

TORRENT SOLARGEN LIMITED

Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Members of Torrent Solargen Limited

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

Opinion

1. We have audited the accompanying Ind AS financial statements of Torrent Solargen 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, statement of cash flows for the year then ended, and notes to the Ind AS 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 profit 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.

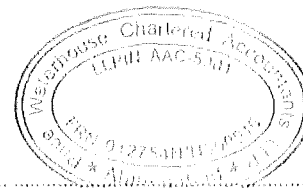
Other Information

4. 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 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.



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: Sucheta 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/N500016 (ICAI registration number before conversion was 012754N).

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Torrent Solargen Limited
Report on the Ind AS Financial Statements
Page 2 of 4

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

5. 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.
6. 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

7. 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.
8. 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.
 - 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



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Torrent Solargen Limited
Report on the Ind AS Financial Statements

Page 3 of 4

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

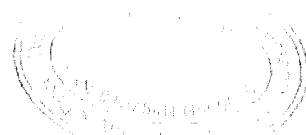
ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on 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.

9. 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.
10. 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

11. 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.
12. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (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.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Torrent Solargen Limited
Report on the Ind AS Financial Statements
Page 4 of 4

- 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 with reference to financial statements 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 has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any 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 12(f) of the Independent Auditors' Report of even date to the members of Torrent Solargen 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

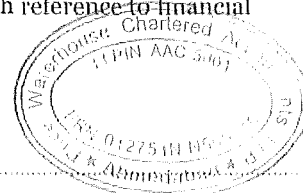
1. We have audited the internal financial controls with reference to Ind AS financial statements of Torrent Solargen Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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 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 with reference to financial statements.



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

Registered office and Head office: Sucheta 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/N500016 (ICAI registration number before conversion was 012754N).

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Torrent Solargen 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 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



Annexure B to Independent Auditors' Report

- 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, sales-tax, service-tax, value added 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 Section 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. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

Piyush Jalandhara
Partner
Membership No.: 122351

Praveen Waterbourse Chartered Accountants LLP, Floor - 10th Floor, Shreepath V. Opp. Karmaveer Club, SAI Highways
 Ahmedabad - 380 015, Gujarat, India
 E-mail: praveen@praveenwaterbourse.com, praveen@praveenwaterbourse.com

TORRENT SOLARGEN LIMITED

Balance Sheet

as at 31st March, 2019

(Amount in hundreds)

	Note	As at 31st March, 2019	As at 31st March, 2018
Assets			
Non-current assets			
Capital work-in-progress	5	49,971.87	-
Financial assets			
Loans	6	50.00	50.00
Deferred tax assets (net)	26	1,10,283.63	-
Non-current tax assets (net)	7	4,968.81	190.70
Other non-current assets	8	1,27,42,650.00	450.00
		<u>1,29,07,924.31</u>	<u>690.70</u>
Current assets			
Financial assets			
Investments	9	88,81,837.55	36,79,940.42
Cash and cash equivalents	10	3,279.96	56.79
Other bank balances	11	-	45,54,000.00
Loans	12	760.00	-
Other financial assets	13	-	2,10,224.91
Other current assets	14	315.11	-
		<u>88,86,192.63</u>	<u>84,44,222.12</u>
		<u>2,17,94,116.94</u>	<u>84,44,912.82</u>
Equity and liabilities			
Equity			
Share capital	15	80,05,000.00	80,05,000.00
Other equity	16	6,25,074.46	4,16,974.13
		<u>86,30,074.46</u>	<u>84,21,974.13</u>
Liabilities			
Non-current liabilities			
Deferred tax liabilities (net)	26	-	13,470.97
		-	<u>13,470.97</u>
Current liabilities			
Financial liabilities			
Borrowings	17	1,31,35,184.65	-
Trade payables	18	-	-
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		2,565.00	3,642.19
Other financial liabilities	19	-	5,163.52
Other current liabilities	20	26,292.83	366.06
Current tax liabilities (net)	21	-	295.95
		<u>1,31,64,042.48</u>	<u>9,467.72</u>
		<u>2,17,94,116.94</u>	<u>84,44,912.82</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

Chintan Shah
Chief Executive Officer

T. P. Vijayasarithy
Chairman
DIN: 00271777

Piyush Jalandhara
Partner
Membership No.: 122351

Shivani Jain
Company Secretary

Priya Jain
Chief Financial Officer

Place:
Date:

Place:
Date:

TORRENT SOLARGEN LIMITED

Statement of Profit and Loss

for the year ended 31st March, 2019

			(Amount in hundreds)
	Note	Year ended 31st March, 2019	Year ended 31st March, 2018
Income			
Other income	22	5,50,707.04	5,30,994.37
Total income		<u>5,50,707.04</u>	<u>5,30,994.37</u>
Expenses			
Employee benefits expense	23	23,905.80	19,501.56
Finance costs	24	3,72,427.39	-
Other expenses	25	48,084.45	57,056.85
Total expenses		<u>4,44,417.64</u>	<u>76,558.41</u>
Profit before tax		1,06,289.40	4,54,435.96
Tax expenses			
Current tax	26	1,23,066.24	92,841.42
Deferred tax	26	(2,24,939.25)	(18,176.68)
Short provision of current tax for earlier years		62.08	-
		<u>(1,01,810.93)</u>	<u>74,664.74</u>
Profit for the year		<u>2,08,100.33</u>	<u>3,79,771.22</u>
Other comprehensive income		-	-
Other comprehensive income for the year (net of tax)		-	-
Total comprehensive income for the year		<u>2,08,100.33</u>	<u>3,79,771.22</u>
Basic and diluted earnings per share of face value of Rs.10 each (in Rs.)	32	0.26	0.47

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

Chintan Shah
Chief Executive Officer

T. P. Vijayasaratthy
Chairman
DIN: 00271777

Piyush Jalandhara
Partner
Membership No.: 122351

Shivani Jain
Company Secretary

Priya Jain
Chief Financial Officer

Place:
Date:

Place:
Date:

TORRENT SOLARGEN 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 profit before tax		1,06,289.40	4,54,435.96
Adjustments for :			
Finance costs	24	3,72,427.39	-
Interest income	22	(1,98,484.31)	(2,33,583.23)
Profit on sale of investments in mutual funds	22	(5,20,737.69)	(1,18,342.79)
Net gain arising on investments in mutual funds mandatorily measured at fair value through profit or loss	22	1,88,514.97	(1,79,068.35)
Operating loss before working capital changes		(71,990.26)	(76,558.41)
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Short-term loans		(760.00)	-
Other current assets		(315.11)	-
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(1,077.19)	885.93
Other current financial liabilities		(5,163.52)	(22,628.78)
Other current liabilities		(11,315.97)	103.56
Cash used in operations		(90,622.03)	(98,197.70)
Taxes paid		(27,017.73)	(92,358.32)
Net cash flow used in operating activities		(1,17,639.77)	(1,90,556.02)
Cash flow from investing activities			
Interest received		4,08,709.22	23,358.33
Profit on sale of investments in mutual funds		5,20,737.69	1,18,342.79
Redemption / (purchase) of mutual funds		(53,70,412.11)	46,02,872.78
Receipts on maturity of Fixed Deposits		45,54,000.00	-
Amount deposited in bank deposits having original maturity of more than 12 months		-	(45,54,000.00)
Net cash generated from / (used in) Investing activities		(1,26,79,137.06)	1,90,573.90
Cash flow from financing activities			
Proceeds from short-term borrowings		1,28,00,000.00	-
Net cash generated from in financing activities		1,28,00,000.00	-
Net increase in cash and cash equivalents		3,223.17	17.88
Cash and cash equivalents as at beginning of the year		56.79	38.92
Cash and cash equivalents as at end of the year		3,279.96	56.79

See accompanying notes forming part of the financial statements

	Note	As at 31st March, 2019	As at 31st March, 2018
Notes:			
1. Cash and cash equivalents as at end of the year:			
Cash and cash equivalents	10		
Balance in current accounts		3,028.40	4.00
Cash on hand		251.56	52.79
		3,279.96	56.79

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

Chintan Shah
Chief Executive Officer

T. P. Vijayarathay
Chairman
DIN: 00271777

Piyush Jalandhara
Partner
Membership No.: 122351

Shivani Jain
Company Secretary

Priya Jain
Chief Financial Officer

Place:
Date:

Place:
Date:

TORRENT SOLARGEN LIMITED

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

A. Equity share capital (refer note 15)

	(Amount in hundreds)
Balance as at 1st April, 2017	80,05,000.00
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	80,05,000.00
Changes in equity share capital during the year	-
Balance as at 31st March, 2019	80,05,000.00

B. Other equity (refer note 16)

	Reserves and surplus Retained earnings
Balance as at 1st April, 2017	37,202.91
Profit for the year	3,79,771.22
Other comprehensive income for the year, net of income tax	-
Total comprehensive income for the year	3,79,771.22
Balance as at 31st March, 2018	4,16,974.13
Profit for the year	2,08,100.33
Other comprehensive income for the year, net of income tax	-
Total comprehensive income for the year	2,08,100.33
Balance as at 31st March, 2019	6,25,074.46

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

Chintan Shah
Chief Executive Officer

T. P. Vijayasathya
Chairman
DIN: 00271777

Piyush Jalandhara
Partner
Membership No.: 122351

Shivani Jain
Company Secretary

Priya Jain
Chief Financial Officer

Place:
Date:

Place:
Date:

TORRENT SOLARGEN LIMITED

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

Note 1. General Information:

The Company is a wholly owned subsidiary of Torrent Power Limited. 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.

The Company is now in the process of developing of new wind power project of 126 MW in the state of Maharashtra.

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 has no revenue from contracts with customers.

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) Amendment Rules, 2019 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.



TORRENT SOLARGEN LIMITED

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.

As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Company has applied this norm while preparing the financial statements.

b) Historical cost convention

The financial statements have been prepared on an accrual basis under the historical cost convention except for following;

- Certain financial assets and liabilities (including derivative instruments) which have been measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013.

3.2 Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Capital work in progress in the course of construction for production, supply or administrative purposes is carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



TORRENT SOLARGEN LIMITED

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

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation for the period is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation on tangible assets which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other tangible assets, in non-regulated business depreciation is provided on a straight line basis over the estimated useful lives.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.3 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, such as new projects and / or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the statement of profit and loss in the period of their accrual.

3.4 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.

3.5 Revenue recognition:

Revenue is recognized when the products are delivered or services are rendered to consumers and when no significant uncertainty as to the measurability or collectability exists. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discount and other similar allowances.

3.6 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

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 in which applicable tax regulations are subject to interpretation and revises the provisions, where consider necessary.

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.



TORRENT SOLARGEN LIMITED

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

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. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.7 Earnings per share:

Basic earnings per share is computed by dividing the profit /(loss) 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.

3.8 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.



TORRENT SOLARGEN LIMITED

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

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 but disclosed only when an inflow of economic benefits is probable.

3.9 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:

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



iii) Subsequent measurement

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 18 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.

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. This expected credit loss allowance is 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:

TORRENT SOLARGEN LIMITED

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

- 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

- (ii) Dividend is accounted when the right to receive payment is established.
- (iii) 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.

3.10 Financials liabilities:

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

i) Classification

The Company financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortized cost.

ii) Initial measurement

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

iii) Subsequent measurement

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

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.

iv) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or or waived off or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is

TORRENT SOLARGEN LIMITED

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

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.

3.11 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

3.12 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 Company's expected inflationary cost increases, such increases are recognised in the year in which such liability accrues.

3.13 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.

Note 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 judgements, 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.

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:

- Recognition of deferred tax assets (refer note 26)

TORRENT SOLARGEN LIMITED

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

(Amount in hundreds)

Note 5 : Capital work-in-progress

	As at 31st March, 2019	As at 31st March, 2018
Capital work-in-progress	49,971.87	-
	<u>49,971.87</u>	<u>-</u>

Note 6 : Non-current loans

Unsecured (considered good unless stated otherwise)

	As at 31st March, 2019	As at 31st March, 2018
Security deposits	50.00	50.00
	<u>50.00</u>	<u>50.00</u>

Note 7 : Other non-current tax assets

	As at 31st March, 2019	As at 31st March, 2018
Advance income tax (net)	4,968.81	190.70
	<u>4,968.81</u>	<u>190.70</u>

Note 8 : Other non-current assets

Unsecured (considered good unless stated otherwise)

	As at 31st March, 2019	As at 31st March, 2018
Capital advances	1,27,42,200.00	-
Balances with government authority	450.00	450.00
	<u>1,27,42,650.00</u>	<u>450.00</u>

bx

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

(Amount in hundreds)

Note - 9 : Current investments

(Investments carried at fair value through profit or loss)

	As at 31st March, 2019	As at 31st March, 2018
Investment in mutual funds (unquoted)		
ICICI Prudential Liquid Plan - Regular - Growth (No. of units- 31st March, 2019: 13,87,305.406, 31st March, 2018: Nil)	38,20,898.51	-
Tata Money Market Fund- Growth- Regular Plan (No. of units- 31st March, 2019: 1,72,695.854, 31st March, 2018: 1,34,947.726)	50,60,939.04	36,79,940.42
	<u>88,81,837.55</u>	<u>36,79,940.42</u>
Aggregate amount of unquoted investments	88,81,837.55	36,79,940.42
Aggregate amount of market value of unquoted investments	88,81,837.55	36,79,940.42

Note - 10 : Cash and cash equivalents

	As at 31st March, 2019	As at 31st March, 2018
Balances with banks		
Balance in current accounts	3,028.40	4.00
Cash on hand	251.56	52.79
	<u>3,279.96</u>	<u>56.79</u>

Note - 11 : Other bank balances

	As at 31st March, 2019	As at 31st March, 2018
Balance in fixed deposit accounts	-	45,54,000.00
	<u>-</u>	<u>45,54,000.00</u>

Note 12 : Current loans

Unsecured (considered good unless stated otherwise)

	As at 31st March, 2019	As at 31st March, 2018
Security deposits	760.00	-
	<u>760.00</u>	<u>-</u>

Note - 13 : Other Financial Assets

Unsecured (considered good unless stated otherwise)

	As at 31st March, 2019	As at 31st March, 2018
Interest accrued on deposits	-	2,10,224.91
	<u>-</u>	<u>2,10,224.91</u>

Note 14 : Other current assets

Unsecured (considered good unless stated otherwise)

	As at 31st March, 2019	As at 31st March, 2018
Advances for goods and services	315.11	-
	<u>315.11</u>	<u>-</u>

TORRENT SOLARGEN LIMITED

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

Note - 15 : Equity share capital

	(Amount in hundreds)	
	As at 31st March, 2019	As at 31st March, 2018
Authorised		
12,50,00,000 (12,50,00,000 as at 31st March, 2018) equity shares of Rs.10 each	1,25,00,000.00	1,25,00,000.00
	<u>1,25,00,000.00</u>	<u>1,25,00,000.00</u>
Issued, subscribed and paid up		
8,00,50,000 (8,00,50,000 as at 31st March, 2018) equity shares of Rs.10 each	80,05,000.00	80,05,000.00
	<u>80,05,000.00</u>	<u>80,05,000.00</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	8,00,50,000	8,00,50,000
Outstanding at the end of the year	<u>8,00,50,000</u>	<u>8,00,50,000</u>

2 Shares held by holding company :

8,00,50,000 equity shares (8,00,50,000 equity shares as at 31st March, 2018) of Rs.10 each fully paid up are held by holding company - Torrent Power Limited jointly with 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)	8,00,50,000	100.00%	8,00,50,000	100.00%

(Amount in hundreds)

Note - 16 : Other equity

	As at 31st March, 2019	As at 31st March, 2018
Reserves and surplus		
Retained earnings	6,25,074.46	4,16,974.13
	<u>6,25,074.46</u>	<u>4,16,974.13</u>

Notes:
1 Retained earnings:

The same reflects the profit of the company earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

Note - 17 : Current borrowings

	As at 31st March, 2019	As at 31st March, 2018
Unsecured loans		
Loans from Torrent Power Limited - Parent company (including interest accrued) #	1,31,35,184.65	-
# Repayable on demand along with interest @ 9% p.a.		
	<u>1,31,35,184.65</u>	<u>-</u>
	<u>1,31,35,184.65</u>	<u>-</u>

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	3,279.96	56.79
Current Investment	88,81,837.55	36,79,940.42
Current Borrowings	(1,31,35,184.65)	-
	<u>(42,50,067.13)</u>	<u>36,79,997.21</u>

	Other Assets		Liabilities from financing activities	Total
	Cash and cash equivalents	Current Investment	Current Borrowings	
Net debt as on 31st March, 2018	56.79	36,79,940.42	-	36,79,997.21
Cash Flows	3,223.17	53,70,412.11	(1,28,00,000.00)	(74,26,364.72)
Interest Expense (net of TDS)	-	-	(3,35,184.65)	(3,35,184.65)
Fair value adjustment	-	(1,68,514.97)	-	(1,68,514.97)
Net debt as on 31st March, 2019	<u>3,279.96</u>	<u>88,81,837.55</u>	<u>(1,31,35,184.65)</u>	<u>(42,50,067.13)</u>

Note - 18 : Current trade payables

	As at 31st March, 2019	As at 31st March, 2018
Trade payables for goods and services		
Due to micro and small enterprises (refer note 28)	-	-
Due to others	2,565.00	3,642.19
	<u>2,565.00</u>	<u>3,642.19</u>

Note - 19 : Other current financial liabilities

	As at 31st March, 2019	As at 31st March, 2018
Book overdraft	-	5,163.52
	<u>-</u>	<u>5,163.52</u>

Note - 20 : Other current liabilities

	As at 31st March, 2019	As at 31st March, 2018
Statutory dues	26,292.83	366.06
	<u>26,292.83</u>	<u>366.06</u>

Note - 21 : Current tax liabilities

	As at 31st March, 2019	As at 31st March, 2018
Provision for taxation (net of advance tax and tax deducted at source)	-	295.95
	<u>-</u>	<u>295.95</u>

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

(Amount in hundreds)

Note - 22 : Other income

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest income from financial assets at amortised cost		
Deposits	1,98,484.31	2,33,583.23
Profit on sale of investments in mutual funds	5,20,737.69	1,18,342.79
Net gain arising on investments in mutual funds measured at fair value through profit or loss	(1,68,514.97)	1,79,068.35
	<u>5,50,707.04</u>	<u>5,30,994.37</u>

Note - 23 : Employee benefits expense

	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages and bonus	23,905.80	19,501.56
	<u>23,905.80</u>	<u>19,501.56</u>

Note - 24 : Finance costs

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest expense for financial liabilities not classified as fair value through profit or loss		
Others	3,72,427.39	-
	<u>3,72,427.39</u>	<u>-</u>

Note - 25 : Other expenses

	Year ended 31st March, 2019	Year ended 31st March, 2018
Rent and hire charges	639.75	607.66
Rates and taxes	20.00	20.00
Corporate social responsibility expenses (Refer note 31)	43,000.00	43,000.00
Directors sitting fees	-	2,806.50
Auditors remuneration (Refer note 30)	1,180.00	1,180.00
Legal, professional and consultancy fees	3,122.60	9,429.47
Miscellaneous expenses	122.10	13.22
	<u>48,084.45</u>	<u>57,056.85</u>

Note 26: Income tax expenses

(Amount in hundreds)

(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	1,23,066.24	92,654.27
	<u>1,23,066.24</u>	<u>92,654.27</u>
Deferred tax :		
(Increase) in deferred tax assets	(1,78,058.38)	(62,974.93)
(Decrease)/ Increase in deferred tax liabilities	(46,880.87)	44,798.25
	<u>(2,24,939.25)</u>	<u>(18,176.68)</u>
Adjustment for current tax of prior periods	62.08	187.15
Income tax expense attributable to continuing operations	<u><u>(1,01,810.93)</u></u>	<u><u>74,664.74</u></u>

(b) Reconciliation of income tax expense

	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit before tax from continuing operations	1,06,289.40	4,54,435.96
Expected income tax expense calculated using tax rate at 27.82% (Previous year - 27.82%)	29,569.71	1,26,424.08
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of Corporate social responsibility expenditure that is not deductible in determining tax profit	5,981.30	11,962.60
Effect of MAT credit (recognised)/not recognised in the previous years	(1,29,538)	92,654.27
Deferred tax on tax losses pertaining to earlier years recognised	(7,885.60)	(1,51,544.80)
Effect on deferred tax balance due to change in enacted income tax rate	-	(5,018.56)
Total	<u><u>(1,01,873.01)</u></u>	<u><u>74,477.59</u></u>
Adjustment for current tax of prior periods	62.08	187.15
Total expenses as per statement of Profit and Loss	<u><u>(1,01,810.93)</u></u>	<u><u>74,664.74</u></u>

Note 26: Income tax expenses (Contd.)

(Amount in hundreds)

(c) Deferred tax balances

(i) The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet

	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets	1,39,848.66	62,974.93
Deferred tax liabilities	(29,565.03)	(76,445.90)
	<u>1,10,283.63</u>	<u>(13,470.97)</u>

(ii) Movement of deferred tax

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2019

	Opening balance	Recognised in profit or loss	Utilisation	Recognised in OCI	(Amount in hundreds) Closing balance
Property, plant and equipment / Capital Work in Progress		1,03,609.30	-	-	1,03,609.30
Financial assets at fair value through profit and loss	(76,445.90)	46,880.87	-	-	(29,565.03)
MAT credit recognised / (utilised) of earlier years	-	1,29,538.41	(1,01,184.65)	-	28,353.76
Unabsorbed depreciation	62,974.93	(62,974.93)	-	-	-
Unabsorbed tax loss	-	7,885.60	-	-	7,885.60
	<u>(13,470.97)</u>	<u>2,24,939.25</u>	<u>(1,01,184.65)</u>	<u>-</u>	<u>1,10,283.63</u>

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2018

	Opening balance	Recognised in profit or loss	Utilisation	Recognised in OCI	Closing balance
Financial assets at fair value through profit and loss	(31,647.65)	(44,798.25)	-	-	(76,445.90)
Unabsorbed depreciation		62,974.93	-	-	62,974.93
	<u>(31,647.65)</u>	<u>18,176.68</u>	<u>-</u>	<u>-</u>	<u>(13,470.97)</u>

(iii) Unrecognised deferred tax assets

	As at 31st March, 2019	As at 31st March, 2018
Unused tax losses	-	7,885.60
Unused tax credits	-	1,29,538.42
	<u>-</u>	<u>1,37,424.02</u>



TORRENT SOLARGEN LIMITED

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

Note 27: Commitments

(Amount in hundreds)

	As at 31st March, 2019	As at 31st March, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	7,22,05,800	-
	<u>7,22,05,800</u>	<u>-</u>

Note 28: 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 29: Operating lease

The Company's significant leasing arrangements are in respect of office premises. The arrangement is for 9 years and is renewable/cancellable 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 SOLARGEN LIMITED

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

(Amount in hundreds)

Note 30: 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 31: Corporate Social Responsibility (CSR) expenditure

	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Gross amount required to be spent by the Company	42,630.73	42,637.46
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	43,000.00	43,000.00
	<u>43,000.00</u>	<u>43,000.00</u>
(c) Contribution to section 8 companies in relation to CSR expenditure		
(i) Tornascent Care Institute	43,000.00	43,000.00
	<u>43,000.00</u>	<u>43,000.00</u>

Note 32: Earnings per share

	Year ended 31st March, 2019	Year ended 31st March, 2018
Basic earnings per share	0.26	0.47
Diluted earnings per share	0.26	0.47

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
Profit for the year attributable to the Company used in calculation of basis earning per share (amount in hundred)	2,08,100.33	3,79,771.22
Weighted average number of equity shares (in hundred)	8,00,500.00	8,00,500.00

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

Note 33: Operating segment

The Company does not have any revenue from operations in the current year, however the Company is engaged in developing a wind power project in the state of Maharashtra which is yet to be commissioned. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company business and hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

TORRENT SOLARGEN LIMITED**Notes to the financial statements for the year ended March 31, 2019****Note 34: 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	Entity where parent company has 50% voting rights #	Tornascent Care Institute
4	Key management personnel	T. P. Vijayasathy Chairman & Director Chintan Shah Chief Executive Officer
5	Non Executive Directors	Harnish Patel Pradip Mehta

with whom transactions have taken place during the year.



TORRENT SOLARGEN LIMITED

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

(Amount in hundreds)

Note 34: Related party disclosures (Contd.)
(b) Related party transactions

	Entity where parent company has 50% voting rights		Parent Company		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Nature of transactions						
Rent Expense	-	-	639.75	607.66	639.75	607.66
Torrent Power Limited	-	-	639.75	607.66	639.75	607.66
Employee benefits expense	-	-	23,905.80	19,501.56	23,905.80	19,501.56
Torrent Power Limited	-	-	23,905.80	19,501.56	23,905.80	19,501.56
Donation for CSR expenditure	43,000.00	43,000.00	-	-	43,000.00	43,000.00
Tornascent Care Institute	43,000.00	43,000.00	-	-	43,000.00	43,000.00
Loan received	-	-	1,28,00,000.00	-	1,28,00,000.00	-
Torrent Power Ltd.	-	-	1,28,00,000.00	-	1,28,00,000.00	-
Interest Expense on Loan	-	-	3,72,427.39	-	3,72,427.39	-
Torrent Power Limited	-	-	3,72,427.39	-	3,72,427.39	-

TORRENT SOLARGEN LIMITED**Notes to the financial statements for the year ended March 31, 2019****Note 34: Related party disclosures (Contd.)****(c) Related party balances****(Amount in hundreds)**

	Parent Company		Total	
	As at	As at	As at	As at
	31.03.19	31.03.18	31.03.19	31.03.18
Balances at the end of the year				
Loan outstanding	1,31,35,184.65	-	-	-
Torrent Power Limited	1,31,35,184.65	-	-	-
Rent Deposit	50.00	50.00	50.00	50.00
Torrent Power Limited	50.00	50.00	50.00	50.00

(d) Terms and conditions of outstanding balances

1. Interest free Rent Deposit has been given to Torrent Power Limited as per agreement for leave and license for use of office premises for 9 years.

2. Loan from Torrent Power Limited is repayable on demand along with interest @ 9% p.a.



Note 35: Financial instruments and risk review**(a) Capital Management**

The Company manages its capital structure to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 15 & 16) and debt (borrowings as detailed in note 17).

The Company's management reviews the capital structure of the Company on annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company has a target gearing ratio of 2:1 determined as the proportion of debt to equity.

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	1,31,35,184.65	-
Equity	85,19,790.83	84,35,445.10
Net debt to equity ratio	1.54	-

(i) Debt represents borrowing taken from the parent company including interest accrued

(ii) Equity is defined as Equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets.

Loan Covenants

The Company has complied with financial covenants specified as per the terms of borrowing facility.

(b) Categories of financial instruments

	As at 31st March, 2019		(Amount in hundreds) As at 31st March, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised Cost				
Cash and cash equivalents	3,279.96	3,279.96	56.79	56.79
Loans	810.00	810.00	50.00	50.00
Other current financial assets	-	-	47,64,224.91	47,64,224.91
	4,089.96	4,089.96	47,64,331.70	47,64,331.70
Measured at fair value through profit and loss (FVTPL)				
Investments in mutual funds	88,81,837.55	88,81,837.55	36,79,940.42	36,79,940.42
	88,81,837.55	88,81,837.55	36,79,940.42	36,79,940.42
Financial liabilities				
Measured at amortised Cost				
Current Borrowing	1,31,35,184.65	1,31,35,184.65	-	-
Trade payable	2,565.00	2,565.00	3,642.19	3,642.19
Other financial liabilities	-	-	5,163.52	5,163.52
	1,31,37,749.65	1,31,37,749.65	8,805.71	8,805.71

(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.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

Note 35: Financial instruments and risk review

(i) Financial assets at fair value through profit and loss (FVTPL)

(Amount in hundreds)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2019	31st March, 2018		
Investment in mutual funds	88,81,837.55	36,79,940.42	Level 1	Quoted bid prices in an active market
	<u>88,81,837.55</u>	<u>36,79,940.42</u>		

(d) Financial risk management objectives

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations, routine and projects capital expenditure. The Company's principal financial assets include investment in mutual funds, cash and cash equivalents.

The Company is in the initial stage of development of wind power project wherein the company has given advance to EPC contractor. The Company is in the process of raising funds from bank/financial institution to finance the project.

Interest rate risk

The Company's borrowings are bearing a fixed rate of interest. The Company has borrowed the funds from its Parent Company. These borrowings are repayable on demand. (Refer note 17)

The following table provides a break-up of the Company's borrowings:

	As at 31st March, 2019	As at 31st March, 2018
Fixed rate borrowings	1,31,35,184.65	-
	<u>1,31,35,184.65</u>	<u>-</u>

Interest rate risk sensitivity:

Entire amount of borrowings of the Company are bearing fixed rate of interest. Accordingly, the profit before tax is not sensitive to the interest rate risk.

TORRENT SOLARGEN LIMITED
Notes to the financial statements for the year ended March 31, 2019
Note 35: Financial instruments and risk review
(d) Financial risk management objectives (contd.)
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. The Company manages liquidity risk by preparing cash flow forecasts and by ensuring it has sufficient funding to meet its forecast cash demands. As of now, the Company's obligations are met by raising funds from the Parent Company.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

As at 31st March, 2019

(Amount in hundreds)

	Less than 1 year	Total
Financial liabilities		
Current financial liabilities		
Current Borrowings	1,31,35,184.65	1,31,35,184.65
Trade payables	2,565.00	2,565.00
Other financial liabilities	-	-
	<u>1,31,37,749.65</u>	<u>1,31,37,749.65</u>
Total financial liabilities	<u>1,31,37,749.65</u>	<u>1,31,37,749.65</u>

As at 31st March, 2018

(Amount in hundreds)

	Less than 1 year	Total
Financial liabilities		
Current financial liabilities		
Trade payables	3,642.19	3,642.19
Other financial liabilities	5,163.52	5,163.52
	<u>8,805.71</u>	<u>8,805.71</u>
Total financial liabilities	<u>8,805.71</u>	<u>8,805.71</u>

TORRENT SOLARGEN LIMITED

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

Note 36: Approval of financial statements

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

Signature to Note 1 to 36

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

Chintan Shah
Chief Executive Officer

T. P. Vijayasathy
Chairman
DIN: 00271777

Piyush Jalandhara
Partner
Membership No.: 122351

Shivani Jain
Company Secretary

Priya Jain
Chief Financial Officer

Place:
Date:

Place:
Date: