

TORRENT SOLARGEN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORRENT SOLARGEN LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations on its financial position in its 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm's Registration No. 117365W)

Hemendra L. Shah
Partner
(Membership No. 33590)

Place: *Ahmedabad*
Date: *18th May, 2016*

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of **TORRENT SOLARGEN LIMITED** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm's Registration No. 117365W)

Hemendra L. Shah
Partner
(Membership No. 33590)

Place: **Ahmedabad**
Date: **18th May, 2016**

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

1. 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.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination in respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposits during the year.
6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
7. According to the information and explanations given to us in respect of statutory dues :
 - (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Value Added Tax, Service Tax, Cess and Other material statutory dues with appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Value Added Tax, Service Tax, Cess and other material statutory dues in arrears, as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2016 on account of disputes.
8. The Company has not taken any loans or borrowings from banks or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. During the year, the Company has not paid / provided any managerial remuneration and hence reporting under clause (xi) of the CARO 2016 Order is not applicable.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

16. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

Hemendra L. Shah
Partner
(Membership No. 33590)

Place: *Ahmedabad*
Date: *18th May, 2016*

TORRENT SOLARGEN LIMITED

Balance Sheet as at 31st March, 2016

| | Note | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|----------------------------------|------|----------------------------------|----------------------------------|
| I. Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 2 | 80,05,00,000 | 80,05,00,000 |
| Reserves and surplus | 3 | 48,98,67,747 | 58,21,670 |
| | | <u>1,29,03,67,747</u> | <u>80,63,21,670</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities (net) | | 1,85,35,000 | 72,00,000 |
| Long Term Provisions | 4 | 6,70,038 | - |
| | | <u>1,92,05,038</u> | <u>72,00,000</u> |
| Current liabilities | | | |
| Short term borrowings | 5 | 2,54,90,48,133 | 3,14,48,79,495 |
| Trade payables | 6 | 92,64,137 | 8,18,880 |
| Other current liabilities | 7 | 11,11,174 | 1,12,56,80,437 |
| Short-term provisions | 8 | 3,27,452 | - |
| | | <u>2,55,97,50,896</u> | <u>4,27,13,78,812</u> |
| | | <u>3,86,93,23,681</u> | <u>5,08,49,00,482</u> |
| II. Assets | | | |
| Non current assets | | | |
| Fixed assets | 9 | | |
| Tangible assets | | 2,87,52,21,136 | 3,01,72,08,023 |
| Capital work- in-progress | | 96,72,772 | 16,13,823 |
| | | <u>2,88,48,93,908</u> | <u>3,01,88,21,846</u> |
| Long-term loans and advances | 10 | 82,37,55,250 | 28,35,00,000 |
| | | <u>3,70,86,49,158</u> | <u>3,30,23,21,846</u> |
| Current assets | | | |
| Trade receivables | 11 | 15,93,17,432 | 2,65,39,891 |
| Cash and bank balances | 12 | 8,49,182 | 1,71,72,30,908 |
| Short-term loans and advances | 13 | 5,07,909 | 8,59,822 |
| Other current assets | 14 | - | 3,79,48,015 |
| | | <u>16,06,74,523</u> | <u>1,78,25,78,636</u> |
| | | <u>3,86,93,23,681</u> | <u>5,08,49,00,482</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

Priya Jain
Chief Financial Officer

T P Vijaysarathy
Chairman
DIN : 00271777

Hemendra L. Shah
Partner

Deepshikha Singhal
Company Secretary

Harnish Patel
Director
DIN : 00114198

Place : Ahmedabad
Date : 18th May, 2016

Place : Ahmedabad
Date : 18th May, 2016

TORRENT SOLARGEN LIMITED

Statement of Profit and Loss for the year ended 31st March, 2016

| | Note | Year ended 31st March, 2016 Rs. | Year ended 31st March, 2015 Rs. |
|---|------|---------------------------------------|---------------------------------------|
| Income | | | |
| Revenue from operations | 15 | 85,83,04,879 | 2,89,43,902 |
| Other income | 16 | 46,71,266 | 3,90,81,150 |
| Total revenue | | 86,29,76,145 | 6,80,25,052 |
| Expenses | | | |
| Employee benefit expense | 17 | 89,41,491 | 2,20,500 |
| Operation and other expenses | 18 | 4,63,08,259 | 3,62,99,277 |
| Finance cost | 19 | 45,91,027 | 11,43,375 |
| Depreciation and amortization | 20 | 17,22,28,093 | 1,42,37,152 |
| Total expenses | | 23,20,68,870 | 5,19,00,304 |
| Profit before tax | | 63,09,07,275 | 1,61,24,748 |
| Tax expenses | | | |
| Current tax | - | 13,56,00,000 | 33,00,000 |
| Deferred tax | | 1,13,35,000 | 72,00,000 |
| Short / (excess) provision of current tax for earlier years | | (73,801) | - |
| | | 14,68,61,199 | 1,05,00,000 |
| Profit after tax | | 48,40,46,076 | 56,24,748 |
| Basic and diluted earnings per share of Rs.10/- each (in rupees) | | 6.05 | 0.17 |

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

Priya Jain
Chief Financial Officer

T P Vijaysarathy
Chairman
DIN : 00271777

Hemendra L. Shah
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Harnish Patel
Director
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Place : Ahmedabad
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TORRENT SOLARGEN LIMITED
Cash Flow Statement for the year ended 31st March, 2016

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|---|--------------------------------|--------------------------------|
| Cash flow from operating activities | | |
| Net profit before tax | 63,09,07,275 | 1,61,24,748 |
| Adjustments for : | | |
| Depreciation and amortisation | 17,22,28,093 | 1,42,37,152 |
| Finance cost | 45,91,027 | 11,43,375 |
| Interest income | (45,24,266) | (3,87,59,750) |
| Net unrealised exchange loss | - | 24,63,480 |
| Operating profit / (loss) before working capital changes | 80,32,02,129 | (47,90,995) |
| Movement in working capital: | | |
| Increase / (decrease) in trade payables | 84,45,257 | 8,13,262 |
| Increase / (decrease) in Long term Provisions | 6,70,038 | - |
| Increase / (decrease) in Short Term Provisions | 3,27,452 | - |
| Increase / (decrease) in other current liabilities | (55,49,635) | 66,60,809 |
| Decrease / (increase) in trade receivables | (13,27,77,541) | (2,65,39,891) |
| Decrease / (increase) in short term loans and advances | (3,47,80,068) | 3,45,86,866 |
| Decrease / (increase) in other current assets | 3,79,48,015 | (3,79,48,015) |
| Cash generated from / (used) in operations | 67,74,85,647 | (2,72,17,964) |
| Taxes paid | (13,52,43,997) | (38,85,381) |
| Net cash generated from / (used) in operating activities | 54,22,41,650 | (3,11,03,345) |
| Cash flow from investing activities | | |
| Purchase of fixed assets including capital work-in-progress | (1,15,61,76,407) | (1,91,76,46,225) |
| Long term advance for capital assets | (54,02,55,250) | (28,35,00,000) |
| Redemption of bank deposits(having maturity more than three months) | 6,50,000 | - |
| Redemption of bank deposits(having maturity less than three months under lien) | 1,71,42,72,164 | - |
| Investments in bank deposits(having maturity less than three months under lien) | - | (1,71,42,72,164) |
| Interest received | 3,93,74,045 | 39,09,971 |
| Net cash generated from / (used) in investing activities | 5,78,64,552 | (3,91,15,08,418) |
| Cash flow from financing activities | | |
| Proceeds from issuance of share capital | - | 80,00,00,000 |
| Proceeds from short term borrowing | 1,48,91,00,000 | 2,04,92,05,628 |
| Repayment of Short Term borrowings | (98,92,57,495) | - |
| Interest Paid | (57,34,402) | - |
| Net proceeds from working capital borrowing | - | 1,09,56,73,867 |
| Repayment of working capital borrowing | (1,09,56,73,867) | - |
| Net Cash generated from financing activities | (60,15,65,764) | 3,94,48,79,495 |
| Net (decrease) / increase in cash and cash equivalents | (14,59,562) | 22,67,732 |
| Cash and cash equivalents as at beginning of the year | 23,08,744 | 41,012 |
| Cash and cash equivalents as at end of the year | 8,49,182 | 23,08,744 |

Notes:

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

| | | |
|--------------------|-----------------|------------------|
| Cash on hand | 28,545 | 1,17,166 |
| With banks | | |
| On current Account | 8,20,637 | 21,91,578 |
| | 8,49,182 | 23,08,744 |

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

Priya Jain
Chief Financial Officer

T P Vijaysarathy
Chairman
DIN : 00271777

Hemendra L. Shah
Partner

Deepshikha Singhal
Company Secretary

Harnish Patel
Director
DIN : 00114198

Place : Ahmedabad
Date : 18th May, 2016

Place : Ahmedabad
Date : 18th May, 2016

TORRENT SOLARGEN LIMITED

Note-1: Corporate Information:

The Company is a wholly owned subsidiary of Torrent Power Limited. Name of the company has been changed to Torrent Solargen Limited from Torrent Power Bhiwandi Limited on 17th November, 2014.

Note: Significant accounting policies

1.1 Basis for 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.

1.2 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.

1.3 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.

1.4 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.

1.5 Depreciation and amortization:

- i. Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted.
- ii. In respect of assets pertaining to Solar Park (Charanka), depreciation is provided on straight line method at the rates and as per the methodology mentioned in GERC Order issued on 'Determination of tariff for Procurement by the Distribution Licensees and others from Solar Energy Projects'.
- iii. Leasehold land is amortized over the lease period.

1.6 Investments:

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

1.7 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.

1.8 Revenue recognition:

Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exists.

1.9 Transactions 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 currencies 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 of monetary items or on reporting the company's monetary items at rates different from those at which they were initially recorded during the financial year are recognised as income or as expenses in the financial year in which they arise except for adjustment of exchange difference arising on reporting of long term foreign currency monetary items in so far they related to the acquisition of a depreciable capital assets which are adjusted to the cost of the assets and depreciated over the remaining useful life of such assets.
- v. Forward exchange contracts are not intended for trading purposes. In case of forward exchange contracts, difference between the forward rate and the exchange rate on the date of transaction is recognised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

1.10 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.

1.11 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 recognised 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.

1.12 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.

1.13 Provisions, contingent liabilities and contingent assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

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

1.14 Leases :

- (i) Operating: Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as expense in the Statement of Profit and Loss, on a straight-line or other systematic basis over the lease term.
- (ii) Finance: Leased assets acquired on which significant risks and rewards of ownership effectively transferred to the Company are capitalized at lower of fair value and the present value of minimum lease payments. Such assets are depreciated / amortized over the period of lease or estimated life of such assets, whichever is less.

TORRENT SOLARGEN LIMITED

Notes forming part of the Balance Sheet

Note 2 : Share Capital

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|---|--|--|
| Authorised: | | |
| 12,50,00,000 equity shares of Rs.10/- each | <u>1,25,00,00,000</u> <u>1,25,00,00,000</u> | <u>1,25,00,00,000</u> <u>1,25,00,00,000</u> |
| Issued, Subscribed and Paid up: | | |
| 8,00,50,000 equity shares of Rs.10/- each fully paid up | <u>80,05,00,000</u> <u>80,05,00,000</u> | <u>80,05,00,000</u> <u>80,05,00,000</u> |

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

| | No. of Shares As at 31st March, 2016 | No. of Shares As at 31st March, 2015 |
|---|--|--|
| At the beginning of the year | 8,00,50,000 | 50,000 |
| Issued during the year | - | 8,00,00,000 |
| Outstanding at the end of the year | <u>8,00,50,000</u> | <u>8,00,50,000</u> |

- b. 8,00,50,000 equity shares (8,00,50,000 equity shares as at 31st March, 2015) of Rs.10 each fully paid up are held by Holding Company - Torrent Power Ltd. including 600 equity shares (600 equity shares as at 31st March, 2015) held jointly with nominees.

c. Terms / Rights attached to equity shares :

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

| Sr. No. | Name of the share holder | As at 31st March, 2016 | | As at 31st March 2015 | |
|------------|--------------------------|------------------------|-----------|-----------------------|-----------|
| | | No. of Shares | % holding | No. of Shares | % holding |
| 1 | Torrent Power Limited | 8,00,50,000 | 100.00% | 8,00,50,000 | 100.00% |

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Note 3 : Reserves and Surplus

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|---|----------------------------------|----------------------------------|
| Surplus in the statement of Profit and Loss | | |
| As per last Balance Sheet | 58,21,670 | 1,96,922 |
| Add: Profit after tax for the year | 48,40,46,076 | 56,24,748 |
| Net surplus in the statement of Profit and Loss | 48,98,67,747 | 58,21,670 |
| Less : Appropriations | - | - |
| Net Surplus in the statement of Profit & Loss | 48,98,67,747 | 58,21,670 |
| | <u>48,98,67,747</u> | <u>58,21,670</u> |

Note 4: Long term provisions

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|--|----------------------------------|----------------------------------|
| Provision for employee benefits (note 24) | | |
| Provision for gratuity | - | - |
| Provision for leave encashment | 6,70,038 | - |
| | <u>6,70,038</u> | <u>-</u> |

Note 5: Short term borrowings

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|---|----------------------------------|----------------------------------|
| Secured | | |
| Overdraft against fixed deposits | | |
| From banks | - | 1,09,56,73,867 |
| (secured by way of Lien mark on fixed deposits) | | |
| Unsecured | | |
| Interest free loan from holding company repayable on demand | 2,54,90,48,133 | 2,04,92,05,628 |
| | <u>2,54,90,48,133</u> | <u>3,14,48,79,495</u> |

Note 6 : Trade payables

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|-----------------------------|----------------------------------|----------------------------------|
| Trade payables for services | 92,64,137 | 8,18,880 |
| | <u>92,64,137</u> | <u>8,18,880</u> |

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Note 7: Other current liabilities

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|---|----------------------------------|----------------------------------|
| Interest accrued but not due on short term borrowings | - | 11,43,375 |
| Other payables | | |
| Statutory dues | 11,07,244 | 62,82,581 |
| Payable on purchase of fixed assets | - | 1,11,78,76,253 |
| Credit balance of consumer | - | 2,00,914 |
| Sundry payables | 3,930 | 1,77,314 |
| | <u>11,11,174</u> | <u>1,12,56,80,437</u> |

Note 8: Short term provisions

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|---|----------------------------------|----------------------------------|
| Provision for employee benefits (note 24) | | |
| Provision for gratuity | 2,84,405 | - |
| Provision for leave encashment | 43,047 | - |
| | <u>3,27,452</u> | <u>-</u> |
| Other provisions | | |
| Provision for taxation (net of advance tax and tax deducted at source) | - | - |
| | <u>3,27,452</u> | <u>-</u> |

TORRENT SOLARGEN LIMITED

Note 9 : Fixed assets

(Amount in Rs.)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION & AMORTISATION | | | | NET BLOCK | |
|------------------------------|-----------------------|---------------------------|---------------------------|-------------|-----------------------------|-----------------------|--------------|---------------------------|------------------------|------------------------|
| | As at 1st April, 2015 | Additions during the year | Deduction during the year | Adjustments | As at 31st March, 2016 | As at 1st April, 2015 | For the year | Deduction during the year | As at 31st March, 2016 | As at 31st March, 2015 |
| I. Tangible Assets | | | | | | | | | | |
| Land | | - | - | - | - | 71,23,155 | 1,42,74,803 | - | - | - |
| (a) Freehold | 42,73,89,303 | - | - | - | 42,73,89,303 | - | - | - | 40,59,91,345 | 42,02,66,148 |
| (b) Leasehold | - | - | - | - | - | - | - | - | - | - |
| Buildings | 2,62,19,907 | 1,55,74,805 | - | - | 4,17,94,712 | 1,31,100 | 22,66,309 | - | 3,93,97,303 | 2,50,88,807 |
| Plant and machinery | 2,58,37,58,228 | 1,43,79,699 | - | - | 2,59,81,37,927 | 1,29,18,791 | 15,56,67,413 | - | 2,42,95,51,723 | 2,57,08,39,437 |
| Furniture and fixtures | 13,700 | 95,139 | - | - | 1,08,839 | 69 | 2,940 | - | 1,05,830 | 13,631 |
| Office equipments | - | 1,91,563 | - | - | 1,91,563 | - | 16,628 | - | 1,74,935 | - |
| Total | 3,03,73,81,138 | 3,02,41,206 | - | - | 3,06,76,22,344 | 2,01,73,115 | 17,22,28,093 | - | 2,87,52,21,136 | 3,01,72,08,023 |
| Previous year | - | 3,03,73,81,138 | - | - | 3,03,73,81,138 | - | 2,01,73,115 | - | 96,72,772 | 16,13,823 |
| II. Capital work-in-progress | | | | | | | | | | |
| | | | | | | | | | 2,88,48,93,908 | 3,01,88,21,846 |

Note:

1. Capital work-in-progress includes pre-operative expenditure of Rs. 96,72,772 (Previous year Rs. 16,13,823)

| | | |
|--|------------------------|------------------------|
| Pre-operative expenditure | As at 31st March, 2016 | As at 31st March, 2015 |
| Opening balance | 16,13,823 | - |
| Expenditure incurred during the year : | | |
| Employee benefits | - | 6,47,812 |
| Operation and other expenses | 80,58,949 | 1,89,49,698 |
| Depreciation and amortization | - | 59,35,963 |
| Total expenditure incurred during the year | 80,58,949 | 2,35,33,463 |
| | 96,72,772 | 2,35,33,463 |
| Less : Capitalized during the year | - | 2,19,19,640 |
| Closing balance | 96,72,772 | 16,13,823 |

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Note 10 : Long term loans and advances

Unsecured (considered good unless stated otherwise)

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|------------------|----------------------------------|----------------------------------|
| Capital advances | 82,37,55,250 | 28,35,00,000 |
| | <u>82,37,55,250</u> | <u>28,35,00,000</u> |

Note 11 : Trade Receivables

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|---|----------------------------------|----------------------------------|
| Debts outstanding for a period exceeding six months from due date | - | - |
| Other debts | | |
| Unsecured - considered good | 15,93,17,432 | 2,65,39,891 |
| | <u>15,93,17,432</u> | <u>2,65,39,891</u> |

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Note 12 : Cash and bank balances

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|--|----------------------------------|----------------------------------|
| Cash and cash equivalents | | |
| Balance with banks | | |
| Balance in current accounts | 8,20,637 | 21,91,578 |
| Cash on hand | <u>28,545</u> | <u>1,17,166</u> |
| | 8,49,182 | 23,08,744 |
| Other bank balances | | |
| Balance in fixed deposit account (remaining maturity for more than three months but less than twelve months) | - | 6,50,000 |
| Balance in fixed deposit account * (remaining maturity of less than three months) | - | 1,71,42,72,164 |
| (* Lien mark on fixed deposits against overdraft facility) (Note 4) | <u>-</u> | <u>1,71,49,22,164</u> |
| | 8,49,182 | 1,71,72,30,908 |

Note 13 : Short term loans and advances

Unsecured (considered good unless stated otherwise)

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|---|----------------------------------|----------------------------------|
| Other loans & advances | 1,11,233 | 15,736 |
| Deposits | 68,000 | 1,73,300 |
| Advance Tax and Tax Deducted at Source (Net of provision for taxation) | 2,93,784 | 5,75,986 |
| Prepaid expenses | 34,892 | 94,800 |
| | <u>5,07,909</u> | <u>8,59,822</u> |

Note 14 : Other current assets

| | As at 31st March, 2016 Rs. | As at 31st March, 2015 Rs. |
|------------------------------|----------------------------------|----------------------------------|
| Interest accrued on deposits | - | 3,48,49,779 |
| Forward contract receivable | - | 30,98,236 |
| TOTAL | <u>-</u> | <u>3,79,48,015</u> |

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Note 15 : Revenue from operations

| | Year ended 31st March, 2016 Rs. | Year ended 31st March, 2015 Rs. |
|---------------------------|---------------------------------------|---------------------------------------|
| Revenue from power supply | 85,73,71,362 | 2,89,43,902 |
| Other operating income | | |
| Miscellaneous Income | 9,33,517 | - |
| | <u>85,83,04,879</u> | <u>2,89,43,902</u> |

Note 16 : Other income

| | Year ended 31st March, 2016 Rs. | Year ended 31st March, 2015 Rs. |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Interest income from deposits | 45,24,266 | 3,87,59,750 |
| Miscellaneous Income | 1,47,000 | - |
| Profit on sale of current investments | - | 3,21,400 |
| | <u>46,71,266</u> | <u>3,90,81,150</u> |

TORRENT SOLARGEN LIMITED

Note 17 : Employee benefits expense

| | Year ended 31st March, 2016 Rs. | Year ended 31st March, 2015 Rs. |
|---|---------------------------------------|---------------------------------------|
| Salaries, wages and bonus | 75,43,936 | 8,68,312 |
| Contribution to provident and other funds | 5,12,199 | - |
| Employee welfare expenses | 602 | - |
| Gratuity and leave encashment | 8,84,754 | - |
| | <u>89,41,491</u> | <u>8,68,312</u> |
| Less: Allocated to pre-operative expenses | - | 6,47,812 |
| | <u>89,41,491</u> | <u>2,20,500</u> |

Note 18 : Operation and other expenses

| | Year ended 31st March, 2016 Rs. | Year ended 31st March, 2015 Rs. |
|---|---------------------------------------|---------------------------------------|
| Transmission charges | - | 33,75,408 |
| Rent and hire charges | 15,81,727 | 7,87,196 |
| Insurance | 24,00,588 | 20,341 |
| Repairs & maintenance | | |
| Plant and machinery | 2,27,69,516 | - |
| Others | - | 45,000 |
| ROC filing fees | 600 | 1,00,07,100 |
| Directors sitting fees | 80,150 | - |
| Auditors' remuneration | 5,33,260 | 4,49,440 |
| Rates and taxes | 2,000 | 1,29,28,131 |
| Legal, professional & consultancy fees | 1,51,72,953 | 1,55,71,263 |
| Net loss on foreign currency transactions | 54,19,222 | 60,35,818 |
| Miscellaneous expenses | 64,07,192 | 40,29,268 |
| | <u>5,43,67,208</u> | <u>5,32,48,965</u> |
| Less: Allocated to capital works including pre-operative expenses | 80,58,949 | 1,69,49,688 |
| | <u>4,63,08,259</u> | <u>3,62,99,277</u> |

Note 19 : Finance costs

| | Year ended 31st March, 2016 Rs. | Year ended 31st March, 2015 Rs. |
|----------------------------------|---------------------------------------|---------------------------------------|
| Interest expense | | |
| Overdraft against fixed deposits | 17,82,027 | 11,43,375 |
| Other borrowing cost | 28,09,000 | - |
| | <u>45,91,027</u> | <u>11,43,375</u> |

Note 20 : Depreciation and amortization expense

| | Year ended 31st March, 2016 Rs. | Year ended 31st March, 2015 Rs. |
|---|---------------------------------------|---------------------------------------|
| Depreciation | 17,22,28,093 | 2,01,73,115 |
| | <u>17,22,28,093</u> | <u>2,01,73,115</u> |
| Less: Allocated to pre-operative expenses | - | 59,35,963 |
| | <u>17,22,28,093</u> | <u>1,42,37,152</u> |

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Other notes forming part of the financial statements (Note 21 to 34)

| | As at 31st March, 2016 | (Amount in Rs.) As at 31st March, 2015 |
|---|---------------------------|--|
| 21 Estimated amount of contracts remaining to be executed on capital accounts (Net of Advances) | 6,87,12,44,750 | 5,38,65,00,000 |

22. Foreign currency exposure as at 31st March, 2016 is as under :

| | As at 31st March, 2016 | As at 31st March, 2016 | As at 31st March, 2015 | As at 31st March, 2015 |
|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | | Currency | | Currency |
| | USD | Rs. | USD | Rs. |
| Capital Liability : | | | | |
| Hedged (Forward exchange) | - | - | 70,37,844 | 44,05,04,311 |
| Unhedged | - | - | 28,01,411 | 17,53,42,550 |

23. The Company's significant leasing arrangements are in respect of guest houses and vehicles taken on lease. The arrangements range between 1 month and 11 months generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Company has not entered into any material financial lease. The Company does not have any non-cancellable lease.

24. Employee benefits

The liability on account of gratuity and leave encashment is accounted as per AS 15 (revised) dealing with employee benefits.

The Company operates a defined benefit plan (the Gratuity 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 employee's salary and tenure of employment.

On account of defined contribution plans, a sum of Rs. 5,12,199 (Previous year Rs. Nil) has been charged to the statement of profit and loss.

Status of gratuity plan and leave encashment as required under AS 15 (revised):

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|--|---------------------------|------------|---------------------------|----------|
| Particulars | Leave encashment | Gratuity | Leave encashment | Gratuity |
| a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation: | | | | |
| Obligations at the beginning of the year | | | | |
| Current service cost | 7,13,085 | 10,04,705 | | |
| Interest cost | - | | | |
| Actuarial (gain) / loss | (1,71,925) | (6,61,111) | | |
| Liability transferred in | 5,39,440 | 6,61,111 | | |
| Liability transferred out | - | | | |

| | | | | |
|---|-----------------|------------------|----------|--|
| Benefits paid directly by employer | (3,67,515) | | | |
| Benefits paid | - | | | |
| Obligations at the end of the year | 7,13,085 | 10,04,705 | | |
| b. Reconciliation of opening and closing balances of the fair value of plan assets: | | | | |
| Plan assets at the beginning of the year, at fair value | - | | - | |
| Expected return on plan assets | - | | - | |
| Actuarial gain / (loss) | - | | - | |
| Contributions | - | 7,20,300 | - | |
| Benefits paid | - | | - | |
| Plan assets at the end of the year, at fair value | - | 7,20,300 | - | |
| c. Reconciliation of the present value of the defined benefit obligation and fair value of plan assets: | | | | |
| Obligations at the end of the year | 7,13,085 | 10,04,705 | | |
| Plan assets at the end of the year, at fair value | - | 7,20,300 | | |
| Liability / (asset) recognized in balance sheet as at 31st March, 2016 | 7,13,085 | 2,84,405 | | |
| d. Cost for the year: | | | | |
| Current service cost | 7,13,085 | 10,04,705 | | |
| Interest cost | - | - | | |
| Expected return on plan assets | - | - | - | |
| Net actuarial (gain) / loss | (1,71,925) | (6,61,111) | | |
| Net cost – included in note 17 of the statement of profit and loss | 5,41,160 | 3,43,594 | | |
| e. Assumptions: | | | | |
| Discount rate | 8.00% | 8.00% | | |
| Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31st March, 2016) | - | 8.00% | | |
| Salary escalation rate | 8.50% | 8.50% | | |
| f. Experience adjustment | | | | |
| On Plan liability (gains)/ losses | (1,71,925) | (6,61,111) | | |
| On plan assets (losses)/ gains | - | - | | |
| g. Actual return on plan assets | - | - | | |
| h. Expected Contribution for next year | | | | |
| i. Note: | | | | |
| The estimates of future salary increases considered in the actuarial valuation take account of 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. | | | | |

j. Current year and past four years data for defined benefit obligation and fair value of plan

(Amount in Rs.)

| | 2015-16 | | | | |
|---|------------|--|--|--|--|
| Present value of defined benefit obligations at the end of the year (independent actuary) | 17,17,790 | | | | |
| Fair value of plan assets at the end of the year | 7,20,300 | | | | |
| Net assets / (liability) at the end of year | (9,97,490) | | | | |

k. 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 31st March, 2016 | Year ended 31st March, 2015 |
|-----------------------|--------------------------------|--------------------------------|
| Government securities | 47.42% | - |
| Debentures and bonds | 34.01% | - |
| Equity shares | 6.20% | - |
| Fixed deposits | 12.37% | - |
| Others | - | - |
| Total | 100.00% | - |

25. Auditors remuneration :

(Amount in Rs.)

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|------------------------------------|--------------------------------|--------------------------------|
| Audit fees | 4,60,000 | 4,00,000 |
| Tax audit fees | - | - |
| Other services – certificates etc. | - | - |
| Reimbursement of expenses | 73,260 | 49,440 |
| For service tax | 5,33,260 | 4,49,440 |

26. C.I.F. value of imports :

(Amount in Rs.)

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|---------------|--------------------------------|--------------------------------|
| Capital goods | - | 1,73,90,91,161 |

27. Expenditure in foreign currency

(Amount in Rs.)

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|------------------------------------|--------------------------------|--------------------------------|
| Professional and consultation fees | 4,28,985 | - |
| | 4,28,985 | - |

28. Quantitative information

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|----------------------|--------------------------------|--------------------------------|
| Units supplied (kWh) | 8,54,80,694 | 28,85,733 |
| Units procured (kWh) | - | - |

29. Deferred tax

(Amount in Rs.)

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|--|---------------------------|-------------|---------------------------|-----------|
| | Asset | Liability | Asset | Liability |
| Deferred tax liability on account of : | | | | |
| Relating to fixed assets | | 1,85,35,000 | | 72,00,000 |
| Net deferred tax liability | | 1,85,35,000 | | 72,00,000 |

30. Earnings per share

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|--|--------------------------------|--------------------------------|
| Profit after tax (Rs.) | 48,40,46,076 | 56,24,748 |
| No. of equity shares | 8,00,50,000 | 3,22,69,178* |
| Basic and diluted earnings per share (Rs.) | 6.05 | 0.17 |

* (Weighted Average)

31. The Company's primary business segment is Generation 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.

32. Related party disclosures

(Amount in Rs.)

| | Holding Company / enterprises controlled by the holding Company | |
|---|---|----------------|
| | Year ended | Year ended |
| | 31.03.16 | 31.03.15 |
| A) Nature of Transactions | | |
| Purchase of materials | - | 3,01,98,750 |
| Torrent Cables Ltd | - | 3,01,98,750 |
| Shared expenditure | 13,49,207 | 47,48,625 |
| Torrent Power Ltd. | 13,49,207 | 47,48,625 |
| Sale of Power | 85,73,71,362 | 2,89,43,902 |
| Torrent Power Ltd. | 85,73,71,362 | 2,89,43,902 |
| Equity Contribution Received | - | 80,00,00,000 |
| Torrent Power Ltd. | - | 80,00,00,000 |
| Loan received | 1,48,91,00,000 | 2,75,29,25,373 |
| Torrent Power Ltd. | 1,48,91,00,000 | 2,74,29,25,373 |
| Torrent Private Ltd. | - | 1,00,00,000 |
| Contribution to Funds (Net) | 7,20,300 | - |
| TSL Gratuity Trust | 7,20,300 | - |
| TSL Superannuation Fund | - | - |
| Loan Repaid | 98,79,08,288 | 70,37,19,745 |
| Torrent Power Ltd. | 98,79,08,288 | 69,37,19,745 |
| Torrent Private Ltd. | - | 1,00,00,000 |
| Deposit received for nomination of directors | 2,00,000 | 2,00,000 |
| Torrent Private Ltd. | 2,00,000 | 2,00,000 |
| Deposit given back on appointment of directors | 2,00,000 | 2,00,000 |
| Torrent Private Ltd. | 2,00,000 | 2,00,000 |

| | | |
|--|----------------|----------------|
| B) Balance at the end of the period | | |
| Equity Contribution | 80,05,00,000 | 80,05,00,000 |
| Torrent Power Ltd. | 80,05,00,000 | 80,05,00,000 |
| Loans & Advances | 2,54,90,48,133 | 2,04,92,05,628 |
| Torrent Power Ltd. | 2,54,90,48,133 | 2,04,92,05,628 |
| Trade Receivable | 15,93,17,432 | 2,65,39,881 |
| Torrent Power Ltd. | 15,93,17,432 | 2,65,39,881 |

Names of Related Parties and description of relationship:

| | | | |
|---|--|-------------|---|
| 1 | Holding Company/ directly/indirectly controlled | Enterprises | <p> Torrent Power Limited Torrent Private Limited Torrent Power Grid Limited Torrent Pharmaceuticals Limited Torrent Pipavav Generation Limited Gujarat Lease Financing Limited Torrent Power Services Private Limited Heumann Pharma Gmbh & Co. Generica KG, Torrent Do Brasil Ltda. ZAO Torrent Pharma Torrent Pharma GmbH. Torrent Pharma Inc. Torrent Pharma Philippines Inc. Torrent Australasia Pty Ltd. Laborotrios Torrent SA de CV Torrent Pharma Canada Inc.(dissolved on 10.12.2015) Torrent Pharma (Thailand) Co. Ltd. Norispharm GmbH. Heunet Pharma GmbH. Torrent Pharma (UK) Ltd. Torrent Pharma S.R.L. Laboratories Torrent (Malaysia) Sdn.Bhd. Torrent Pharmaceuticals(Sikkim) Torrent Pharma France S.A.S. Aptil Pharma Limited ZYG Pharma Pvt. Ltd. (17.07.2015 to 30.09.2015) GLFL Housing Finance Limited GLFL Securities Limited GLFL International Limited TPL (Ahmedabad) Gratuity Trust TPL (Ahmedabad) Superannuation Fund TPL (Surat) Gratuity Trust TPL (Surat) Superannuation Fund TPL (SUGEN) Gratuity Trust TPL (SUGEN) Superannuation Fund TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust) TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund) TPL (Cables) Gratuity Trust TPL (Cables) Superannuation Fund TPG Gratuity Trust TPG Superannuation Fund TSL Gratuity Trust TSL Superannuation Fund Torrent Financiers AEC Cements & Constructions Limited (under liquidation) Tidong Hydro Power Limited Torrent Fincorp Private Limited. </p> |
|---|--|-------------|---|

| | | |
|---|---------------------------------------|--|
| | | Tornascent Care Institute UNM Foundation Radiant Urja Limited |
| 2 | Key Management Personnel | T P Vijayasathya, Chairman & CEO |
| 3 | Relatives of Key Management Personnel | Lalitha Vijayasathya, Wife T.P. Sanjayasathya, Brother Rajalakshmi Premkumar, Sister Kundavi Vishwanathan, Daughter Priyadarshini Vijayasathya, Daughter |

33. Balance due to micro and small enterprises as per MSMED Act:

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

34. Previous year figures

Previous year's figures have been restated / recast, wherever necessary, to conform to this year's classification.

Signature to Note 1 to 34

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Priya Jain
Chief Financial Officer

T P Vijayasathya
Chairman
DIN : 00271777

Hemendra L. Shah
Partner

Deepshikha Singhal
Company Secretary

Harnish Patel
Director
DIN : 00114198

Ahmedabad,
18th May, 2016

Ahmedabad,
18th May, 2016