

TORRENT PIPAVAV GENERATION LIMITED

Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Members of Torrent Pipavav Generation Limited

Report on the audit of the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

1. We have audited the accompanying financial statements of Torrent Pipavav Generation Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2019, total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 3.1(b) to the Ind AS financial statements regarding preparation of Ind AS financial statements on realisable value basis in view of the communication received from Government of Gujarat regarding non-availability of fuel linkage and management's intent to not to continue the project. Our opinion is not qualified in this matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we

Price Waterhouse Chartered Accountants LLP, 1701, 17th Floor, Shapath V, Opp. Karnavati Club, S G Highway
Ahmedabad - 380 051, Gujarat, India
T: +91 (79) 3091 7000, F: +91 (79) 3091 7082

Registered office and Head office: Suchela Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Torrent Pipavav Generation Limited

Report on the Ind AS Financial Statements

Page 2 of 4

conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Ind AS financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Ind AS financial statements

8. Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Torrent Pipavav Generation Limited

Report on the Ind AS Financial Statements

Page 3 of 4

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. 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.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Torrent Pipavav Generation Limited

Report on the Ind AS Financial Statements

Page 4 of 4

- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".
- 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 does not have any pending litigations as at March 31, 2019 which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2019.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016
Chartered Accountants

Place:
Date:

Piyush Jalandhara
Partner
Membership No.: 122351



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Torrent Pipavav Generation Limited on the Ind AS financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to Ind AS financial statements of Torrent Pipavav Generation Limited ("the Company") as of March 31, 2019 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

2. 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 (ICAI). 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.
5. 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 with reference to financial statements.

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Torrent Pipavav Generation Limited on the Ind AS financial statements for the year ended March 31, 2019

Page 2 of 2

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016
Chartered Accountants

Place:

Date:

Piyush Jalandhara

Partner

Membership No.: 122351



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Torrent Pipavav Generation Limited on the Ind AS financial statements as of and for the year ended March 31, 2019

- i. Matters specified in clauses (i), (ii), (iii), (iv), (v), (vi), (viii), (ix), (xi), (xii), (xiv), (xv) and (xvi) of paragraph 3 of the CARO, 2016 do not apply to the Company.
- ii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including income tax, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax or goods and service tax which have not been deposited on account of any dispute.
- iii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- iv. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016
Chartered Accountants

Place:
Date:

Piyush Jalandhara
Partner
Membership No.: 122351



TORRENT PIPAVAV GENERATION LIMITED

Balance Sheet

as at 31st March, 2019

	Note	As at 31st March, 2019	(Amount in hundreds) As at 31st March, 2018
Assets			
Non-current assets			
Property, plant and equipment		-	-
Capital work-in-progress		-	-
Financial assets			
Other financial assets		-	-
Other non-current assets		-	-
Current assets			
Financial assets			
Cash and cash equivalents	5	340.98	11,623.99
Other bank balances	6	150.00	150.00
Other financial assets	7	9,429,185.76	9,429,174.50
		<u>9,429,676.74</u>	<u>9,441,148.49</u>
		<u>9,429,676.74</u>	<u>9,441,148.49</u>
Equity and liabilities			
Equity			
Share capital	8	5,000,000.00	5,000,000.00
Other equity	9	(1,349,636.97)	(1,205,213.23)
		<u>3,650,363.03</u>	<u>3,794,786.77</u>
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	10	5,762,091.10	5,612,091.10
Trade payables	11	-	-
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		11,241.80	28,223.33
Other current liabilities	12	5,977.81	6,044.39
Current tax liabilities (net)	13	3.00	2.90
		<u>5,779,313.71</u>	<u>5,646,361.72</u>
		<u>9,429,676.74</u>	<u>9,441,148.49</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 Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm Registration Number : 012754N / N500016

Manisha Sikarla
Chief Financial Officer

T. P. Vijayasathy
Director
DIN: 00271777

Piyush Jalandhara
Partner
Membership No.: 122351

Deepshikha Singhal
Company Secretary

Saurabh Mashruwala
Director
DIN: 01786490

Place:
Date:

Place:
Date:

TORRENT PIPAVAV GENERATION LIMITED

Statement of Profit and Loss

for the year ended 31st March, 2019

	Note	Year ended 31st March, 2019	(Amount in hundreds) Year ended 31st March, 2018
Income			
Other income	14	11.25	11.25
Total income		<u>11.25</u>	<u>11.25</u>
Expenses			
Employee benefits expense	15	21,767.78	18,062.10
Other expenses	16	122,664.21	1,029,775.83
Total expenses		<u>144,431.99</u>	<u>1,047,837.93</u>
Loss before tax		<u>(144,420.74)</u>	<u>(1,047,826.68)</u>
Tax expenses			
Current tax	17	3.00	2.74
		<u>3.00</u>	<u>2.74</u>
Loss for the year		<u>(144,423.74)</u>	<u>(1,047,829.42)</u>
Other comprehensive income			
Total comprehensive income for the year		<u>(144,423.74)</u>	<u>(1,047,829.42)</u>
Basic and diluted earnings per share of face value of Rs.10 each (in Rs.)	23	(0.29)	(2.10)

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 Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm Registration Number : 012754N / N500016

Manisha Sikaria
Chief Financial Officer

T. P. Vijayasathya
Director
DIN: 00271777

Piyush Jalandhara
Partner
Membership No.: 122351

Deepshikha Singhal
Company Secretary

Saurabh Mashruwala
Director
DIN: 01786490

Place:
Date:

Place:
Date:

TORRENT PIPAVAV GENERATION LIMITED

Cash flow statement

for the year ended 31st March, 2019

	Note	Year ended 31st March, 2019	(Amount in hundreds) Year ended 31st March, 2018
Cash flow from operating activities			
Net loss before tax		(144,420.74)	(1,047,826.68)
Adjustments for :			
Capital work in progress written off	16	-	911,003.64
Interest income	14	(11.25)	(11.25)
Operating loss before working capital changes		(144,431.99)	(136,834.29)
Movement in working capital:			
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(16,981.53)	17,139.75
Other current liabilities		(66.59)	5,100.49
Cash used in operations		(161,480.11)	(114,594.05)
Taxes paid		(2.90)	(5.00)
Net cash generated from / (used in) operating activities		(161,483.01)	(114,599.05)
Cash flow from financing activities			
Proceeds from short-term borrowings		150,000.00	123,062.10
Net cash generated from / (used in) financing activities		150,000.00	123,062.10
Net increase in cash and cash equivalents		(11,483.01)	8,463.05
Cash and cash equivalents as at beginning of the year		11,823.99	3,360.94
Cash and cash equivalents as at end of the year		340.98	11,823.99

See accompanying notes forming part of the financial statements

	Note	Year ended 31st March, 2019	Year ended 31st March, 2018
Notes:			
1. Cash and cash equivalents as at end of the year:			
Cash and cash equivalents	5		
Balance in current accounts		323.53	11,722.99
Cash on hand		17.45	101.00
		340.98	11,823.99

2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) -7 " Statement of Cash Flows".

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm Registration Number : 012754N / N500016

Manisha Sikaria
Chief Financial Officer

T. P. Vijayasaraty
Director
DIN: 00271777

Piyush Jalandhara
Partner
Membership No.: 122351

Deepshikha Singhal
Company Secretary

Saurabh Mashruwala
Director
DIN: 01786490

Place:
Date:

Place:
Date:

TORRENT PIPAVAV GENERATION LIMITED

Statement of changes in equity for the year ended 31st March, 2019

A. Equity share capital (refer note 8)

(Amount in hundreds)

Balance as at 1st April, 2017	5,000,000.00
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	<u>5,000,000.00</u>
Changes in equity share capital during the year	-
Balance as at 31st March, 2019	<u>5,000,000.00</u>

B. Other equity (refer note 9)

(Amount in hundreds)
Reserves and surplus

Retained earnings

Balance as at 1st April, 2017	(157,383.81)
Loss for the year	(1,047,829.42)
Total comprehensive income for the year	<u>(1,047,829.42)</u>
Balance as at 31st March, 2018	<u>(1,205,213.23)</u>
Loss for the year	(144,423.74)
Total comprehensive income for the year	<u>(144,423.74)</u>
Balance as at 31st March, 2019	<u>(1,349,636.97)</u>

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm Registration Number : 012754N / N500016

Manisha Sikaria
Chief Financial Officer

T. P. Vijayasaratthy
Director
DIN: 00271777

Piyush Jalandhara
Partner
Membership No.: 122351

Deepshikha Singhal
Company Secretary

Saurabh Mashruwala
Director
DIN: 01786490

Place:
Date:

Place:
Date:

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2019

Note 1. General Information –

The Company is jointly promoted by Torrent Power Limited (TPL) and Gujarat Power Corporation Limited (GPCL) – a Government of Gujarat undertaking and was formed for the purpose of setting up coal-based thermal power plant at Pipavav, Gujarat. TPL has 95% interest and GPCL has 5% interest in the Company. The Company's financial statements are prepared on a non-going concern basis (Refer Note 3.1(b) below).

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015.

Note 2. New standards and interpretations adopted by Company

The Company has applied the following amendment for the first time for its annual reporting period commencing 1st April, 2018:

Ind AS - 115 "Revenue from Contracts with Customers"

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on 28th March 2018 which includes Indian Accounting Standard (Ind AS) 115 in respect of 'Revenue from Contracts with Customers' which has replaced inter alia, the existing Ind AS 18 'Revenue' and is mandatory for reporting periods beginning on or after 1st April 2018.

There is no impact on the Company's financial statement on account of Ind AS 115 as the Company receives only interest on fixed deposit and has no revenue from operation.

New standards or interpretations issued by but not yet effective

The Company will apply the following standard for the first time for its annual reporting period commencing 1st April, 2019:

Ind AS - 116 "Leases"

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards), 2018 on 30th March, 2019 which includes Ind AS - 116 "Leases". This will replace Ind AS 17 covers for leases.

Ind AS - 116 will result in almost all leases being recognized on the balance sheet by the lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short term and low value leases.

There is no material impact expected on the Company's financial statements on account of Ind AS 116.

2

Notes to the financial statements for the year ended March 31, 2019

Note 3. Significant accounting policies

3.1 Basis of preparation:

a) Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made thereunder.

b) Project Status

The Company had paid for acquisition of land in Amreli, Gujarat for the purpose of developing a coal based power plant of 1,000+ MW. Due to non-availability of fuel linkage, the Government of Gujarat vide its letter dated December 6, 2017, has communicated that the said project may not be developed and accordingly, the joint venture between Torrent Power Limited and Gujarat Power Corporation Limited is intended to be dissolved. The cost of land would be reimbursed through disposal by state government. With reference to this, in the month of March 2019, GPCL has written a letter to Collector, Amreli stating that land is surrendered to the Government and requested Energy and Petroleum Department, Government of Gujarat to take further action in the matter. Management has made an impairment assessment of the land valuation by comparing the carrying value with stamp value as prescribed by the Superintendent of Stamps, Gandhinagar, Gujarat, on the basis of which it has been concluded that there is no impairment. The timing of the recoverability of the amounts invested in land would depend upon the availability of the customer.

Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial statements for the year ended March 31, 2019 have been prepared on a non - going concern basis.

3.2 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.


3.3 Revenue recognition:

Revenue is recognized, when control in relation to goods or services are transferred to consumers and for which the Company expects to receive consideration (including variable consideration) for exchange of those goods or services. Revenue is reduced for discounts and other similar allowances.

3.4 Taxation:

Current Tax:

The tax currently payable is based on taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions, if so required where consider necessary.



Notes to the financial statements for the year ended March 31, 2019

Advance taxes and provisions for current income taxes are offset when there is a legally enforceable right to offset and balance arises with same tax authority.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

3.5 Earnings per share:

Basic earnings per share is computed by dividing the profit/ (loss) attributable to owners of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

②

Notes to the financial statements for the year ended March 31, 2019

3.6 Provisions, contingent liabilities and contingent assets:

Provisions:

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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence 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:

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

3.7 Financial Instruments:

Financial assets

i) Classification of financial assets (including debt instruments)

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Initial Measurement of financial assets and financial liabilities:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial

Notes to the financial statements for the year ended March 31, 2019

liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

iii) Subsequent measurement

• **Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the debt instruments can be classified.

• **Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• **Fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

• **Fair value through profit or loss:**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

Notes to the financial statements for the year ended March 31, 2019

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience.

v) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Company has not retained control over the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi) Income Recognition

Interest Income

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

Financial liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings.

i) Classification

All the Company's financial liabilities, except for financial liabilities at fair value through profit or loss are measured at amortized cost.

ii) Initial measurement

The Effective Interest Rate Method (EIR) is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method.

Notes to the financial statements for the year ended March 31, 2019

iv) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or waived off or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.8 **Contributed equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Transaction costs of an equity transaction shall be accounted for in other equity.

3.9 **Leases:**

Leases (including lease arrangements for land) are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease (The Company as Lessee): Lease payments under an operating lease are recognized as expense in the statement of profit and loss, on a straight-line or other systematic basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases, such increases are recognised in the year in which such liability accrues.

3.10 **Rounding of amounts:**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundreds with two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

4. **Critical accounting judgements and key sources of estimation uncertainty**


In the course of applying the policies outlined in all notes under note 3 above, the management of the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2019

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of preparation of financial statements on a non-going concern basis (refer note 3.1(b)).



TORRENT PIPAVAY GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2019

(Amount in hundreds)

Note - 5 : Cash and cash equivalents

	As at 31st March, 2019	As at 31st March, 2018
Balances with banks		
Balance in current accounts	323.53	11,722.99
	323.53	11,722.99
Cash on hand	17.45	101.00
	340.98	11,823.99

Note - 6 : Other bank balances

	As at 31st March, 2019	As at 31st March, 2018
Balance in fixed deposit accounts # (original maturity of more than three months but less than twelve months)	150.00	150.00
	150.00	150.00

lien is created in favour of Gujarat Commercial Tax Dept., Government of Gujarat

Note 7 : Other current financial assets

Unsecured (considered good unless stated otherwise)

	As at 31st March, 2019	As at 31st March, 2018
Deposits		
Considered good	616.13	616.13
Considered doubtful	-	-
	616.13	616.13
Less : Provision for doubtful deposit	-	-
Security deposits	616.13	616.13
Interest accrued on deposits	32.13	20.87
	648.26	637.00
Other advances		
Considered good #	94,28,537.50	94,28,537.50
	94,29,185.76	94,29,174.50

this represents the compensation paid for acquisition of private land as per the court orders (Refer note 3.1(b)).

①

TORRENT PIPAVAV GENERATION LIMITED
Notes to the financial statements for the year ended March 31, 2019

Note - 8 : Equity share capital

(Amount in hundreds)

	As at 31st March, 2019	As at 31st March, 2018
Authorised		
10,00,00,000 (10,00,00,000 as at 31st March, 2018) equity shares of Rs.10 each	1,00,00,000.00	1,00,00,000.00
	<u>1,00,00,000.00</u>	<u>1,00,00,000.00</u>
Issued, subscribed and paid up		
5,00,00,000 (5,00,00,000 as at 31st March, 2018) equity shares of Rs.10 each	50,00,000.00	50,00,000.00
	<u>50,00,000.00</u>	<u>50,00,000.00</u>

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

	No. of shares As at 31st March, 2019	No. of shares As at 31st March, 2018
At the beginning of the year	5,00,00,000	5,00,00,000
Outstanding at the end of the year	<u>5,00,00,000</u>	<u>5,00,00,000</u>

2 4,75,00,000 equity shares (4,75,00,000 equity shares as at 31st March, 2018) of Rs.10 each fully paid up are held by holding company - Torrent Power Limited and its nominees.

3 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, if any, proposed 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.

4 Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	% holding	No. of shares	% holding
Torrent Power Limited (jointly with nominees)	4,75,00,000	95.00%	4,75,00,000	95.00%

Note - 9 : Other equity

(Amount in hundreds)

	As at 31st March, 2019	As at 31st March, 2018
Reserves and surplus		
Retained earnings	(13,49,636.97)	(12,05,213.23)
	<u>(13,49,636.97)</u>	<u>(12,05,213.23)</u>

Notes:

1 Retained earnings:

The same reflects the profit/ (loss) of the Company earned till date net of appropriations.

17

TORRENT PIPAVAV GENERATION LIMITED
Notes to the financial statements for the year ended March 31, 2019

(Amount in hundreds)

Note - 10 : Current borrowings

	As at 31st March, 2019	As at 31st March, 2018
Unsecured loans		
Loan from Torrent Power Ltd. (Parent Company) #	57,62,091.10	56,12,091.10
	<u>57,62,091.10</u>	<u>56,12,091.10</u>

Interest free loan repayable on demand.

Net debt reconciliation

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented:

	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents	340.98	11,823.99
Current borrowings	<u>57,62,091.10</u>	<u>56,12,091.10</u>
Net Debt	<u>57,61,750.12</u>	<u>56,00,267.11</u>

	Other assets	Liabilities from financing activities	Total
	Cash and cash equivalents	Current borrowings	
Net debt as on 31st March, 2018	11,823.99	56,12,091.10	56,00,267.11
Cash flows	(11,483.01)	1,50,000.00	1,61,483.01
Net debt as on 31st March, 2019	<u>340.98</u>	<u>57,62,091.10</u>	<u>57,61,750.12</u>

Note - 11 : Current trade payables

	As at 31st March, 2019	As at 31st March, 2018
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises (Refer note 20)	-	-
Total outstanding dues other than micro and small enterprises	11,241.80	28,223.33
	<u>11,241.80</u>	<u>28,223.33</u>

Note - 12 : Other current liabilities

	As at 31st March, 2019	As at 31st March, 2018
Statutory dues	597.40	663.98
Sundry payables	5,380.41	5,380.41
	<u>5,977.81</u>	<u>6,044.39</u>

Note - 13 : Current tax liabilities

	As at 31st March, 2019	As at 31st March, 2018
Provision for taxation	3.00	2.90
	<u>3.00</u>	<u>2.90</u>

TORRENT PIPAVAV GENERATION LIMITED
Notes to the financial statements for the year ended March 31, 2019

(Amount in hundreds)

Note - 14 : Other income

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest income from financial assets at amortised cost		
Deposits	11.25	11.25
	<u>11.25</u>	<u>11.25</u>

Note - 15 : Employee benefits expense

	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages and bonus	21,767.78	18,062.10
	<u>21,767.78</u>	<u>18,062.10</u>

Note - 16 : Other expenses

	Year ended 31st March, 2019	Year ended 31st March, 2018
Rent and hire charges	635.26	605.00
Repairs to		
Others	-	77.20
	-	77.20
Insurance	80.38	80.38
Rates and taxes	5,380.41	5,380.41
Electricity expenses	380.43	324.11
Security expenses	1,02,492.63	98,249.51
Capital work in progress written off	-	9,11,003.64
Directors sitting fees	3,540.00	3,634.00
Auditors remuneration (Refer note 22)	1,180.00	1,180.00
Legal, professional and consultancy fees	6,947.80	7,749.24
Miscellaneous expenses	2,027.30	1,492.34
	<u>1,22,664.21</u>	<u>10,29,775.83</u>

Q

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2019

(Amount in Hundreds)

Note 17: Income tax expenses

(a) Income tax expense recognised in Statement of Profit and Loss

	Year ended 31st March, 2019	Year ended 31st March, 2018
Current tax :		
Current tax on profits for the year	3.00	2.90
Adjustment for current tax of prior periods		(0.16)
Income tax expense attributable to continuing operations	3.00	2.74

(b) Reconciliation of current tax

	Year ended 31st March, 2019	Year ended 31st March, 2018
Loss before tax from continuing operations	(1,44,420.74)	(10,47,826.68)
Expected income tax expense calculated using tax rate at 26% (Previous year - 25.75%)	(37,549.39)	(2,69,815.37)
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses that are not deductible in determining tax profit	37,552.39	2,69,818.27
Total	3.00	2.90
Adjustment for current tax of prior periods	-	(0.16)
Total expenses as per Statement of Profit and Loss	3.00	2.74

①

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2019

Note 18: Commitments

There are no amount of contracts remaining to be executed on capital account and not provided for.

Note 19: Operating segment

The Company does not have operations (Refer note 3.1(b)) and accordingly the requirements of Indian Accounting Standard 108 "Operating Segments" is not applicable to the Company.

Note 20: Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

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 21: Operating lease

The Company's significant leasing arrangements are in respect of office premises taken on lease. The arrangement is for 10 years and is 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.



TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2019

(Amount in Hundreds)

Note 22: Auditors remuneration

	Year ended 31st March, 2019	Year ended 31st March, 2018
As auditor		
Audit fees (including goods and service tax)	1,180.00	1,180.00
	<u>1,180.00</u>	<u>1,180.00</u>

Note 23: Earnings per share

	Year ended 31st March, 2019	Year ended 31st March, 2018
Basic earnings per share	(0.29)	(2.10)
Diluted earnings per share	(0.29)	(2.10)

Basic and diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

	Year ended 31st March, 2019	Year ended 31st March, 2018
Loss for the year attributable to the Company used in calculation of basis	(1,44,423.74)	(10,47,829.42)
earning per share (amount in hundreds)		
Weighted average number of equity shares (in hundreds)	5,00,000.00	5,00,000.00

The Company does not have any dilutive potential ordinary shares and therefore diluted earning per share is the same as basic earning per share.

2

TORRENT PIPAVAY GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2019

Note 24: Related party disclosures

(a) Names of related parties and description of relationship:

1	Parent Company	Torrent Power Limited
2	Ultimate parent company	Torrent Private Limited
3	Key management personnel	T.P. Vijayasathy Saurabh Mashruwala
4	Non-Executive Directors	Samir Barua Vasant Shah

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2019

(Amount in Hundreds)

Note 24: Related party disclosures (Contd.)

(b) Related party transactions

	Parent Company		Total	
	Year ended	Year ended	Year ended	Year ended
	31.03.19	31.03.18	31.03.19	31.03.18
Nature of transactions				
Rent Expense	635.26	605.00	635.26	605.00
Torrent Power Limited	635.26	605.00	635.26	605.00
Employee benefit expense	21,767.78	18,062.10	21,767.78	18,062.10
Torrent Power Limited	21,767.78	18,062.10	21,767.78	18,062.10
Loan received	1,50,000.00	1,05,000.00	1,50,000.00	1,05,000.00
Torrent Power Limited	1,50,000.00	1,05,000.00	1,50,000.00	1,05,000.00

7

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2019

(Amount in Hundreds)

Note 24: Related party disclosures (Contd.)**(c) Related party balances**

	Parent Company	
	As at	As at
	31.03.19	31.03.18
Balances at the end of the year		
Unsecured Loans	57,62,091.10	56,12,091.10
Torrent Power Limited	57,62,091.10	56,12,091.10
Rent Deposit	50.00	50.00
Torrent Power Limited	50.00	50.00

(d) Terms and conditions of outstanding balances

Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Interest free loan received from parent company is repayable on demand.

Interest free Rent Deposit has been given to Torrent Power Limited as per agreement for leave and license for use of office premises for 10 years.



TORRENT PIPAVAV GENERATION LIMITED
Notes to the financial statements for the year ended March 31, 2019

Note 25: Financial instruments and risk review

(a) Capital Management

The capital structure of the Company consists of debt (borrowings from parent company as detailed in note 10) and equity of the Company (comprising issued capital, retained earnings, as detailed in notes 8 and 9).

As stated in the note 3.1 (b) to the financial statements, the intent of the management is not to continue with the Project. The focus of the management is to realise the cost of land which would be reimbursed through disposal by the state government. The repayment of debt and capital management is solely dependent upon the realisation of proceeds from sale of land by State Government.

(Amount in Hundreds)

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

	As at 31st March, 2019	As at 31st March, 2018
Debt	57,62,091.10	56,12,091.10
Equity	36,50,363.03	37,94,786.77
Net debt to equity ratio	1.58	1.48

- (i) Debt represents borrowings taken from the Parent Company.
(ii) Equity is defined as, Equity share capital + all reserve (excluding revaluation reserve)

(b) Categories of financial instruments

	As at 31st March, 2019		As at 31st March, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised Cost				
Cash and cash equivalents	340.98	340.98	11,823.99	11,823.99
Other bank balances	150.00	150.00	150.00	150.00
Other financial assets	94,28,935.76	94,28,935.76	94,28,924.50	94,28,924.50
	94,29,426.74	94,29,426.74	94,40,898.49	94,40,898.49
Financial liabilities				
Measured at amortised Cost				
Borrowing	57,62,091.10	57,62,091.10	56,12,091.10	56,12,091.10
Trade payable	11,241.80	11,241.80	28,223.33	28,223.33
	57,73,332.90	57,73,332.90	56,40,314.43	56,40,314.43

(c) Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(d) Financial risk management objectives

The Company's current focus is to expedite the process of the sale of land and realise the amount invested.

TORRENT PIPAVAV GENERATION LIMITED
Notes to the financial statements for the year ended March 31, 2019

Note 25: Financial instruments and risk review

(d) Financial risk management objectives

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due because it has inadequate funding or is unable to liquidate its assets. As there are no business operations of the Company, the Company manages its liquidity risk by obtaining borrowings from the Parent Company. However the repayment of the borrowings taken from Parent Company is dependent on the realisation of proceeds from sale of land by State Government (Refer note 3.1(b)).

Maturities of financial liabilities

All the borrowings are repayable on demand and trade payables outstanding represent payables in the normal course of business.

As at 31st March,2019

	(Amount in Hundreds)	
	Less than 1 year	Total
Financial liabilities		
Current financial liabilities		
Borrowings	57,62,091.10	57,62,091.10
Trade payables	11,241.80	11,241.80
	<u>57,73,332.90</u>	<u>57,73,332.90</u>
Total financial liabilities	<u>57,73,332.90</u>	<u>57,73,332.90</u>

As at 31st March,2018

	Less than 1 year	Total
Financial liabilities		
Current financial liabilities		
Borrowings	56,12,091.10	56,12,091.10
Trade payables	28,223.33	28,223.33
	<u>56,40,314.43</u>	<u>56,40,314.43</u>
Total financial liabilities	<u>56,40,314.43</u>	<u>56,40,314.43</u>

①

TORRENT PIPAVAV GENERATION LIMITED
Notes to the financial statements for the year ended March 31, 2019

Note 26: Previous year figures

The figures of the previous year have been regrouped / recast, wherever necessary, to make them comparable with the figures of the current year

Note 27: Approval of financial statements

The financial statements were approved for issue by the board of directors on _____.

Signature to Note 1 to 27

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm Registration Number : 012754N / N500016

Manisha Sikaria
Chief Financial Officer

T. P. Vijayasathy
Director
DIN: 00271777

Piyush Jalandhara
Partner
Membership No.: 122351

Deepshikha Singhal
Company Secretary

Saurabh Mashruwala
Director
DIN: 01786490

Place:

Date:

Place:

Date:

