

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 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, 2020, 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 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 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, 2020, 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 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 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 financial statements regarding preparation of 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. Further, as stated in the Note 29 to the financial statements, the management believes that no adjustments are required in the financial statements on account of COVID 19 as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.



Price Waterhouse Chartered Accountants LLP, 1701, 17th Floor, Shapath V, Opp. Karnavati Club, S G Highway
Ahmedabad - 380 051, Gujarat, India
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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Torrent Pipavav Generation Limited
Report on audit of the Financial Statements
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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 financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of management and those charged with governance for the 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 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 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 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.



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INDEPENDENT AUDITOR'S REPORT

To the Members of Torrent Pipavav Generation Limited
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Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the 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 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 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 internal financial controls with reference to 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 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 financial statements, including the disclosures, and whether the 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.



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INDEPENDENT AUDITOR'S REPORT

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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.
 - 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 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2020.
 - 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, 2020.



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- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
- 14. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

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

Viren Shah
Partner
Membership Number: 046521
UDIN: 20046521AAAABX8103

Place: Ahmedabad
Date: May 13, 2020

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 financial statements for the year ended March 31, 2020

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Report on the Internal Financial Controls with reference to 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 financial statements of Torrent Pipavav Generation Limited ("the Company") as of March 31, 2020 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.



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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 financial statements for the year ended March 31, 2020

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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, 2020, 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. Also refer paragraph 4 of the main audit report.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Viren Shah

Partner

Membership Number: 046521

UDIN: 20046521 AAAABX8103

Place: Ahmedabad

Date: May 13, 2020

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 financial statements as of and for the year ended March 31, 2020

- 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 services tax and other material statutory dues, as applicable, with the appropriate authorities.

Further, for the period March 1, 2020 to March 31, 2020, the Company had Rs. Nil liability towards Goods and Service Tax. However, the Company has filed GSTR 1 and GSTR3B (after the due date but) within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notification Number 32/2020, 33/2020 and 34/2020 - Central Tax dated April 3, 2020 on fulfilment of conditions specified therein.

- (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 and goods and services 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

Viren Shah
Partner
Membership Number: 046521
UDIN: 20046521AAAABX8103

Place: Ahmedabad
Date: May 13, 2020

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TORRENT PIPAVAV GENERATION LIMITED

**Balance Sheet
as at March 31, 2020**

(Amount in hundreds)

	Note	As at March 31, 2020	As at March 31, 2019
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	186.29	340.98
Other bank balances	6	-	150.00
Loans	7	2,116.13	616.13
Other financial assets	8	9,428,537.50	9,428,569.63
		<u>9,430,839.92</u>	<u>9,429,676.74</u>
		<u>9,430,839.92</u>	<u>9,429,676.74</u>
Equity and liabilities			
Equity			
Share capital	9	5,000,000.00	5,000,000.00
Other equity	10	(1,511,120.84)	(1,349,636.97)
		<u>3,488,879.16</u>	<u>3,650,363.03</u>
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	11	5,923,091.10	5,762,091.10
Trade payables	12	-	-
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		11,044.78	11,241.80
Other financial liabilities	13	7,282.17	-
Other current liabilities	14	542.71	5,977.81
Current tax liabilities (net)	15	-	3.00
		<u>5,941,960.76</u>	<u>5,779,313.71</u>
		<u>9,430,839.92</u>	<u>9,429,676.74</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
Firm Registration Number : 012754N / N500016

Saurabh Mashruwala
Director
DIN: 01786490

Sanjay Dalal
Director
DIN: 06905251

Viren Shah
Partner
Membership No.: 046521

Manisha Sikaria
Chief Financial Officer

Hemant Shah
Chief Executive Officer

Fenil Shah
Company Secretary

Place: Ahmedabad
Date: May 13, 2020

Place: Ahmedabad
Date: May 13, 2020

TORRENT PIPAVAV GENERATION LIMITED

Statement of Profit and Loss

for the year ended March 31, 2020

	Note	Year ended March 31, 2020	(Amount in hundreds) Year ended March 31, 2019
Income			
Other income	16	5.51	11.25
Total income		5.51	11.25
Expenses			
Employee benefits expense	17	36,660.93	21,767.78
Other expenses	18	124,828.45	122,664.21
Total expenses		161,489.38	144,431.99
Loss before tax		(161,483.87)	(144,420.74)
Tax expenses			
Current tax	19	-	3.00
		-	3.00
Loss for the year		(161,483.87)	(144,423.74)
Other comprehensive income			
		-	-
Total comprehensive income for the year		(161,483.87)	(144,423.74)
Basic and diluted earnings per share of face value of Rs.10 each (in Rs.)	25	(0.32)	(0.29)

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
Firm Registration Number : 012754N / N500016

Saurabh Mashruwala
Director
DIN: 01786490

Sanjay Dalal
Director
DIN: 06905251

Viren Shah
Partner
Membership No.: 046521

Manisha Sikaria
Chief Financial Officer

Hemant Shah
Chief Executive Officer

Fenil Shah
Company Secretary

Place: Ahmedabad
Date: May 13, 2020

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Date: May 13, 2020

TORRENT PIPAVAV GENERATION LIMITED
Cash Flow Statement
for the year ended March 31, 2020

(Amount in hundreds)
Year ended
March 31, 2019

	Note	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities			
Net loss before tax		(161,483.87)	(144,420.74)
Adjustments for :			
Interest income	16	(5.51)	(11.25)
Operating loss before working capital changes		(161,489.38)	(144,431.99)
Movement in working capital:			
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	12	(197.02)	(16,981.53)
Other current financial liabilities	13	7,282.17	-
Other current liabilities	14	(5,435.10)	(66.59)
Current Loans	7	(1,500.00)	-
Cash used in operations		(161,339.33)	(161,480.11)
Taxes paid		(3.00)	(2.90)
Net cash generated from / (used in) operating activities		(161,342.33)	(161,483.01)
Cash flow from investing activities			
Redemption in bank deposits (Original maturity more than three months)	6	150.00	-
Interest received		37.64	-
Net cash generated from / (used in) investing activities		187.64	-
Cash flow from financing activities			
Proceeds from short-term borrowings	11	161,000.00	150,000.00
Net cash generated from / (used in) financing activities		161,000.00	150,000.00
Net increase in cash and cash equivalents		(154.69)	(11,483.01)
Cash and cash equivalents as at beginning of the year		340.98	11,823.99
Cash and cash equivalents as at end of the year		186.29	340.98
Footnote:			
Cash and cash equivalents as at end of the year:			
Cash and cash equivalents	5		
Balance in current accounts		15.77	323.53
Cash on hand		170.52	17.45
		186.29	340.98

1. 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 Boards of Directors

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

Saurabh Mashruwala
Director
DIN: 01786490

Sanjay Dalal
Director
DIN: 06905251

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Company Secretary

Place: Ahmedabad
Date: May 13, 2020

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Date: May 13, 2020

TORRENT PIPAVAV GENERATION LIMITED

Statement of changes in equity for the year ended March 31, 2020

A. Equity share capital (refer note 9)

(Amount in hundreds)

Balance as at April 01, 2018	5,000,000.00
Changes in equity share capital during the year	-
Balance as at March 31, 2019	<u>5,000,000.00</u>
Changes in equity share capital during the year	-
Balance as at March 31, 2020	<u>5,000,000.00</u>

B. Other equity (refer note 10)

(Amount in hundreds)

Reserves and surplus

Retained earnings

Balance as at April 01, 2018	(1,205,213.23)
Loss for the year	(144,423.74)
Total comprehensive income for the year	<u>(144,423.74)</u>
Balance as at March 31, 2019	<u>(1,349,636.97)</u>
Loss for the year	(161,483.87)
Total comprehensive income for the year	<u>(161,483.87)</u>
Balance as at March 31, 2020	<u>(1,511,120.84)</u>

In terms of our report attached

For and on behalf of the Board of Directors

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

Saurabh Mashruwala
Director
DIN: 01786490

Sanjay Dalal
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DIN: 06905251

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Chief Financial Officer

Hemant Shah
Chief Executive Officer

Fenil Shah
Company Secretary

Place: Ahmedabad
Date: May 13, 2020

Place: Ahmedabad
Date: May 13, 2020

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

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 April 01, 2019:

Ind AS - 116 "Leases" and other amendments:

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards), 2019 on March 30, 2019 which includes Ind AS - 116 "Leases". MCA also notified certain other amendments to Indian Accounting Standards (Ind AS), as part of the Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

There is no impact on Company's financial statement due to Ind AS - 116 and the other amendments.

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) Non-Going Concern Basis

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. The 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.

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

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, 2020 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 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.

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.

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

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.

3.4 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.

3.5 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.

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

3.6 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 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

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

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.

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

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

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.

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.

3.7 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.

3.8 Leases:

The Company has applied Ind AS 116 for the first time for the annual reporting period commencing April 01, 2019.

Company as a lessee:

From April 01, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components.

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right to use of assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right to use assets are depreciated over the asset's lease term on a straight line basis. The leasing arrangements range between 11 months and 99 years generally

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment and small value of building.

3.9 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.

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

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.

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 PIPAVAV GENERATION LIMITED**Notes to the financial statements for the year ended March 31, 2020**

(Amount in hundreds)

Note - 5 : Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Balance in current accounts	15.77	323.53
	<u>15.77</u>	<u>323.53</u>
Cash on hand	170.52	17.45
	<u>186.29</u>	<u>340.98</u>

Note - 6 : Other bank balances

	As at March 31, 2020	As at March 31, 2019
Balance in fixed deposit accounts # (original maturity of more than three months but less than twelve months)	-	150.00
	<u>-</u>	<u>150.00</u>

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

Note 7 : Current loans

Unsecured (considered good unless stated otherwise)

	As at March 31, 2020	As at March 31, 2019
Security deposits	2,116.13	616.13
	<u>2,116.13</u>	<u>616.13</u>

Note 8 : Other current financial assets

Unsecured (considered good unless stated otherwise)

	As at March 31, 2020	As at March 31, 2019
Interest accrued on deposits	-	32.13
	<u>-</u>	<u>32.13</u>
Other advances		
Considered good #	9,428,537.50	9,428,537.50
	<u>9,428,537.50</u>	<u>9,428,569.63</u>

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

TORRENT PIPAVAV GENERATION LIMITED
Notes to the financial statements for the year ended March 31, 2020

Note - 9 : Equity share capital

(Amount in hundreds)

	As at March 31, 2020	As at March 31, 2019
Authorised		
10,00,00,000 (10,00,00,000 as at March 31, 2019) equity shares of Rs.10 each	<u>10,000,000.00</u>	<u>10,000,000.00</u>
	<u>10,000,000.00</u>	<u>10,000,000.00</u>
Issued, subscribed and paid up		
5,00,00,000 (5,00,00,000 as at March 31, 2019) equity shares of Rs.10 each	<u>5,000,000.00</u>	<u>5,000,000.00</u>
	<u>5,000,000.00</u>	<u>5,000,000.00</u>

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

	No. of shares As at March 31, 2020	No. of shares As at March 31, 2019
At the beginning of the year	<u>50,000,000.00</u>	<u>50,000,000.00</u>
Outstanding at the end of the year	<u>50,000,000.00</u>	<u>50,000,000.00</u>

2 4,75,00,000 equity shares (4,75,00,000 equity shares as at March 31, 2019) 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 March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Torrent Power Limited (jointly with nominees)	47,500,000	95.00%	47,500,000	95.00%

(Amount in hundreds)

Note - 10 : Other equity

	As at March 31, 2020	As at March 31, 2019
Reserves and surplus		
Retained earnings	<u>(1,511,120.84)</u>	<u>(1,349,636.97)</u>
	<u>(1,511,120.84)</u>	<u>(1,349,636.97)</u>

Notes:

1 Retained earnings:

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

TORRENT PIPAVAV GENERATION LIMITED
Notes to the financial statements for the year ended March 31, 2020

(Amount in hundreds)

Note - 11 : Current borrowings

	As at March 31, 2020	As at March 31, 2019
Unsecured loans		
Loan from Torrent Power Ltd. (Parent Company) #	5,923,091.10	5,762,091.10
	<u>5,923,091.10</u>	<u>5,762,091.10</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 March 31, 2020	As at March 31, 2019
Cash and cash equivalents	186.29	340.98
Current borrowings	5,923,091.10	5,762,091.10
Net Debt	<u>5,922,904.81</u>	<u>5,761,750.12</u>

	Other assets Cash and cash equivalents	Liabilities from financing activities Current borrowings	Total
Net debt as on March 31, 2019	340.98	5,762,091.10	5,761,750.12
Cash flows	(154.69)	161,000.00	161,154.69
Net debt as on March 31, 2020	<u>186.29</u>	<u>5,923,091.10</u>	<u>5,922,904.81</u>

Note - 12 : Current trade payables

	As at March 31, 2020	As at March 31, 2019
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises (Refer note 22)	-	-
Total outstanding dues other than micro and small enterprises	11,044.78	11,241.80
	<u>11,044.78</u>	<u>11,241.80</u>

Note - 13 : Other current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Book overdraft	7,282.17	-
	<u>7,282.17</u>	<u>-</u>

Note - 14 : Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Statutory dues	542.71	597.40
Sundry payables	-	5,380.41
	<u>542.71</u>	<u>5,977.81</u>

Note - 15 : Current tax liabilities

	As at March 31, 2020	As at March 31, 2019
Provision for taxation	-	3.00
	<u>-</u>	<u>3.00</u>

TORRENT PIPAVAV GENERATION LIMITED
Notes to the financial statements for the year ended March 31, 2020

(Amount in hundreds)

Note - 16 : Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income from financial assets at amortised cost		
Deposits	5.51	11.25
	<u>5.51</u>	<u>11.25</u>

Note - 17 : Employee benefits expense*

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	30,576.46	18,877.72
Contribution to provident and other funds	6,084.47	2,890.06
	<u>36,660.93</u>	<u>21,767.78</u>

*Represents shared expenditure with Torrent Power Limited (Refer Note 26)

Note - 18 : Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Rent and hire charges	667.08	635.26
Insurance	68.63	80.38
Rates and taxes	5,383.71	5,380.41
Electricity expenses	300.80	380.43
Security expenses	103,450.72	102,492.63
Directors sitting fees	3,658.00	3,540.00
Auditors remuneration (Refer note 24)	1,180.00	1,180.00
Legal, professional and consultancy fees	8,554.14	6,947.80
Miscellaneous expenses	1,565.37	2,027.30
	<u>124,828.45</u>	<u>122,664.21</u>

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

(Amount in Hundreds)

Note 19: Income tax expenses

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

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax :		
Current tax on profits for the year	-	3.00
Income tax expense attributable to continuing operations	-	3.00

(b) Reconciliation of current tax

	Year ended March 31, 2020	Year ended March 31, 2019
Loss before tax from continuing operations	(1,61,483.87)	(1,44,420.74)
Expected income tax expense calculated using tax rate at 26% (Previous year - 26%)	(41,985.81)	(37,549.39)
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses that are not deductible in determining tax profit	41,985.81	37,552.39
Total expenses as per Statement of Profit and Loss	-	3.00

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

Note 20: Commitments

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

Note 21: 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 22: 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 23: Operating lease

The Company's significant leasing arrangements are in respect of office premises taken on lease. However this arrangement does not contain any lease component as per Ind AS - 116.

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

(Amount in Hundreds)

Note 24: Auditors remuneration

	Year ended March 31, 2020	Year ended March 31, 2019
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 25: Earnings per share

	Year ended March 31, 2020	Year ended March 31, 2019
Basic earnings per share	(0.32)	(0.29)
Diluted earnings per share	(0.32)	(0.29)

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 March 31, 2020	Year ended March 31, 2019
Loss for the year attributable to the Company used in calculation of basis earning per share (amount in hundreds)	(1,61,483.87)	(1,44,423.74)
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.

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

Note 26: 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. Vijayarathy (Upto 25th July 2019) Sanjay Dalal (W.e.f 22nd April 2019) 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, 2020

(Amount in Hundreds)

Note 26: Related party disclosures (Contd.)**(b) Related party transactions**

	Parent Company		Total	
	Year ended	Year ended	Year ended	Year ended
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Nature of transactions				
Rent Expense (including tax)	667.08	635.26	667.08	635.26
Torrent Power Limited	667.08	635.26	667.08	635.26
Shared expenditure	36,660.93	21,767.78	36,660.93	21,767.78
Torrent Power Limited	36,660.93	21,767.78	36,660.93	21,767.78
Sitting Fees to non-executive directors (excluding Goods and service tax)	3,100.00	3,000.00	3,100.00	3,000.00
Vasant A. Shah	1,550.00	1,500.00	1,550.00	1,500.00
Samir Barua	1,550.00	1,500.00	1,550.00	1,500.00
Loan received	1,61,000.00	1,50,000.00	1,61,000.00	1,50,000.00
Torrent Power Limited	1,61,000.00	1,50,000.00	1,61,000.00	1,50,000.00

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

(Amount in Hundreds)

Note 26: Related party disclosures (Contd.)**(c) Related party balances**

	Parent Company	
	As at	As at
	31.03.2020	31.03.2019
Balances at the end of the year		
Unsecured Loans	59,23,091.10	57,62,091.10
Torrent Power Limited	59,23,091.10	57,62,091.10
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, 2020

Note 27: 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 11) and equity of the Company (comprising issued capital, retained earnings, as detailed in notes 9 and 10).

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 March 31, 2020	As at March 31, 2019
Debt	59,23,091.10	57,62,091.10
Equity	34,88,879.16	36,50,363.03
Net debt to equity ratio	<u>1.70</u>	<u>1.58</u>

- (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 March 31, 2020		As at March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised Cost				
Cash and cash equivalents	186.29	186.29	340.98	340.98
Other bank balances	-	-	150.00	150.00
Loans	2,116.13	2,116.13	616.13	616.13
Other financial assets	94,28,537.50	94,28,537.50	94,28,569.63	94,28,569.63
	<u>94,30,839.92</u>	<u>94,30,839.92</u>	<u>94,29,676.74</u>	<u>94,29,676.74</u>
Financial liabilities				
Measured at amortised Cost				
Borrowing	59,23,091.10	59,23,091.10	57,62,091.10	57,62,091.10
Trade payable	11,044.78	11,044.78	11,241.80	11,241.80
Other financial liabilities	7,282.17	7,282.17	-	-
	<u>59,41,418.05</u>	<u>59,41,418.05</u>	<u>57,73,332.90</u>	<u>57,73,332.90</u>

(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.

TORRENT PIPAVAV GENERATION LIMITED
Notes to the financial statements for the year ended March 31, 2020

Note 27: 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 March 31, 2020

	(Amount in Hundreds)	
	Less than 1 year	Total
Financial liabilities		
Current financial liabilities		
Borrowings	59,23,091.10	59,23,091.10
Trade payables	11,044.78	11,044.78
Other financial liabilities	7,282.17	7,282.17
	<u>59,41,418.05</u>	<u>59,41,418.05</u>
Total financial liabilities	<u>59,41,418.05</u>	<u>59,41,418.05</u>

As at March 31, 2019

	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
Other financial liabilities	-	-
	<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>

TORRENT PIPAVAV GENERATION LIMITED

Notes to the financial statements for the year ended March 31, 2020

Note 28: 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 29: Impact of Covid - 19 Pandemic

The spread of COVID-19 disease has severely impacted economies, businesses and social set ups across the globe. India is no exception; the spread of COVID-19 and the consequent lock-downs, disruptions in transportation and supply chains, travel bans, quarantines, social distancing and other such emergency measures have caused widespread disruptions in the economy and businesses. The resultant situation is both complex and continuously evolving, with no clear visibility of the near to medium term future outlook. In the above backdrop, the Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic in the financial statements for the year ended March 31, 2020.

The Company's financial statements are prepared on a non-going concern basis. Management has made a detailed assessment of its liquidity position for the next one year and of the recoverability and carrying value of its assets comprising of financial assets as at Balance sheet date and has concluded that there are no material adjustments required in the financial statements.

Management believes that it has taken into account all the known impacts arising from COVID 19 pandemic in the preparation of the financial results. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

Note 30: Approval of financial statements

The financial statements were approved for issue by the board of directors on May 13, 2020

Signature to Note 1 to 30

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number : 012754N / N500016

Saurabh Mashruwala

Director

DIN: 01786490

Sanjaj Dalal

Director

DIN: 06905251

Viren Shah

Partner

Membership No.: 046521

Manisha Sikaria

Chief Financial Officer

Hemant Shah

Chief Executive Officer

Fenil Shah

Company Secretary

Place: Ahmedabad
Date: May 13, 2020

Place: Ahmedabad
Date: May 13, 2020