled Enterprises	Torrent Power Limited Torrent Private Limited Torrent Energy Limited Torrent Power Grid Limited Torrent Power Bhiwandi Limited Torrent Pharmaceuticals Limited Torrent Cables Limited Gujarat Lease Financing Limited Torrent Power Services Private Limited Heumann Pharma GmbH & 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 Canada Inc. Torrent Pharma (Thailand) Co., Ltd. Norispharm GmbH. Heunet Pharma GmbH.
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		Torrent Pharma (UK) Ltd. Torrent Pharma S.R.L. Laboratories Torrent (Malaysia) Sdn.Bhd. Torrent Pharmaceuticals(Sikkim) TPL (Ahmedabad) Gratuity Trust TPL (Ahmedabad) Superannuation Fund TPL (Surat) Gratuity Trust TPL (Surat) Superannuation Fund TPL (SUGEN) Gratuity Trust TPL (SUGEN) Superannuation Fund TEL Gratuity Trust TEL Superannuation Fund TPG Gratuity Trust TPG Superannuation Fund Torrent Financiers AEC Cements & Constructions Limited Tidong Hydro Power Limited Torrent Fincorp Private Limited. Opening Pharma, France
2	Key Management Personnel	Sudhir Shah, Director and CEO
3	Relatives of Key Management Personnel	Parul Shah, Wife Purvin Shah, Son Mahek Trivedi, Daughter Paresh Shah, Brother Rekha Shah, Sister

**Note-20: Auditors' Remuneration:**

(Amount in Rs.)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
Audit Fees	1,25,000	1,25,000
For service tax	15,450	15,450
Total	1,40,450	1,40,450

**Note-21: Earnings per share:**

(Amount in Rs.)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
Profit after tax (Rs.)	(11,38,938)	(9,56,493)
Nominal Value per Equity Share (Rs.)	10	10
No. of Equity Shares (Weighted)	5,00,00,000	5,00,00,000
Basic and Diluted Earnings/ (Loss) per Share (Rs.)	(0.02)	(0.02)

**Note-22: Previous year figures:**

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

Signature to Note 1 to 22

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As per our attached report of even date

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Sudhir Shah**  
Director and CEO

**Hemendra L. Shah**  
Partner

**T. P. Vijayasathy**  
Director

Place: **Ahmedabad**  
Date: 1<sup>st</sup> May, 2014

Place: Ahmedabad  
Date: 1<sup>st</sup> May, 2014