

## INDEPENDENT AUDITORS' 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, 2015, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

### Auditors' 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.

We conducted our audit 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.

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 31<sup>st</sup> March, 2015, and its losses and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

# Deloitte Haskins & Sells

Deloitte Haskins & Sells  
Chartered Accountants  
100, N. G. Road, 1st Floor,  
Mumbai, Maharashtra  
400 001, India  
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- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) 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 – Refer Note 25 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

Hemendra L. Shah  
Partner  
(Membership No. 33590)

AHMEDABAD, 2<sup>nd</sup> May 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (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 fixed assets have been physically verified by the management in accordance with a regular program 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.
- (ii) In respect of its inventory:
  - (a) As explained to us, the 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 inventories 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 its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily 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 purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and 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, 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, , Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) Details of 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, 2015 on account of disputes are given below:

| Name of Statute      | Nature of Dues | Forum where Dispute is pending | Period to which the amount relates | Amount involved (Rs.) |
|----------------------|----------------|--------------------------------|------------------------------------|-----------------------|
| Income Tax Act, 1961 | Demand of Tax  | CIT Appeals                    | A.Y. 2012-13                       | 814,240               |

(d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

(viii) The accumulated losses of the Company at the end of the financial year are less 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.

(ix) 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.

(x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.

# Deloitte Haskins & Sells

Deloitte Haskins & Sells  
Chartered Accountants  
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- (xi) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xii) 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.
- (xiii) 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 has been noticed or reported during the year.

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

Hemendra L. Shah  
Partner  
(Membership No. 35590)

AHMEDABAD, 2<sup>nd</sup> May 2015

# *TORRENT ENERGY LIMITED*

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

*FOR THE YEAR*

*2014-15*

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

As at 31st March,2015

|                                | Note | As at<br>31st March,2015 | Rs.<br>As at<br>31st March, 2014 |
|--------------------------------|------|--------------------------|----------------------------------|
| <b>Equity and liabilities</b>  |      |                          |                                  |
| <b>Shareholders' funds</b>     |      |                          |                                  |
| Share capital                  | 2    | 19,88,22,00,000          | 19,88,22,00,000                  |
| Reserves and surplus           | 3    | (3,68,19,71,817)         | 16,78,86,119                     |
|                                |      | <u>16,20,02,28,183</u>   | <u>20,05,00,86,119</u>           |
| <b>Non-current liabilities</b> |      |                          |                                  |
| Long term borrowings           | 4    | 31,14,57,81,816          | 30,08,13,54,546                  |
| Deferred tax liabilities       | 35   | 7,36,85,490              | 5,79,62,680                      |
| Other long term liabilities    | 5    | 26,89,41,803             | 24,89,73,601                     |
| Long term provisions           | 6    | 1,23,47,372              | 1,12,81,575                      |
|                                |      | <u>31,50,07,56,481</u>   | <u>30,39,95,72,402</u>           |
| <b>Current liabilities</b>     |      |                          |                                  |
| Short term borrowings          | 7    | 3,52,47,26,870           | 16,21,71,861                     |
| Trades payables                | 8    | 14,91,52,118             | 1,77,58,436                      |
| Other current liabilities      | 9    | 5,58,86,86,653           | 5,39,43,07,828                   |
| Short term provisions          | 6    | 34,99,096                | 58,68,740                        |
|                                |      | <u>9,26,60,64,737</u>    | <u>5,58,01,06,865</u>            |
|                                |      | <u>56,96,70,49,401</u>   | <u>56,02,97,65,386</u>           |
| <b>Assets</b>                  |      |                          |                                  |
| <b>Non-current assets</b>      |      |                          |                                  |
| <b>Fixed assets</b>            |      |                          |                                  |
| Tangible assets                | 10   | 54,37,59,20,604          | 6,14,23,56,417                   |
| Intangible Assets              |      | 52,59,612                | 75,55,592                        |
| Capital work in progress       |      | 57,76,67,355             | 44,22,34,65,532                  |
|                                |      | <u>54,95,88,47,571</u>   | <u>50,37,33,77,541</u>           |
| Non-current investments        | 11   | 61,95,420                | 32,28,750                        |
| Long term loans and advances   | 12   | 23,48,69,979             | 1,66,70,74,422                   |
| Other non-current assets       | 13   | 34,125                   | 25,23,685                        |
|                                |      | <u>55,19,99,47,095</u>   | <u>52,04,62,04,398</u>           |
| <b>Current assets</b>          |      |                          |                                  |
| Current investments            | 14   | 1,34,25,97,374           | 3,45,53,20,803                   |
| Inventories                    | 15   | 6,05,40,234              | 6,48,71,204                      |
| Trade receivables              | 16   | 9,10,81,988              | 12,12,74,261                     |
| Cash and bank balances         | 17   | 12,83,40,719             | 29,52,81,328                     |
| Short term loans and advances  | 12   | 14,42,00,065             | 3,31,59,298                      |
| Other current assets           | 13   | 3,41,926                 | 1,36,54,094                      |
|                                |      | <u>1,76,71,02,306</u>    | <u>3,98,35,60,988</u>            |
|                                |      | <u>56,96,70,49,401</u>   | <u>56,02,97,65,386</u>           |

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants

Sanjay Datal  
Director and Chief Executive Officer  
DIN : 06905251

T. P. Vijayarathy  
Director and Chief Financial Officer  
DIN : 00271777

Hemendra L Shah  
Partner

Chaitali Bhatt  
Company Secretary

Place : Ahmedabad  
Date : 2nd May, 2015

Place : Ahmedabad  
Date : 2nd May, 2015



# TORRENT ENERGY LIMITED

## Statement of Profit and Loss

For the year ended 31st March, 2015

|   | NOTE | Year ended<br>31st March, 2015 | Rs.<br>Year ended<br>31st March, 2014 |
|---|------|--------------------------------|---------------------------------------|
| <b>Income</b>   |      |                                |                                       |
| Revenue from operations   | 18   | 91,00,21,569                   | 37,95,22,362                          |
| Other income  | 19   | 14,95,38,377                   | 18,62,43,800                          |
| <b>Total revenue</b>  |      | <u>1,05,95,59,946</u>          | <u>56,57,66,162</u>                   |
| <b>Expenses</b>   |      |                                |                                       |
| Electrical energy purchased   |      | 57,26,91,626                   | 31,63,97,300                          |
| Employee benefit expenses   | 20   | 9,27,44,887                    | 41,95,381                             |
| Operation and other expenses  | 21   | 33,20,03,238                   | 2,51,00,687                           |
| Finance costs   | 22   | 2,37,73,46,406                 | 6,87,38,205                           |
| Depreciation and amortization expense   | 23   | 1,55,90,71,628                 | 3,72,46,415                           |
| Transfer from service line contribution   |      | (84,65,254)                    | (37,43,543)                           |
| <b>Total expenses</b>   |      | <u>1,55,06,06,374</u>          | <u>3,35,02,772</u>                    |
|   |      | <u>4,92,53,92,531</u>          | <u>44,79,34,345</u>                   |
| <b>Profit/ (Loss) before tax</b>  |      | (3,86,58,32,585)               | 11,78,31,817                          |
| <b>Tax expenses</b>   |      |                                |                                       |
| Current tax   |      | -                              | 2,45,75,976                           |
| Deferred tax  |      | 1,57,22,810                    | 4,57,63,680                           |
| Short / (Excess) provision of current tax for earlier years                           |      | -                              | (7,28,332)                            |
| <b>Profit / (loss) after tax</b>  |      | <u>(3,88,15,55,395)</u>        | <u>4,82,20,493</u>                    |
| <br>  |      |                                |                                       |
| Basic and diluted earnings/(loss) per share of face value of Rs.10/- each (in rupees) | 36   | (1.95)                         | 0.03                                  |

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants

Sanjay Dalal  
Director and Chief Executive Officer  
DIN : 06905251

T. P. Vijayasarithy  
Director and Chief Financial Officer  
DIN : 00271777

Hemendra L Shah  
Partner

Chaitali Bhatt  
Company Secretary

Place : Ahmedabad  
Date : 2nd May, 2015

Place : Ahmedabad  
Date : 2nd May, 2015

**TORRENT ENERGY LIMITED**

**CASH FLOW STATEMENT**

For the year ended 31st March, 2015

|   | Year ended<br>31st March, 2015 | Rs.<br>Year ended<br>31st March, 2014 |
|---|--------------------------------|---------------------------------------|
| <b>Cash Flow from operating activities</b>  |                                |                                       |
| Net profit / (loss) before tax  | (3,86,58,32,585)               | 11,78,31,817                          |
| Adjustments for :   |                                |                                       |
| Depreciation and amortization   | 1,55,06,06,374                 | 3,35,02,772                           |
| Interest income   | (73,72,398)                    | (1,02,70,677)                         |
| Provision of earlier years written back   | (8,70,240)                     | -                                     |
| Loss on sale of fixed assets  | 2,57,82,939                    | 3,78,540                              |
| Finance costs   | 2,37,73,46,406                 | 6,87,38,205                           |
| Net unrealised exchange loss  | 2,21,12,473                    | -                                     |
| <b>Operating Profit before working capital changes</b>                              | <b>10,17,72,969</b>            | <b>21,01,80,657</b>                   |
| <b>Movements in working capital</b>   |                                |                                       |
| Increase/(decrease) other long-term liabilities                                     | 1,99,68,202                    | 4,21,77,347                           |
| Increase/(decrease) long-term provision   | 10,65,797                      | (8,98,152)                            |
| Increase/(decrease) trade payables  | 13,22,63,922                   | 1,32,30,469                           |
| Increase/(decrease) short-term provision  | (23,69,644)                    | 8,10,220                              |
| Increase/(decrease) other current liabilities                                       | 5,68,31,654                    | (1,61,05,452)                         |
| Decrease/(increase) in non-current advances   | 14,26,849                      | 7,67,68,383                           |
| Decrease/(increase) in inventories  | 43,30,970                      | (6,48,71,204)                         |
| Decrease/(Increase) in trade receivables  | 3,01,92,273                    | (9,25,75,291)                         |
| Decrease/(Increase) in current advances   | (11,38,57,776)                 | (77,96,352)                           |
| Decrease/(increase) in other current assets   | -                              | 9,99,50,675                           |
| <b>Cash generated from / (used in) operations</b>                                   | <b>23,16,25,216</b>            | <b>26,08,71,300</b>                   |
| Taxes paid / (refund)   | 28,17,010                      | (2,78,81,396)                         |
| <b>Net cash flow from / (used in) operating activities</b>                          | <b>23,44,42,226</b>            | <b>23,29,89,904</b>                   |
| <b>Cash flow from investing activities</b>  |                                |                                       |
| Purchase of fixed assets including capital work-in-progress                         | (6,22,00,67,413)               | (4,79,60,83,958)                      |
| Long-term loans and advances for capital assets                                     | 1,43,07,77,594                 | 1,18,37,00,907                        |
| Sale of fixed assets  | 14,95,002                      | -                                     |
| Purchase of non-current Investments   | (29,86,670)                    | (32,28,760)                           |
| Redemption / (investment) in bank deposits (having maturity more than three months) | 9,36,83,912                    | (9,06,07,092)                         |
| Investments in bank deposits (having maturity more than twelve months)              | 24,87,252                      | 5,75,25,975                           |
| Interest received   | 2,07,06,874                    | 34,59,751                             |
| <b>Net cash used in investing activities</b>  | <b>(4,67,39,03,449)</b>        | <b>(3,64,52,33,167)</b>               |
| <b>Cash flow from financing activities</b>  |                                |                                       |
| Proceeds from issuance of share capital   | -                              | 7,24,20,00,000                        |
| Proceeds from long-term borrowings  | 5,00,88,00,000                 | 19,83,25,82,477                       |
| Repayment of long-term borrowings   | (1,79,22,72,728)               | (16,17,25,41,171)                     |
| Proceeds from short-term borrowings   | 3,36,25,55,008                 | -                                     |
| Repayment of short-term borrowings  | -                              | (1,68,70,68,776)                      |
| Proceeds from service fine contribution   | 4,01,62,712                    | 7,83,66,432                           |
| Finance costs paid  | (4,36,57,63,895)               | (2,60,76,86,160)                      |
| <b>Net cash flow from financing activities</b>                                      | <b>2,25,34,81,097</b>          | <b>6,68,55,52,803</b>                 |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                       | <b>(2,18,59,80,126)</b>        | <b>3,27,34,09,540</b>                 |
| Cash and cash equivalents as at beginning of the year                               | 3,65,69,18,219                 | 38,35,08,679                          |
| <b>Cash and cash equivalents as at end of the year</b>                              | <b>1,47,09,38,093</b>          | <b>3,65,69,18,219</b>                 |

**Notes:**

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

|   |                       |                       |
|---|-----------------------|-----------------------|
| Cash on hand                                      | 2,81,088              | 3,68,209              |
| With banks  |                       |                       |
| In current account                                | 5,78,56,577           | 11,85,06,295          |
| In deposit account                                | 7,02,03,054           | 8,27,22,912           |
| Current Investments (investments in mutual funds) | 1,34,25,97,374        | 3,45,53,20,803        |
|   | <b>1,47,09,38,093</b> | <b>3,65,69,18,219</b> |

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

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants

Sanjay Dalal  
Director and Chief Executive Officer  
DIN : 06905251

T. P. Vijayasathy  
Director and Chief Financial Officer  
DIN : 00271777

Hemendra L Shah  
Partner

Chaitali Bhatt  
Company Secretary

Place : Ahmedabad  
Date : 2nd May, 2015

Place : Ahmedabad  
Date : 2nd May, 2015

## **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 has 1196.85 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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### **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:**

###### **Tangible 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 up to 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.

###### **Intangible assets :-**

Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow there from for a period longer than one year.

##### **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:**

- i. 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 and the methodology provided in Appendix II of CERC (Terms and conditions of Tariff) Regulation 2014.

- ii. Leasehold land is amortized over the lease period.
- iii. Computer software costs are amortized over its useful life which is estimated at 3 years.

## **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. Cash and cash equivalents:**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **10. Inventories:**

Inventories of stores, spare parts, coal, fuel and loose tools are valued at weighted average cost and net realizable value whichever is lower. Cost of inventories includes cost of purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

## **11. 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. Further, in view of the uncertainties involved in the recoverability, the Company accounts for the quarterly fuel price and power purchase adjustment claims as and when allowed by the regulatory authorities and true-up adjustment claims as and when realized.
- ii. Dividend is accounted when the right to receive payment is established.
- iii. 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.

## **12. 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. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.
- v. The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

### **13. 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.

Provision for leave encashment is determined and accrued on the basis of actuarial valuation.

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

### **14. 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 evidences that there will be sufficient future taxable income available to realize the assets and on account of other assets 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.

### **15. 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.

### **16. 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<br>31st March,2015                  | Rs.<br>As at<br>31st March, 2014           |
|---|---|--|
| <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 Equity Shares of Rs.10/- each  | <u>19,88,22,00,000</u>                    | <u>19,88,22,00,000</u>                     |
|   | <u>19,88,22,00,000</u>                    | <u>19,88,22,00,000</u>                     |
| <b>1. Reconciliation of Equity shares outstanding at beginning and at the end of the the year :</b>   |   |  |
|   | No. of shares<br>As at<br>31st March,2015 | No. of shares<br>As at<br>31st March, 2014 |
| At the beginning of the year  | 1,98,82,20,000                            | 1,26,40,20,000                             |
| Issued during the year  | -   | 72,42,00,000                               |
| Outstanding at the end of the year  | <u>1,98,82,20,000</u>                     | <u>1,98,82,20,000</u>                      |
| <b>2. 1,98,82,20,000 equity shares (1,98,82,20,000 equity shares as at 31st March 2014) of Rs.10/- each fully paid up are held by Holding Company- Torrent Power Limited including 700 equity shares held jointly with nominees.</b>  |   |  |
| <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>   |   |  |
| Name of Shareholder   | As at 31st March,2015                     | As at 31st March, 2014                     |
|   | No. of Shares held                        | No. of Shares held                         |
|   | % of Holding                              | % of Holding                               |
| Torrent Power Limited   | 1,98,82,20,000                            | 1,98,82,20,000                             |
|   | 100%                                      | 100%                                       |

**TORRENT ENERGY LIMITED**

Notes forming part of the financial statements

**NOTE 3 : RESERVES AND SURPLUS**

|  | As at<br>31st March,2015 | Rs.<br>As at<br>31st March, 2014 |
|--|--------------------------|----------------------------------|
| <b>Capital Reserve</b>   |                          |                                  |
| Service line contributions   |                          |                                  |
| As per last balance sheet  | 12,14,77,987             | 4,68,55,198                      |
| Add: Received during the year                                      | <u>4,01,62,712</u>       | <u>7,83,66,432</u>               |
|  | 16,16,40,699             | 12,52,21,630                     |
| Less: Transfer to statement of profit and loss                     | <u>(84,65,254)</u>       | <u>(37,43,643)</u>               |
|  | 15,31,75,445             | 12,14,77,987                     |
| <b>Statutory Reserve</b>   |                          |                                  |
| Contingencies reserve  |                          |                                  |
| As per last balance sheet  | 61,92,446                | -                                |
| Add: Transfer from profit and loss account                         | <u>61,90,000</u>         | <u>61,92,446</u>                 |
|  | 1,23,82,446              | 61,92,446                        |
| Less: Excess of earlier year transferred to P&L appropriation A/c  | <u>28,92,446</u>         | <u>-</u>                         |
|  | 94,90,000                | 61,92,446                        |
| <b>Surplus in the statement of profit and loss</b>                 |                          |                                  |
| As per last balance sheet  | 4,02,15,687              | (18,12,361)                      |
| Add: Profit/(Loss) after tax for the year                          | <u>(3,88,15,55,395)</u>  | <u>4,82,20,493</u>               |
| Add: Transfer from contingency reserve pertaining to previous year | 28,92,446                | -                                |
| Less: Transfer to contingency reserve                              | <u>(61,90,000)</u>       | <u>(61,92,446)</u>               |
|  | <u>(3,84,46,37,262)</u>  | <u>4,02,15,687</u>               |
|  | <u>(3,68,19,71,817)</u>  | <u>16,78,86,119</u>              |

## TORRENT ENERGY LIMITED

Notes forming part of the financial statements

### NOTE 4 : LONG TERM BORROWINGS

|   | Non-current portion      |                           | Current maturities       |                           | Rs.   |
|---|--------------------------|---------------------------|--------------------------|---------------------------|-------|
|   | As at<br>31st March,2015 | As at<br>31st March, 2014 | As at<br>31st March,2015 | As at<br>31st March, 2014 | As at |
| <b>Secured Loans</b>  |                          |                           |                          |                           |       |
| Term loans:   |                          |                           |                          |                           |       |
| from banks  | 22,07,74,36,362          | 21,32,29,22,728           | 2,54,09,09,092           | 1,01,53,77,272            |       |
| from financial institution  | 9,06,83,45,454           | 8,75,84,31,818            | 1,04,36,36,364           | 41,70,68,182              |       |
|   | <u>31,14,57,81,816</u>   | <u>30,08,13,54,546</u>    | <u>3,58,45,45,456</u>    | <u>1,43,24,45,454</u>     |       |
| Amount disclosed under the head "Other current liabilities (note 9) | -                        | -                         | 3,58,45,45,456           | 1,43,24,45,454            |       |
|   | <u>31,14,57,81,816</u>   | <u>30,08,13,54,546</u>    | <u>-</u>                 | <u>-</u>                  |       |

Of the above

1. 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.

2. The future annual repayment obligations on principal amount for the above long term borrowings are as under;

| Financial Year | Rs.            | Financial Year | Rs.            |
|----------------|----------------|----------------|----------------|
| 2015-16        | 3,58,45,45,455 | 2021-22        | 3,58,45,45,455 |
| 2016-17        | 3,58,45,45,455 | 2022-23        | 3,58,45,45,455 |
| 2017-18        | 3,58,45,45,455 | 2023-24        | 3,58,45,45,455 |
| 2018-19        | 3,58,45,45,455 | 2024-25        | 2,46,94,18,177 |
| 2019-20        | 3,58,45,45,455 |                |                |
| 2020-21        | 3,58,45,45,455 |                |                |

### Note 5 : OTHER LONG TERM LIABILITIES

|                                 | As at<br>31st March,2015 | As at<br>31st March, 2014 | Rs. |
|---------------------------------|--------------------------|---------------------------|-----|
| <b>Others</b>                   |                          |                           |     |
| Security deposit from customers | 26,89,41,803             | 24,89,73,601              |     |
|                                 | <u>26,89,41,803</u>      | <u>24,89,73,601</u>       |     |

### NOTE 6 : PROVISIONS

|  | Long-term                |                           | Short-term               |                           | Rs.   |
|--|--------------------------|---------------------------|--------------------------|---------------------------|-------|
|  | As at<br>31st March,2015 | As at<br>31st March, 2014 | As at<br>31st March,2015 | As at<br>31st March, 2014 | As at |
| <b>Provision for employees' benefits (note 29)</b> |                          |                           |                          |                           |       |
| Provision for gratuity                             | -                        | -                         | 22,37,655                | 46,74,139                 |       |
| Provision for leave encashment                     | 1,23,47,372              | 1,12,81,575               | 12,61,441                | 11,94,601                 |       |
|  | <u>1,23,47,372</u>       | <u>1,12,81,575</u>        | <u>34,99,096</u>         | <u>58,68,740</u>          |       |



## TORRENT ENERGY LIMITED

Notes forming part of the financial statements

### NOTE 7 : SHORT TERM BORROWINGS

|   | As at<br>31st March,2015 | Rs.<br>As at<br>31st March, 2014 |
|---|--------------------------|----------------------------------|
| Unsecured loan  |                          |                                  |
| Interest free loan from holding company repayable on demand | 3,52,47,26,870           | 16,21,71,861                     |
|   | <u>3,52,47,26,870</u>    | <u>16,21,71,861</u>              |

### NOTE 8 : TRADE PAYABLES

|   | As at<br>31st March,2015 | Rs.<br>As at<br>31st March, 2014 |
|---|--------------------------|----------------------------------|
| Trade payables for goods and services (note 29) | 14,91,52,118             | 1,77,58,436                      |
|   | <u>14,91,52,118</u>      | <u>1,77,58,436</u>               |

### Note 9 : OTHER CURRENT LIABILITIES

|   | As at<br>31st March,2015 | Rs.<br>As at<br>31st March, 2014 |
|---|--------------------------|----------------------------------|
| Current maturities of long-term debt (note 4)     | 3,58,45,45,456           | 1,43,24,45,454                   |
| Credit balance of consumers                       | 23,81,503                | 1,49,889                         |
| Service line and security deposits from consumers | 7,10,59,591              | 10,06,35,067                     |
| Statutory dues                                    | 4,29,65,685              | 1,46,81,021                      |
| Payables for capital goods                        | 1,79,03,07,565           | 3,80,48,60,397                   |
| Sundry payables                                   | 9,74,26,853              | 4,15,36,000                      |
|   | <u>5,58,86,86,653</u>    | <u>5,39,43,07,828</u>            |



# TORRENT ENERGY LIMITED

Notes forming part of the financial statements

## NOTE 11: NON-CURRENT INVESTMENTS

|  | As at<br>31st March, 2015 | Rs.<br>As at<br>31st March, 2014 |
|--|---------------------------|----------------------------------|
| Contingency Reserve Investments (Quoted)               |                           |                                  |
| 8.32% GOI BOND -2032                                   | 32,28,750                 | 32,28,750                        |
| 8.28% GOI BOND -2027                                   | 29,66,670                 | -                                |
| Total  | <u>61,95,420</u>          | <u>32,28,750</u>                 |
| Aggregate amount of quoted investments                 | 61,95,420                 | 32,28,750                        |
| Aggregate amount of market value of quoted investments | 68,37,806                 | 32,52,200                        |

## Note 12 : LOANS AND ADVANCES

Unsecured (considered good unless otherwise stated)

|   | Non Current               |                           | Current                   |                           | Rs. |
|---|---------------------------|---------------------------|---------------------------|---------------------------|-----|
|   | As at<br>31st March, 2015 | As at<br>31st March, 2014 | As at<br>31st March, 2015 | As at<br>31st March, 2014 |     |
| Capital advances  | 59,25,269                 | 1,43,67,02,863            | -                         | -                         |     |
| Deposit   | 16,16,578                 | 16,16,578                 | -                         | -                         |     |
| Advances recoverable in cash or in kind or for value to be received | 21,86,94,508              | 21,86,74,107              | 10,29,51,959              | 1,34,57,860               |     |
| Other loans and advances  |                           |                           |                           |                           |     |
| Advance Tax & Tax deducted at source                                | -                         | -                         | 1,40,52,428               | 1,68,69,438               |     |
| Balance with Government Authority                                   | -                         | -                         | 2,53,495                  | -                         |     |
| Prepaid expenses  | 86,33,624                 | 1,00,80,874               | 2,69,42,183               | 28,32,000                 |     |
|   | <u>23,48,69,979</u>       | <u>1,66,70,74,422</u>     | <u>14,42,00,065</u>       | <u>3,31,59,298</u>        |     |

## Note 13 : OTHER ASSETS

Unsecured (considered good unless otherwise stated)

|   | Non Current               |                           | Current                   |                           | Rs. |
|---|---------------------------|---------------------------|---------------------------|---------------------------|-----|
|   | As at<br>31st March, 2015 | As at<br>31st March, 2014 | As at<br>31st March, 2015 | As at<br>31st March, 2014 |     |
| Non current bank balances (note 17)           | 32,748                    | 25,00,000                 | -                         | -                         |     |
| Interest accrued but not due on bank deposits | 1,377                     | 23,685                    | 3,41,926                  | 1,36,54,094               |     |
|   | <u>34,125</u>             | <u>25,23,685</u>          | <u>3,41,926</u>           | <u>1,36,54,094</u>        |     |

# TORRENT ENERGY LIMITED

Notes forming part of the financial statements

## NOTE 14 : CURRENT INVESTMENTS

|  | No of units<br>as at<br>31st March,2015 | No of units<br>as at<br>31st March, 2014 | Face<br>Value | As at<br>31st March,2015 | Rs.<br>As at<br>31st March, 2014 |
|--|---|--|---------------|--------------------------|----------------------------------|
| <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                 | -                                       | 27,13,714                                | 100           | -                        | 50,20,92,305                     |
| IDFC Cash Fund - Regular - Growth            | 1,52,681                                | 1,24,342                                 | 1,000         | 25,30,81,782             | 19,08,45,747                     |
| SBI Premier Liquid Fund                      | 2,53,216                                | 6,40,678                                 | 1,000         | 53,02,24,862             | 1,26,34,00,000                   |
| Tata Liquid Fund                             | 1,69,711                                | 1,44,296                                 | 1,000         | 41,78,91,909             | 33,40,58,161                     |
| DSP BlackRock Liquidity Fund- Growth         | -                                       | 1,34,233                                 | 1,000         | -                        | 24,10,53,261                     |
| Kotak Floater Long Term                      | 64,463                                  | -  | 1,000         | 14,13,98,821             | -                                |
| <b>Total</b>                                 |   |  |               | <b>1,34,25,97,374</b>    | <b>3,45,53,20,803</b>            |
| Aggregate amount of unquoted investments     |   |  |               | 1,34,25,97,374           | 3,45,53,20,803                   |
| Aggregate NAV of investments in mutual funds |   |  |               | 1,40,07,48,016           | 3,53,48,81,110                   |

|                              | As at<br>31st March,2015 | Rs.<br>As at<br>31st March, 2014 |
|------------------------------|--------------------------|----------------------------------|
| <b>NOTE 15 : INVENTORIES</b> |                          |                                  |
| Stores                       | 6,05,40,234              | 6,48,71,204                      |
|                              | <b>6,05,40,234</b>       | <b>6,48,71,204</b>               |

|                                    | As at<br>31st March,2015 | As at<br>31st March, 2014 |
|------------------------------------|--------------------------|---------------------------|
| <b>NOTE 16 : TRADE RECEIVABLES</b> |                          |                           |
| Other debts                        |                          |                           |
| Secured - Considered good          | 9,10,20,961              | 11,23,83,244              |
| Unsecured - Considered good        | 61,027                   | 88,91,017                 |
|                                    | <b>9,10,81,988</b>       | <b>12,12,74,261</b>       |

## NOTE 17 : CASH AND BANK BALANCES

|   | Non-Current              |                           | Current                  |                           |
|---|--------------------------|---------------------------|--------------------------|---------------------------|
|   | As at<br>31st March,2015 | As at<br>31st March, 2014 | As at<br>31st March,2015 | As at<br>31st March, 2014 |
| <b>Cash and cash equivalents</b>  |                          |                           |                          |                           |
| Balance in current accounts   | -                        | -                         | 5,78,56,577              | 11,85,06,295              |
| Balance in fixed deposit account (original maturity of less than three months)                              | -                        | -                         | 7,02,03,054              | 8,27,22,912               |
| Cash on hand  | -                        | -                         | 2,81,088                 | 3,68,209                  |
| <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               |
| Balance in fixed deposit account (original maturity for more than twelve months)                            | -                        | -                         | -                        | -                         |
|   | <b>32,748</b>            | <b>25,00,000</b>          |                          |                           |
|   | <b>32,748</b>            | <b>25,00,000</b>          | <b>12,83,40,719</b>      | <b>29,52,81,328</b>       |
| Amount Disclosed Under non current asset (note 13)  | (32,748)                 | (25,00,000)               | -                        | -                         |
|   | <b>-</b>                 | <b>-</b>                  | <b>12,83,40,719</b>      | <b>29,52,81,328</b>       |

## TORRENT ENERGY LIMITED

Notes forming part of the financial statements

### NOTE 18 : REVENUE FROM OPERATIONS

|  | Year ended<br>31st March, 2015 | Rs.<br>Year ended<br>31st March, 2014 |
|--|--------------------------------|---------------------------------------|
| Revenue from Power supply  | 2,45,07,99,140                 | 68,38,00,746                          |
| Less :- Revenue capitalised for sale of infirm power (during trial runs) | <u>(1,54,93,26,896)</u>        | <u>(30,53,15,610)</u>                 |
| Revenue from power supply  | 90,14,72,244                   | 37,84,85,136                          |
| <b>Other operating Income</b>  |                                |                                       |
| Hire of meters   | 4,70,296                       | 3,98,295                              |
| Miscellaneous income   | 72,08,789                      | 6,38,931                              |
| Provision of earlier years written back                                  | 8,70,240                       | -                                     |
|  | <u>91,00,21,569</u>            | <u>37,95,22,362</u>                   |

### NOTE 19 : OTHER INCOME

|                                       | Year ended<br>31st March, 2015 | Rs.<br>Year ended<br>31st March, 2014 |
|---------------------------------------|--------------------------------|---------------------------------------|
| Interest income from                  |                                |                                       |
| Deposits                              | 65,68,817                      | 1,01,71,114                           |
| Consumers                             | 1,01,416                       | 85,448                                |
| Contingency reserve investments       | 4,19,934                       | -                                     |
| Others                                | 2,82,231                       | 14,115                                |
| Dividend on current investments       | -                              | 48,42,376                             |
| Profit on sale of current investments | 11,69,12,168                   | 16,56,25,649                          |
| Supplier discount received            | 99,12,924                      | 53,87,844                             |
| Miscellaneous income                  | 13,19,993                      | 1,17,254                              |
| Scrap Sales                           | 1,40,20,894                    | -                                     |
|                                       | <u>14,95,38,377</u>            | <u>18,62,43,800</u>                   |

## TORRENT ENERGY LIMITED

Notes forming part of the financial statements

### NOTE 20 : EMPLOYEE BENEFIT EXPENSES

|  | Year ended<br>31st March, 2015 | Year ended<br>31st March, 2014 |
|--|--------------------------------|--------------------------------|
| Salaries, wages and bonus  | 21,87,31,505                   | 15,76,40,525                   |
| Contribution to provident and other funds  | 1,18,38,637                    | 1,25,18,221                    |
| Employees welfare expenses   | 34,96,773                      | 23,85,868                      |
| Gratuity and leave encashment (net of adjustment of Rs. 23,55,328/- (FY 2013-14 Rs. Nil) for previous years)   | <u>29,17,415</u>               | <u>85,65,977</u>               |
|  | 23,69,84,330                   | 18,11,10,591                   |
| Less: Allocated to capital works including pre-operative expenses, repairs and other relevant revenue accounts | <u>(14,42,39,443)</u>          | <u>(17,69,15,210)</u>          |
|  | <u>9,27,44,887</u>             | <u>41,95,381</u>               |

### NOTE 21 : OPERATION AND OTHER EXPENSES

|  | Year ended<br>31st March, 2015 | Year ended<br>31st March, 2014 |
|--|--------------------------------|--------------------------------|
| Fuel cost  | 3,52,85,62,813                 | 2,41,49,92,063                 |
| Consumption of stores and spares   | 4,75,55,753                    | 3,69,28,359                    |
| Rent and hire charges  | 5,31,84,284                    | 2,95,03,743                    |
| Repairs to   |                                |                                |
| Building   | 2,50,07,282                    | 46,88,392                      |
| Plant and machinery  | 3,20,58,132                    | 48,22,757                      |
| Others   | <u>29,40,860</u>               | <u>9,29,720</u>                |
|  | 6,00,06,274                    | 1,04,40,869                    |
| Rates and Taxes  | 8,47,661                       | 14,60,462                      |
| Insurance  | 2,15,84,588                    | 34,66,546                      |
| Net gain / loss on foreign currency transaction and translation  | 6,84,08,701                    | 22,44,60,281                   |
| Miscellaneous expenses   | 7,86,43,913                    | 9,42,10,674                    |
| Loss on sale of fixed assets   | 2,57,82,939                    | 3,78,540                       |
| Auditors remuneration  | 9,50,000                       | 5,85,020                       |
| Legal, professional and consultancy fees   | 4,90,77,447                    | 3,06,30,086                    |
| Donation   | 7,50,000                       | -                              |
| Augmentation charges   | 4,54,25,000                    | -                              |
| Electrical expenses  | 2,64,23,298                    | 54,10,807                      |
| Security expenses  | 2,18,01,923                    | 2,19,58,242                    |
| Water charges  | 4,20,99,114                    | 1,84,00,925                    |
| Registration and filing fees   | <u>25,85,130</u>               | <u>91,30,410</u>               |
|  | 4,07,36,88,838                 | 2,90,19,57,027                 |
| Less: Allocated to capital works including pre-operative expenses, repairs and other relevant revenue accounts | <u>(3,74,16,85,600)</u>        | <u>(2,87,68,56,340)</u>        |
|  | <u>33,20,03,238</u>            | <u>2,51,00,687</u>             |

### NOTE 22 : FINANCE COSTS

|                                   | Year ended<br>31st March, 2015 | Year ended<br>31st March, 2014 |
|-----------------------------------|--------------------------------|--------------------------------|
| Interest expense                  |                                |                                |
| Term loan                         | 4,34,43,66,812                 | 2,52,83,96,871                 |
| Security deposits from consumers  | 2,34,56,849                    | 1,18,48,425                    |
| Others                            | 9,850                          | -                              |
| Other borrowing cost              | <u>(20,69,616)</u>             | <u>6,88,05,239</u>             |
|                                   | 4,36,57,63,895                 | 2,60,90,50,535                 |
| Less : Allocated to capital works | <u>(1,98,84,17,489)</u>        | <u>(2,54,03,12,330)</u>        |
|                                   | <u>2,37,73,46,406</u>          | <u>6,87,38,205</u>             |

### NOTE 23 : DEPRECIATION AND AMORTIZATION

|  | Year ended<br>31st March, 2015 | Year ended<br>31st March, 2014 |
|--|--------------------------------|--------------------------------|
| Depreciation and amortization                                      | 1,64,88,81,960                 | 10,49,61,939                   |
| Less : Allocated to capital works including pre-operative expenses | <u>(8,98,10,332)</u>           | <u>(6,77,15,524)</u>           |
|  | <u>1,55,90,71,628</u>          | <u>3,72,46,415</u>             |

## Notes to financial statements

|  | As at<br>31st March,<br>2015 | (Rs.)<br>As at<br>31st March,<br>2014 |
|--|------------------------------|---------------------------------------|
| 24) Estimated amount of contracts remaining to be executed on Capital Accounts (Net of Advances) | 19,81,78,117                 | 2,24,71,80,835                        |
| 25) Contingent Liabilities not provided for in respect of:<br>Disputed Income tax matters        | 8,14,240                     | -                                     |

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

- 26) 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.

The Company during the year, has commissioned 1,196.85 MW Combined Cycle gas based Mega Power Project (DGEN). The project is awaiting availability of gas at affordable prices to serve the electricity to consumers.

- 27) Capitalization of expenditure incurred during the year is as under :

|   | (Rs.)                     |                           |
|---|---------------------------|---------------------------|
|   | As At<br>31st March, 2015 | As At<br>31st March, 2014 |
| <b>Pre-operative expenditure</b>                  |                           |                           |
| <b>Opening balance</b>                            | 3,89,74,66,094            | 1,38,99,28,996            |
| <b>Expenditure incurred during the year</b>       |                           |                           |
| Employee benefit expense                          | 12,65,37,312              | 17,69,15,210              |
| Operation and other expense                       | 2,17,66,87,420            | 2,31,32,98,560            |
| Depreciation and amortization expense             | 89,810,332                | 67,715,524                |
| <b>Total Expenditure incurred during the year</b> | <b>2,39,30,35,064</b>     | <b>2,55,79,29,294</b>     |
|   | <b>6,29,05,01,158</b>     | <b>3,94,78,58,290</b>     |
| <b>Less :- Capitalized during the year</b>        | 6,29,05,01,158            | 5,03,92,196               |
| <b>Closing balance</b>                            | -                         | <b>3,89,74,66,094</b>     |

- 28) (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, 2015:

|                                    | Currency | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
|------------------------------------|----------|------------------------------|------------------------------|
| Foreign Currency Capital Liability | USD      | 1,15,63,867                  | 4,27,19,269                  |

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

|   | (Rs.)                                 |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2015 | As at<br>31 <sup>st</sup> March, 2014 |
| (a) Principal amount remaining unpaid as on 31 <sup>st</sup> March  | 5,82,803                              | -                                     |
| (b) Interest due thereon as on 31 <sup>st</sup> March   | -                                     | -                                     |
| (c) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year   | -                                     | -                                     |
| (d) The amount of Interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)   | -                                     | -                                     |
| (e) The amount of Interest accrued and remaining unpaid as at 31 <sup>st</sup> March  | -                                     | -                                     |
| (f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | -                                     | -                                     |

30) **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.

The Company has recognized Rs.45,48,792 (Previous Year Rs. 2,49,985) in the Statement of Profit and Loss on account of Contribution to Provident and Pension Fund and Rs.18,35,530 (Previous Year Rs.2,20,014) in the Statement of Profit and Loss on account of Contribution to superannuation fund.

| Particulars  | As at 31 <sup>st</sup> March, 2015 |                    | As at 31 <sup>st</sup> March, 2014 |                    |
|--|------------------------------------|--------------------|------------------------------------|--------------------|
|  | Leave<br>Encashment                | Gratuity           | Leave<br>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   | 1,24,76,176                        | 1,99,89,980        | 89,66,964                          | 1,57,30,480        |
| Current service cost   | 18,65,564                          | 28,18,132          | 12,39,223                          | 25,24,410          |
| Interest cost  | 11,54,046                          | 18,49,073          | 4,97,551                           | 12,58,438          |
| Actuarial (gain) / loss  | 2,45,863                           | 4,45,806           | 31,60,696                          | 10,79,552          |
| Liabilities transferred in   | 22,06,338                          | 38,09,447          |                                    |                    |
| Liabilities transferred out  | (16,84,042)                        | (59,39,841)        |                                    |                    |
| Benefits paid directly by employer   | (19,80,916)                        | -                  |                                    | (2,04,291)         |
| Benefits paid  | (8,03,398)                         | (6,28,514)         | (13,88,258)                        | (3,98,609)         |
| <b>Obligations at the end year</b>   | <b>1,34,79,631</b>                 | <b>2,23,44,083</b> | <b>1,24,76,176</b>                 | <b>1,99,89,980</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  | -                                  | 1,53,15,841        | -                                  | 75,48,359          |
| Expected return on plan assets   | -                                  | 14,55,005          | -                                  | 6,56,707           |
| Actuarial gain / (loss)  | -                                  | (1,19,404)         | -                                  | 5,53,982           |
| Contributions  | -                                  | 40,83,500          | -                                  | 69,55,402          |
| Benefits paid  | -                                  | (6,28,514)         | -                                  | (3,98,609)         |
| <b>Plan assets at the end of the year, at fair value</b>   | <b>-</b>                           | <b>2,01,06,428</b> | <b>-</b>                           | <b>1,53,15,841</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  | 1,34,79,631        | 2,23,44,083      | 1,24,76,176        | 1,99,89,980      |
| Plan assets at the end of the year at fair value  | -                  | 2,01,06,428      | -                  | 15,315,841       |
| <b>Liability recognized in Balance sheet as on 31<sup>st</sup> March, 2015</b>  | <b>1,34,79,631</b> | <b>22,37,655</b> | <b>1,24,76,176</b> | <b>46,74,139</b> |
| <b>d. Cost for the year:</b>  |                    |                  |                    |                  |
| Current service cost  | 18,65,564          | 28,18,132        | 12,39,223          | 25,24,410        |
| Interest cost   | 11,54,046          | 18,49,073        | 4,97,551           | 12,58,438        |
| Expected return on plan assets  | -                  | (14,55,005)      | -                  | (6,56,707)       |
| Net Actuarial (gain) / loss   | 2,45,863           | (12,17,331)      | 31,60,696          | 5,25,570         |
| <b>Net Cost</b>   | <b>32,65,473</b>   | <b>19,94,869</b> | <b>48,97,470</b>   | <b>36,51,711</b> |
| <b>e. Assumptions</b>   |                    |                  |                    |                  |
| Discount rate   | 8.00%              | 8.00%            | 9.25%              | 9.25%            |
| Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31 <sup>st</sup> March, 2015)  | -                  | 9.00%            | -                  | 9.50%            |
| Salary escalation rate  | 8.50%              | 8.50%            | 9.00%              | 9.00%            |
| <b>f. Experience adjustment</b>   |                    |                  |                    |                  |
| On Plan liability (gains)/losses  | (21,30,781)        | (31,81,370)      | 1,13,487           | 48,36,451        |
| On Plan assets (losses)/gains   | -                  | (1,19,404)       | -                  | 5,53,982         |
| <b>g. Actual return on Plan Assets</b>  | <b>-</b>           | <b>13,35,601</b> | <b>-</b>           | <b>12,10,689</b> |
| <b>h. Expected Contribution for next year</b>   | <b>-</b>           | <b>16,88,031</b> | <b>-</b>           | <b>46,74,139</b> |
| <b>Note</b>   |                    |                  |                    |                  |
| 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 years data for defined benefit obligation and fair value of plan :**

| Particulars   | 2014-15       | 2013-14       | 2013-14       | 2011-12     | (Rs.)       |
|---|---------------|---------------|---------------|-------------|-------------|
|   |               |               |               |             | 2010-11     |
| Present value of defined benefit obligations at the end of the period (independent actuary) | 3,58,23,714   | 3,24,66,156   | 2,46,97,444   | 1,31,11,181 | 80,75,934   |
| Fair value of plan assets at the end of the period  | 2,01,06,428   | 1,53,15,841   | 75,48,359     | 58,85,347   | 13,62,698   |
| Net assets / (Liability) at the end of the period   | (1,57,17,286) | (1,71,50,315) | (1,71,49,085) | (72,25,834) | (67,13,236) |

**Investment details of plan assets:**

Contributions to fund the obligations under the gratuity plan are made to Life Insurance Corporation of India, who has invested the funds substantially as under:

|                       | Year ended<br>31st March, 2015 | Year ended<br>31 <sup>st</sup> March, 2014 |
|-----------------------|--------------------------------|--|
| Government securities | 46.51%                         | 41.21%                                     |
| Debentures and bonds  | 34.61%                         | 39.32%                                     |
| Equity shares         | 4.40%                          | 4.67%                                      |
| Fixed deposits        | 14.48%                         | 14.20%                                     |
| Others                | 0.01%                          | 0.60%                                      |
| <b>Total</b>          | <b>100.00%</b>                 | <b>100.00%</b>                             |

## 31) Auditors remuneration

| Particulars                   | (Rs.)                                      |  |
|-------------------------------|--|--|
|                               | Year ended<br>31 <sup>st</sup> March, 2015 | Year ended<br>31 <sup>st</sup> March, 2014 |
| Audit Fees                    | 8,25,000                                   | 4,40,000                                   |
| Tax Audit Fees                | 1,25,000                                   | 1,10,000                                   |
| Other Services - Certificates | 1,45,689                                   | -  |
| Reimbursement of Expenses     | -  | 35,020                                     |
| <b>Total</b>                  | <b>10,95,689</b>                           | <b>5,85,020</b>                            |

## 32) C.I.F. Value of imports:

|  | (Rs.)                                      |  |
|--|--|--|
|  | Year ended<br>31 <sup>st</sup> March, 2015 | Year ended<br>31 <sup>st</sup> March, 2014 |
| Capital Goods (EPC)                      | -  | 75,70,16,441                               |
| Capital Goods (Others)                   | 11,03,417                                  | 52,87,698                                  |
| Components, stores, fuel and spare parts | 23,92,455                                  | NIL  |
| <b>Total</b>                             | <b>34,95,872</b>                           | <b>76,23,04,139</b>                        |

## 33) Value of stores and spare parts consumed :

|              | (Rs.)                                      |             |  |             |
|--------------|--|-------------|--|-------------|
|              | Year ended<br>31 <sup>st</sup> March, 2015 |             | Year ended<br>31 <sup>st</sup> March, 2014 |             |
|              | Rs.  | %           | Rs.  | %           |
| Imported     | -  | -           | -  | -           |
| Indigenous   | 5,24,26,915                                | 100%        | 3,64,06,791                                | 100%        |
| <b>Total</b> | <b>5,24,26,915</b>                         | <b>100%</b> | <b>3,64,06,791</b>                         | <b>100%</b> |

## 34) Quantitative information:

|                                    | Year ended<br>31 <sup>st</sup> March, 2015 | Year ended<br>31 <sup>st</sup> March, 2014 |
|------------------------------------|--|--|
| Units supplied (million kWh Units) | 146.07                                     | 85.07                                      |
| Units procured (million kWh Units) | 150.82                                     | 88.13                                      |

## 35) Deferred Tax :

|  | (Rs.)                                 |                       |                                       |                    |
|--|---------------------------------------|-----------------------|---------------------------------------|--------------------|
|  | As at 31 <sup>st</sup> March,<br>2015 |                       | As at 31 <sup>st</sup> March,<br>2014 |                    |
|  | Asset                                 | Liability             | Asset                                 | Liability          |
| Depreciation                                   |                                       | 4,54,88,93,019        |                                       | 5,79,62,680        |
| Unabsorbed Depreciation                        | 4,47,52,07,529                        |                       | -                                     |                    |
| <b>Total</b>                                   | <b>4,47,52,07,529</b>                 | <b>4,54,88,93,019</b> | <b>-</b>                              | <b>5,79,62,680</b> |
| <b>Net Deferred Tax(Asset) /<br/>Liability</b> |                                       | <b>7,36,85,490</b>    |                                       | <b>5,79,62,680</b> |

## 36) Earnings/ (Loss) Per Share :

| Particulars   | (Rs.)                                      |  |
|---|--|--|
|   | Year ended<br>31 <sup>st</sup> March, 2015 | Year ended<br>31 <sup>st</sup> March, 2014 |
| Profit/(Loss) after tax                                   | (3,88,15,55,395)                           | 4,82,20,493                                |
| Nominal Value per Equity Share (Rs.)                      | 10   | 10   |
| No. of Equity Shares (Weighted)                           | 1,98,82,20,000                             | 1,63,79,16,438                             |
| <b>Basic and Diluted Earnings/ (Loss) per Share (Rs.)</b> | <b>(1.95)</b>                              | <b>0.03</b>                                |

37) The Company's primary business segment is Generation and Distribution of Electricity. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), this activity falls within a single primary business segment and accordingly the disclosure requirements of AS-17 in this regard are not applicable.

38) 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. Nil (as at 31<sup>st</sup> March 2014 gain of Rs. 2,54,15,55,910) to the cost of Capital work in progress/plant and equipment.

39) Donations include political contributions as under :

|                          | (Rs.)                                     |                              |
|--------------------------|---|------------------------------|
|                          | Year Ended<br>31 <sup>st</sup> March,2015 | Year Ended<br>31stMarch,2014 |
| Bhartiya Janata Party    | 5,00,000                                  | -                            |
| Indian National Congress | 2,50,000                                  | -                            |

40) 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       |                |
|-----------------------------------|---------------------------------------|------------|---|----------------|--------------------------|-------------|--|------------|-------------|----------------|
|                                   | Year Ended                            | Year Ended | Year Ended  | Year Ended     | Year Ended               | Year Ended  | Year Ended   | Year Ended | Year Ended  | Year Ended     |
|                                   | 31.03.15                              | 31.03.14   | 31.03.15  | 31.03.14       | 31.03.15                 | 31.03.14    | 31.03.15   | 31.03.14   | 31.03.15    | 31.03.14       |
| A) Volume of Transactions         |                                       |            |   |                |                          |             |  |            |             |                |
| Purchase of Materials             | -                                     | -          | 74,35,554   | 1,74,05,865    | -                        | -           | -  | -          | 74,35,554   | 1,74,05,865    |
| Torrent Cables Ltd                | -                                     | -          | 74,35,554   | 1,74,05,865    | -                        | -           | -  | -          | 74,35,554   | 1,74,05,865    |
| Shared Expenditure                | -                                     | -          | 3,53,78,068   | 1,96,36,151    | -                        | -           | -  | 4,82,265   | 3,53,78,068 | 2,01,18,416    |
| Torrent Power Ltd.                | -                                     | -          | 3,53,78,068   | 1,96,36,151    | -                        | -           | -  | -          | 3,53,78,068 | 1,96,36,151    |
| Tsunami Tours & Travels Pvt. Ltd. | -                                     | -          | -   | -              | -                        | -           | -  | 4,82,265   | -           | 4,82,265       |
| Advance Paid                      | -                                     | -          | -   | 3,22,85,905    | -                        | -           | -  | -          | -           | 3,22,85,905    |
| Torrent Power Ltd.                | -                                     | -          | -   | 3,22,85,905    | -                        | -           | -  | -          | -           | 3,22,85,905    |
| Managerial Remuneration           | -                                     | -          | -   | -              | 3,93,82,258              | 1,44,46,080 | -  | -          | 3,93,82,258 | 1,44,46,080    |
| Shri Sanjay Datal                 | -                                     | -          | -   | -              | 1,13,82,258              | -           | -  | -          | 1,13,82,258 | -              |
| Shri Jinal Mehta*                 | -                                     | -          | -   | -              | 2,80,00,000              | 1,44,46,080 | -  | -          | 2,80,00,000 | 1,44,46,080    |
| Contribution to Funds (Net)       | 74,27,613                             | 85,15,540  | -   | -              | -                        | -           | -  | -          | 74,27,613   | 85,15,540      |
| TEL Gratuity Trust                | 40,83,500                             | 70,62,636  | -   | -              | -                        | -           | -  | -          | 40,83,500   | 70,62,636      |
| TEL Superannuation Fund           | 33,44,113                             | 14,52,904  | -   | -              | -                        | -           | -  | -          | 33,44,113   | 14,52,904      |
| Equity Contribution               | -                                     | -          | -   | 7,24,20,00,000 | -                        | -           | -  | -          | -           | 7,24,20,00,000 |
| Torrent Power Ltd.                | -                                     | -          | -   | 7,24,20,00,000 | -                        | -           | -  | -          | -           | 7,24,20,00,000 |

| 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      |            |          |
|--------------------------------------|---------------------------------------|------------|--|-----------------|--------------------------|------------|--|------------|------------|------------|----------|
|                                      | Year Ended                            | Year Ended | Year Ended   | Year Ended      | Year Ended               | Year Ended | Year Ended   | Year Ended | Year Ended | Year Ended |          |
|                                      | 31.03.15                              | 31.03.14   | 31.03.15   | 31.03.14        | 31.03.15                 | 31.03.14   | 31.03.15   | 31.03.14   | 31.03.15   | 31.03.14   |          |
| Loans Received                       | -                                     | -          | 3,62,33,00,000   | -               | -                        | -          | -  | -          | -          | -          | -        |
| Torrent Power Ltd.                   | -                                     | -          | 3,62,33,00,000   | -               | -                        | -          | -  | -          | -          | -          | -        |
| Loan Repaid                          | -                                     | -          | 29,00,00,000   | 5,67,73,496     | -                        | -          | -  | -          | -          | -          | -        |
| Torrent Power Ltd.                   | -                                     | -          | 29,00,00,000   | 5,67,73,496     | -                        | -          | -  | -          | -          | -          | -        |
| Purchase of Fixed Assets             | -                                     | -          | 4,15,996   | -               | -                        | -          | -  | -          | -          | -          | -        |
| Torrent Power Ltd.                   | -                                     | -          | 4,15,996   | -               | -                        | -          | -  | -          | -          | -          | -        |
| B) Balances at the end of the period |                                       |            |  |                 |                          |            |  |            |            |            |          |
| Current Liability                    | 31.03.15                              | 31.03.14   | 31.03.15   | 31.03.14        | 31.03.15                 | 31.03.14   | 31.03.15   | 31.03.14   | 31.03.15   | 31.03.14   | 31.03.14 |
| Torrent Cables Ltd.                  | -                                     | -          | 6,01,556   | -               | -                        | -          | -  | -          | -          | -          | -        |
| Investment in Equities               | -                                     | -          | 19,88,22,00,000  | 19,88,22,00,000 | -                        | -          | -  | -          | -          | -          | -        |
| Torrent Power Ltd.                   | -                                     | -          | 19,88,22,00,000  | 19,88,22,00,000 | -                        | -          | -  | -          | -          | -          | -        |
| Loans & Advances                     | -                                     | -          | 3,52,47,26,870   | 16,21,71,861    | -                        | -          | -  | -          | -          | -          | -        |
| Torrent Power Ltd.                   | -                                     | -          | 3,52,47,26,870   | 16,21,71,861    | -                        | -          | -  | -          | -          | -          | -        |

\*Arrears of remuneration for the period from 1<sup>st</sup> August 2011 to 31<sup>st</sup> March 2014.

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

|   |   |   |
|---|---|---|
| 1 | Holding Company/<br>Enterprises directly/indirectly<br>controlled | <p>Torrent Power Limited (Holding Company)<br/>         Torrent Private Limited<br/>         Torrent Power Grid Limited<br/>         Torrent Pipavav Generation Limited<br/>         Torrent Solargen Limited (formerly known as Torrent Power Bhiwandi Ltd.)<br/>         Torrent Pharmaceuticals Limited<br/>         Torrent Cables Limited<br/>         Gujarat Lease Financing Limited<br/>         Torrent Power Services Private Limited<br/>         Heumann Pharma Gmbh &amp; Co. Generica KG,<br/>         Torrent Do Brasil Ltda.<br/>         ZAO Torrent Pharma<br/>         Torrent Pharma GmbH.<br/>         Torrent Pharma Inc.<br/>         Torrent Pharma Philippines Inc.<br/>         Torrent Australasia Pty Ltd.<br/>         Laborotrios Torrent SA de CV<br/>         Torrent Pharma Canada Inc.<br/>         Torrent Pharma (Thailand) Co., Ltd.<br/>         Norispharm GmbH.<br/>         Heunet Pharma GmbH.<br/>         Torrent Pharma (UK) Ltd.<br/>         Torrent Pharma S.R.L.<br/>         Laboratories Torrent (Malaysia) Sdn.Bhd.<br/>         Torrent Pharmaceuticals(Sikkim)<br/>         TPL(Ahmedabad) Gratuity Trust<br/>         TPL (Ahmedabad) Superannuation Fund<br/>         TPL (Surat) Gratuity Trust<br/>         TPL (Surat) Superannuation Fund<br/>         TPL (SUGEN) Gratuity Trust<br/>         TPL (SUGEN) Superannuation Fund<br/>         TPG Gratuity Trust<br/>         TPG Superannuation Trust<br/>         Torrent Financiers<br/>         AEC Cements &amp; Constructions Limited<br/>         Tidong Hydro Power Limited<br/>         Torrent Fincorp Private Limited.<br/>         Opening Pharma, France<br/>         Tomascent Care Institute</p> |
| 2 | Enterprise Controlled by the Company                              | <p>TEL Gratuity Trust<br/>         TEL Superannuation Fund</p>  |
| 3 | Key Management Personnel  | Sanjay Dalal, Director & CEO  |
| 4 | Relatives of Key Management Personnel                             | <p>Falguni Dalal,Wife<br/>         Aditya Dalal, Son<br/>         Avani Dalal, Daughter<br/>         Chandrakant Dalal,Father<br/>         Sheela Dalal, Mother<br/>         Anil Dalal, Brother<br/>         Leena Thula,Sister<br/>         Bina Gunderia,Sister</p>  |

#### 41) Amalgamation :

The Board of Directors has approved on 12th May 2014, the draft Composite Scheme of Amalgamation of Torrent Energy Limited (TEL) and Torrent Cables Limited (TCL) with Torrent Power Limited (TPL) and their respective shareholders and creditors ("the Scheme") under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956. The Appointed Date of the scheme is 1st April, 2014.

TPL has already obtained necessary approval of the Scheme from National Stock Exchange of India Limited and BSE Limited vide their letters dated 26th & 27th August 2014 respectively. Hon'ble Central Electricity Regulatory (CERC) Commission has also granted its approval to TEL under Section 17 (1) (b) of the Electricity Act, 2003 for its amalgamation with TPL subject to certain procedural conditions vide its order dated 7th January, 2015. TEL has also received the approval from Hon'ble Gujarat Electricity Regulatory Commission (GERC) under section 17 of Electricity Act, 2003 for amalgamation with TPL vide its order dated 1st April 2015. Such approval is subject to the decision of Hon'ble High Court of Gujarat. As per the directions of the Hon'ble High Court of Gujarat, the meeting of the equity shareholders of TPL & TCL and unsecured creditors of TCL & TEL on April 30, 2015. Further, court convened meeting of the secured creditors of TCL & TEL on May 1, 2015.

Pending other requisite approvals, including approval of High Court of Gujarat / National Company Law Tribunal as applicable, fulfilment of conditions precedent as mentioned in the Scheme and further actions, the effect of the Scheme has not been considered in the financial statements.

#### 42) 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 42

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants

**Sanjay Dalal**  
Director and Chief Executive Officer  
DIN : 06905251

**T.P.Vijayasathy**  
Director and Chief Financial Officer  
DIN : 00271777

**Hemendra L. Shah**  
Partner

**Chaitali Bhatt**  
Company Secretary

Place: Ahmedabad  
Date: 2<sup>nd</sup> May, 2015

Place: Ahmedabad  
Date: 2<sup>nd</sup> May, 2015

