

Torrent Pipavav Generation Limited

6th Annual Report

For the Year

2012-13

**AUDITOR'S REPORT
TO THE MEMBERS OF
TORRENT PIPAVAV GENERATION LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Torrent Pipavav Generation Limited ("the Company"), which comprise the Balance Sheet as at 31st March , 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies

used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

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

S/-

Hemendra L. Shah
Partner
(Membership No. 33590)

Place: Ahmedabad
Date: 24th April, 2013

ANNEXURE TO THE AUDITORS' REPORT

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

1. Having regard to the nature of the Company's business / activities / results during the year, clauses (ii), (viii), (xiii) and (xiv) of CARO are not applicable.
2. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Although a substantial part of the fixed assets have been disposed off during the year, in our opinion and according to the information and explanations given to us, the ability of the Company to continue as a going concern is not affected.
3. The Company has neither granted nor taken any loans, secured/unsecured, to/from Companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of services and during the course of audit we have not observed any continuing failure to correct major weaknesses in such internal control system. During the year, the Company has neither purchased nor sold electric power. In view thereof, the question of adequacy of internal controls in that respect does not arise.
5. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not

accepted any deposits during the year from public within the meaning of provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.

7. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
8. According to the information and explanations given to us in respect of statutory dues :
 - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales tax, Wealth tax, Service Tax, Custom Duty, Excise duty, Cess and Other material statutory dues with appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales tax/VAT, Wealth tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of any disputes.
9. The accumulated losses of the Company at the end of the financial year are not more than fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit but not in the immediately preceding financial year.
10. In our opinion and according to the information and explanations given to us, the Company has not taken any loans from banks and financial institutions. The Company has not issued any debentures.
11. In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

13. The Company has not obtained term loans during the year.
14. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have, *prima facie*, been used during the year for long-term investment.
15. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
16. The Company has not issued any debentures during the year.
17. The Company has not raised money by public issue during the year.
18. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company was noticed or reported during the year.

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

Sd/-

Hemendra L. Shah
Partner
(Membership No. 33590)

Place:
Date:

TORRENT PIPAVAV GENERATION LIMITED

Balance Sheet as at 31st March, 2013

	Note	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
I. Equity and Liabilities			
Shareholders' Funds			
Share capital	3	50,00,00,000	50,00,00,000
Reserves and surplus	4	2,02,10,863	2,11,67,356
		<u>52,02,10,863</u>	<u>52,11,67,356</u>
Current Liabilities			
Short term borrowings	5	48,57,51,692	38,86,47,368
Trade payables	6	1,44,270	1,21,349
Other current liabilities	7	12,25,639	8,77,097
		<u>48,71,21,601</u>	<u>38,96,45,814</u>
		<u>1,00,73,32,464</u>	<u>91,08,13,170</u>
II. Assets			
Non Current Assets			
Fixed assets	8		
Tangible assets		-	5,91,694
Capital work- in-progress and pre operative exp.		7,91,71,867	5,13,22,876
		<u>7,91,71,867</u>	<u>5,19,14,570</u>
Long term loans and advances	9	92,78,46,557	85,68,81,585
Other non-current assets	10	18,141	17,019
		<u>1,00,70,36,565</u>	<u>90,88,13,174</u>
Current Assets			
Cash and bank balances	11	2,89,205	18,90,141
Short term loans and advances	12	6,694	1,09,855
		<u>2,95,899</u>	<u>19,99,996</u>
		<u>1,00,73,32,464</u>	<u>91,08,13,170</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-

Hemendra L. Shah
Partner

Place :
Date : 24th April , 2013

Sd/-

Sudhir Shah
Director and CEO

Sd/-

T. P. Vijayasathy
Director

Place : Ahmedabad
Date : 24th April , 2013

TORRENT PIPAVAV GENERATION LIMITED

Profit and Loss Statement for the year ended 31st March, 2013

	Note	Year ended 31st March, 2013 Rs.	Year ended 31st March, 2012 Rs.
Income			
Revenue from operations		-	-
Other income	13	1,122	1,31,69,708
Total revenue		<u>1,122</u>	<u>1,31,69,708</u>
Expenses			
Other expenses	14	9,56,815	2,01,377
Total expenses		<u>9,56,815</u>	<u>2,01,377</u>
Profit before tax		(9,55,693)	1,29,68,331
Tax expenses			
Current tax		400	-
Short / (excess) provision of current tax for earlier years		400	6,08,328
		<u>800</u>	<u>6,08,328</u>
Profit after tax		<u>(9,56,493)</u>	<u>1,23,60,003</u>
Basic and diluted earnings per share (In Rs.)	22	(0.02)	0.25
Rs.10/- each (in Rupees)			

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-

Hemendra L. Shah
Partner

Place :
Date : 24th April, 2013

Sd/-

Sudhir Shah
Director and CEO

Sd/-

T. P. Vijayasarathy
Director

Place : Ahmedabad
Date : 24th April, 2013

TORRENT PIPAVAV GENERATION LIMITED

Cash flow Statement for the year ended 31st March, 2013

	Year ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
Cash flow from operating activities		
Net profit before tax	(9,55,693)	1,29,68,331
Adjustments for :		
Interest income	(1,122)	(1,125)
Dividend income	-	(1,31,68,583)
Operating profit before working capital changes	(9,56,815)	(2,01,377)
Movement in working capital:		
Increase in Trade payables	22,921	22,079
Increase in Other current liabilities	3,48,542	8,45,186
(Increase) in Long term loans and advances	-	-
Decrease/(Increase) in Short term loans and advances	1,02,760	(25,000)
(Increase) in Other non-current assets	-	-
Cash generated from operations	(4,82,592)	6,40,888
Taxes paid	(400)	(4,00,000)
Net cash flow from/(used in) operating activities	(4,82,992)	2,40,888
Cash flow from Investing activities		
Purchase of fixed assets including capital work-in-progress	(2,72,57,296)	(3,15,09,335)
Long term loans and advances for capital assets	(7,09,64,972)	(83,16,40,853)
Interest received	-	-
Dividend received	-	1,31,68,583
Net Cash used in investing activities	(9,82,22,268)	(84,99,81,605)
Cash flow from financing activities		
Share capital	-	-
Proceeds from Short term borrowings	9,71,04,324	38,86,47,368
Repayment of Short term borrowings	-	-
Net cash flow from financing activities	9,71,04,324	38,86,47,368
Net (decrease)/Increase in cash and cash equivalents	(16,00,936)	(46,10,93,349)
Cash and cash equivalents as at beginning of the year	18,90,141	46,29,83,490
Cash and cash equivalents as at end of the year	2,89,205	18,90,141

Notes:

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

Cash on hand	17,664	11,654
With Banks		
On current Account	2,71,541	18,78,487

Cash and cash equivalents	11	2,89,205	18,90,141
		2,89,205	18,90,141

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

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-

Hemendra L. Shah
Partner

Sd/-
Sudhir Shah
Director and CEO

Sd/-
T. P. Vijayasathy
Director

Place :
Date : 24th April, 2013

Place : Ahmedabad
Date : 24th April, 2013

TORRENT PIPAVAV GENERATION LIMITED

Note-1: Corporate Information:

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

Note- 2: Significant accounting policies:

1. Basis of preparation of financial statements:

The Financial statements have been prepared and presented to comply in all material respects with the notified accounting standards by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted in India. Accounting policies have been followed consistently except as stated specifically.

2. Use of estimates:

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

3. Fixed assets:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price, taxes and duties, labour cost and directly attributable costs for self-constructed assets and other direct and overhead costs incurred upto the date the asset is ready for its intended use.

4. Impairment of fixed assets:

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

5. Depreciation and amortization:

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

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

Asset Description	Rate p.a.
Electrical fittings, Apparatus, Furniture and Fixtures, Communication equipments and Office equipments	6.33%

6. Investments:

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

7. Cash and Cash Equivalents:

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

8. Revenue recognition:

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

9. Taxation:

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

10. Earnings per share:

Basic earnings per share is computed by dividing the Profit/ (Loss) After Tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

11. Provisions, contingent liabilities and contingent assets:

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.

Liabilities which are of contingent nature are not provided but are disclosed at their estimated amount in the Notes to the Accounts. Contingent assets are neither recognized nor disclosed in financial statements.

TORRENT PIPAVAV GENERATION LIMITED

Notes forming part of the Balance Sheet

Note 3 : Share Capital

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Authorised:		
10,00,00,000 Equity Shares of Rs.10/- each	1,00,00,00,000	1,00,00,00,000
	<u>1,00,00,00,000</u>	<u>1,00,00,00,000</u>

Issued, Subscribed and Paid up:

5,00,00,000 (5,00,00,000 as at 31st March, 2011) Equity Shares of Rs.10/- each Fully Paid Up	50,00,00,000	50,00,00,000
	<u>50,00,00,000</u>	<u>50,00,00,000</u>

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

	No. of Shares 31st March, 2013	No. of Shares 31st March, 2012
At the beginning of the period	5,00,00,000	5,00,00,000
Issued during the period	-	-
Outstanding at the end of the period	<u>5,00,00,000</u>	<u>5,00,00,000</u>

b. 4,75,00,000 equity shares (4,75,00,000 equity shares as at 31st March, 2012) of Rs.10/- each fully paid up are held by the holding Company - Torrent Power Limited.

c. Terms /Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs.10 per share
Each holder of Equity Shares is entitled to one vote per share

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

Sr. No	Name of the share holder	As at 31st March, 2013 No. of Shares % of holding	As at 31st March, 2012 No. of Shares % of holding
1	Torrent Power Limited	4,75,00,000 95.00%	4,75,00,000 95.00%

TORRENT PIPAVAV GENERATION LIMITED

Note 4 : Reserves and Surplus

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Surplus in the statement of Profit and Loss		
As per last Balance Sheet	2,11,67,356	88,07,353
Add: Profit / (loss) after tax for the year	(9,56,493)	1,23,60,003
Net Surplus in the statement of Profit and Loss	2,02,10,863	2,11,67,356
	<u>2,02,10,863</u>	<u>2,11,67,356</u>

Note 5 : Short term borrowings

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Unsecured		
Loans and Advances from a related party	48,57,51,692	38,86,47,368
	<u>48,57,51,692</u>	<u>38,86,47,368</u>

Note 6 : Trade payables

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Trade Payables for goods and services (Refer Note 18)	1,44,270	1,21,349
	<u>1,44,270</u>	<u>1,21,349</u>

Note 7 : Other current liabilities

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Statutory dues	44,869	7,21,839
Sundry payables	11,80,770	1,55,258
	<u>12,25,639</u>	<u>8,77,097</u>

TORRENT PIPAVAV GENERATION LIMITED

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

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Capital advances	92,76,40,001	85,66,75,029
Deposits	1,81,556	1,81,556
Other loans and advances		
Balance with Government Authority	25,000	25,000
	<u>92,78,46,557</u>	<u>85,68,81,585</u>

Note 10 : Other non-current assets

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Non-current bank balances	15,000	15,000
Interest accrued on bank deposits	3,141	2,019
	<u>18,141</u>	<u>17,019</u>

TORRENT PIPAVAV GENERATION LIMITED

Note 11 : Cash and bank balances

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Cash and Cash Equivalents		
Bank Balance in current accounts	2,71,541	18,78,487
Cash on hand	17,664	11,654
	<u>2,89,205</u>	<u>18,90,141</u>
Other Bank Balances		
Balance in fixed deposit account (Maturity more than twelve Months)	15,000	15,000
	<u>15,000</u>	<u>15,000</u>
Less : amount disclosed under non-current asset	15,000	15,000
Net Amount	<u>2,89,205</u>	<u>18,90,141</u>

(Balances with banks include deposits amounting to Rs.15,000 as at 31st March, 2013, which have an original maturity of more than 12 months.)

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

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Deposit	-	32,000
Advances recoverable in cash or in kind or for value to be received	4,096	74,857
Other loans and advances		
Advance Tax and Tax deducted at source (Net of Provision for Taxation)	2,598	2,998
	<u>6,694</u>	<u>1,09,855</u>

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TORRENT PIPAVAV GENERATION LIMITED

Note 13 : Other income

	Year ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
Interest income on bank deposits	1,122	1,125
Dividend on current investments	-	1,31,68,583
	<u>1,122</u>	<u>1,31,69,708</u>

Note 14 : Other expenses

	Year ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
Miscellaneous expenses	10,000	15,000
Advertisement expenses	-	35,000
Auditors' remuneration	1,40,450	1,40,347
Loss on Sale of Asset	78,330	-
Rates and taxes	6,81,967	-
Legal, Professional & Consultancy fees	46,068	11,030
	<u>9,56,815</u>	<u>2,01,377</u>

TORRENT PIPAVAV GENERATION LIMITED

Note-15: Capital and other commitments:

- 1) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.67,762,986 (Previous year Rs. 72,986,070).
- 2) As per Share Holders' Agreement (SHA), the Company has to reimburse to GPCL, all the pre-operative expenditure incurred by GPCL for the development of the Project, along with simple interest at the rate 10% per annum, on receipt of duly audited and certified information and documents. The amount in this respect is being ascertained.
- 3) As per Share Holder's Agreement (SHA), Gujarat Power Corporation Limited (GPCL) will apply to the Government of Gujarat for transfer of land in the name of Torrent Pipavav Generation Limited (the Company). The land allotted to GPCL shall be transferred to the Company at market rate to be decided by Government of Gujarat. There are certain litigations for the private land acquired by GPCL. The same are pending before the Court. The entire legal liability arising out of the final decision through court or otherwise on such litigations would be paid by the Company. Accordingly, the Company has paid compensation of Rs.902,640,001 towards the private land as per court orders. If compensation to be paid by the Company, as directed by High Court is higher than market price, the difference between the two is to be borne by the Company.

Note- 16: Segment reporting:

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

Note-17: Capitalization of expenditure during the year:

Head	(Amount in Rs.)	
	As at 31 st March,2013	As at 31 st March,2012
Opening balance	48,344,669	19,771,293
Expenditure incurred during the year :		
Salary and Wages Expenses	6,221,320	3,440,018
Rent Expenses	198,000	432,000
Repair and Maintenance Expenses - Others	116,787	107,942
Insurance	760	1,016
Miscellaneous Expenses	558,433	756,725
Legal and Professional Fees	2,833,450	2,724,601
Registration Fees	-	18,509,300
Travelling Expenses	347,061	324,987
Vehicle Hire Charges	244,369	826,399
Security Expenses	5,743,570	1,403,495
Depreciation	24,869	46,893
Grand Total	64,633,288	48,344,669

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

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

Note-19: Related party disclosures:

(Amount in Rs.)

	Holding Company/ Company directly / indirectly controlled	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
A) Volume of transactions :		
Purchase of Material	-	46,648
- Torrent Cables Limited	-	46,648
Loan Received	90,687,318	385,000,000
- Torrent Power Limited	90,687,318	385,000,000
Sale of fixed assets	440,000	-
- Torrent Energy Limited	440,000	-
Shared expenditure	6,417,006	3,647,368
- Torrent Power Limited	6,417,006	3,647,368
B) Balances at the end of the year :		
Unsecured Loans	485,751,692	388,647,368
- Torrent Power Limited	485,751,692	388,647,368

Names of Related Parties and description of relationship:

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

Note-20: Auditors' Remuneration:

(Amount in Rs.)

	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
Audit Fees	125,000	121,000
Other Services – certificates etc.	-	5,000
For service tax	15,450	15,347
Total	140,450	140,347

Note-21: Earnings per share:

(Amount in Rs.)

	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
Profit after tax (Rs.)	(956,493)	12,360,003
Nominal Value per Equity Share (Rs.)	10	10
No. of Equity Shares (Weighted)	50,000,000	50,000,000
Basic and Diluted Earnings/ (Loss) per Share (Rs.)	(0.02)	0.25

Note-22: Previous year figures:

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

Signature to Note 1 to 22

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

sd/-

Hemendra L. Shah
Partner

Place:
Date: 24th April, 2013

sd/-
Sudhir Shah
Director and CEO

sd/-

T. P. Vijayasathy
Director

Place: Ahmedabad
Date: 24th April, 2013