TORRENT POWER GRID LIMITED

Deloitte Haskins & Sells

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT
To The Members of Torrent Power Grid Limited
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Torrent Power Grid Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of accounts maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad, 17th May, 2017

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Report on Internal Financial Controls Over Financial Reporting

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Torrent Power Grid Limited** ("the Company") as of 31st March, 2017 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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad, 17th May, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

1. In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The fixed assets have been physically verified by the management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

2. In respect of its inventory:
   (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.

   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory and no discrepancies were noticed on such physical verification.

3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

5. According to the information and explanations given to us, the Company has not accepted any deposit during the year.

6. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained We have, however, not made a detailed

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examination of the cost records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us in respect of statutory dues :

The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Value Added Tax, Service Tax, Cess and Other material statutory dues with appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund , Income-tax, Value Added Tax, Service Tax, Cess and other material statutory dues in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Demand of tax	CIT (Appeals)	PY 2010-11	1,022,950	Nil
Income Tax Act, 1961	Demand of tax	CIT (Appeals)	PY 2009-10	1,033,670	Nil

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Ind AS.

14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

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

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad, 17th May, 2017

TORRENT POWER GRID LIMITED

Balance sheet

as at 31st March, 2017

	Note	As at 31st March, 2017	As at 31st March, 2016	Amt. in Rs. As at 1st April, 2015
Assets				
Non-current assets				
Property, plant and equipment	7	2,04,99,88,571	2,21,44,16,383	2,37,88,71,508
Other financial assets	8	-	33,466	33,466
		2,04,99,88,571	2,21,44,49,849	2,37,89,04,974
Current assets				
Inventories	9	48,60,990	63,71,124	54,72,542
Financial assets				
Investments	10	30,31,74,657	20,62,66,389	6,55,37,845
Trade receivables	11	6,13,69,430	8,06,01,122	9,26,07,729
Cash and cash equivalents	12	40,50,680	1,22,96,446	59,81,048
Other bank balances	13	91,460	53,680	4,75,49,100
Other financial assets	14	9,08,394	3,26,60,265	5,30,13,682
Current tax assets (net)	15	36,82,177	32,27,703	39,51,640
Other current assets	16	1,75,801	1,84,523	1,81,157
		37,83,13,589	34,16,61,272	27,42,94,743
		2,42,83,02,160	2,55,61,11,121	2,65,31,99,717
Equity and liabilities				
Equity				
Equity share capital	17	90,00,00,000	90,00,00,000	90,00,00,000
Other equity	18	11,85,87,182	16,01,12,483	13,89,62,364
		1,01,85,87,182	1,06,01,12,483	1,03,89,62,364
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	19	81,66,00,000	1,02,02,00,000	1,22,38,00,000
Provisions	20	7,14,264	5,00,595	8,07,154
Deferred tax liabilities (net)	33	23,62,50,487	19,98,66,202	11,04,47,520
Other non-current liabilities	21	4,60,33,462	5,01,54,396	5,42,75,330
		1,09,95,98,213	1,27,07,21,193	1,38,93,30,004
Current liabilities				
Financial liabilities				
Trade payables	22			
Due to others		66,05,874	70,84,689	72,03,772
Other financial liabilities	23	29,79,18,006	21,24,38,652	21,25,38,652
Other current liabilities	24	49,02,676	45,45,006	44,38,421
Provisions	25	86,024	6,05,913	1,23,319
Current tax liabilities (net)	26	6,03,185	6,03,185	6,03,185
		31,01,16,765	22,52,77,445	22,49,07,349
		2,42,83,02,160	2,55,61,11,121	2,65,31,99,717

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

I.S. Jha
Chairman

T. P. Vijayasarathy
CFO

Hemendra L. Shah
Partner

Abhinav Mathur
Company Secretary

Ahmedabad, 17th May, 2017

Ahmedabad, 17th May, 2017

TORRENT POWER GRID LIMITED

Statement of profit and loss

for the year ended 31st March, 2017

	Note	Year ended 31st March, 2017	Amt. in Rs. Year ended 31st March, 2016
Income			
Revenue from operations	27	38,97,74,076	54,23,97,309
Other income	28	2,26,53,836	2,52,49,999
Total Income		41,24,27,912	56,76,47,308
Expenses			
Employee benefits expense	29	1,19,48,090	1,01,35,409
Finance costs	30	11,41,28,971	14,53,28,532
Depreciation and amortization expense	31	16,44,27,812	16,44,55,125
Other expenses	32	3,14,03,306	3,29,04,939
Total expenses		32,19,08,179	35,28,24,005
Profit before exceptional items and tax		9,05,19,733	21,48,23,303
Exceptional items		-	-
Profit before tax		9,05,19,733	21,48,23,303
Tax expenses			
Current tax		1,95,50,000	4,47,10,000
Deferred tax		3,64,83,067	8,94,07,422
Total tax expenses		5,60,33,067	13,41,17,422
Profit for the year from continuing operations		3,44,86,666	8,07,05,881
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		(2,85,431)	32,532
Tax relating to remeasurement of the defined benefit plans		98,782	(11,260)
Other comprehensive income for the year (net of tax)		(1,86,649)	21,272
Total comprehensive income for the year		3,43,00,017	8,07,27,153
Basic and diluted earnings per share of face value of Rs.10 each (in Rs.)		0.38	0.90

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

I.S. Jha
Chairman

T. P. Vijayasarathy
CFO

Hemendra L. Shah
Partner

Abhinav Mathur
Company Secretary

Ahmedabad, 17th May, 2017

Ahmedabad, 17th May, 2017

TORRENT POWER GRID LIMITED

Cash flow statement

For the year ended 31st March, 2017

Amt. in Rs.

	Year ended 31st March, 2017	Year ended 31st March, 2016
Cash flow from operating activities		
Net profit before tax	9,05,19,733	21,48,23,303
Adjustments for :		
Depreciation and amortization expense	16,44,27,812	16,44,55,125
Finance costs	11,41,28,971	14,53,28,532
Interest income	(7,459)	(29,27,421)
Net gain / (loss) arising on investments in mutual funds mandatorily measured at fair value through profit or loss	(2,14,562)	(53,85,525)
Operating profit before working capital changes	36,88,54,495	51,62,94,014
Movement in working capital:		
Adjustments for decrease / (increase) in operating assets:		
Inventories	15,10,135	(8,98,581)
Trade receivables	1,92,31,692	1,20,06,607
Other current financial asset	3,17,54,556	1,85,77,153
Other current assets	8,722	(3,366)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(4,77,814)	(1,19,083)
Other current financial liabilities	8,13,58,419	(42,20,934)
Long-term provisions	2,13,669	(3,06,559)
Short-term provisions	(8,05,320)	5,15,126
Other current liabilities	3,57,669	1,06,585
Cash generated from operations	50,20,06,223	54,19,50,962
Taxes paid	(2,00,04,473)	(4,39,86,063)
Net cash flow from operating activities	48,20,01,750	49,79,64,899
Cash flow from investing activities		
Investments (net) in bank deposits (maturity more than three months)	(4,315)	-
Redemption (net) in bank deposits (maturity more than three months)	-	4,74,95,420
Interest received	4,794	47,03,665
Net cash from investing activities	479	5,21,99,085
Cash flow from financing activities		
Repayment of long-term borrowings	(20,36,00,000)	(20,36,00,000)
Dividend paid	(6,30,00,000)	(4,95,00,000)
Corporate dividend tax paid	(1,28,25,318)	(1,00,77,034)
Finance costs paid	(11,41,28,971)	(14,53,28,532)
Net cash generated from / (used) in financing activities	(39,35,54,289)	(40,85,05,566)
Net (decrease) / increase in cash and cash equivalents	8,84,47,940	14,16,58,418
Cash and cash equivalents as at beginning of the year	21,31,77,310	7,15,18,892
Cash and cash equivalents as at end of the year	30,16,25,250	21,31,77,310

See accompanying notes forming part of the financial statements

Cash flow statement (Contd.)

	Year ended 31st March, 2017	Amt. in Rs. Year ended 31st March, 2016
Notes:		
1. Cash and cash equivalents as at end of the year:		
Cash and cash equivalents (note 12)	**40,50,680**	1,22,96,446
Current investments (investments in mutual funds) (note 10)	**30,31,74,657**	20,62,66,389
	30,72,25,337	21,85,62,835
Less: Previous year Net gain / (loss) arising on investments in mutual funds mandatorily measured at fair value through profit or loss	**53,85,525**	-
Less: Current year Net gain / (loss) arising on investments in mutual funds mandatorily measured at fair value through profit or loss	**2,14,562**	53,85,525
	30,16,25,250	21,31,77,310

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 Deloitte Haskins & Sells
Chartered Accountants

I.S. Jha
Chairman

T. P. Vijayasarathy
CFO

Hemendra L. Shah
Partner

Ahmedabad, 17th May, 2017

Abhinav Mathur
Company Secretary

Ahmedabad, 17th May, 2017

TORRENT POWER GRID LIMITED

Statement of changes in equity

A. Equity share capital

	Amt. in Rs.
Balance as at 1st April, 2015	**90,00,00,000**
Changes in equity share capital during the year	-
Balance as at 31st March, 2016	**90,00,00,000**
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	**90,00,00,000**

B. Other equity

		Reserves and Retained earnings
Balance as at 1st April, 2015		**13,89,62,364**
Profit for the year	8,07,05,881	
Other comprehensive income for the year, net of income tax	21,272	
Total comprehensive income for the year		**8,07,27,153**
Dividend paid	(4,95,00,000)	
Corporate dividend tax paid	(1,00,77,034)	
		(5,95,77,034)
Balance as at 31st March, 2016		**16,01,12,483**
Profit for the year	3,44,86,666	
Other comprehensive income for the year, net of income tax	(1,86,649)	
Total comprehensive income for the year		**3,43,00,017**
Dividend paid	(6,30,00,000)	
Corporate dividend tax paid	(1,28,25,318)	
		(7,58,25,318)
Balance as at 31st March, 2017		**11,85,87,182**

TORRENT POWER GRID LIMITED

1 General Information –

The financial statements comprise financial statements of Torrent Power Grid Limited ("the Company") for the year ended March 31, 2017.

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 engaged in the transmission of power. The Company has set up a transmission system for evacuation of power from Torrent Power Limited's 1147.5 MW Generation Project near Akhakhol in District Surat, Gujarat to Western region and the system is being used to transfer power to its beneficiaries with in and outside Gujarat State.

2 Statement of compliance –

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.

Upto the year ended March 31, 2016, the financial statements were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP).

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2015. Refer Note 6 for the details of significant first-time adoption exemptions availed by the Company. Refer Note 48 & 49 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

As prescribed by the Indian Accounting Standard (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.

3 New standards and interpretations not yet adopted –

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, Statement of cash flows and Ind AS 102, Share-based payment. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, Statement of cash flows and IFRS 2, Share-based payment, respectively. The amendments are applicable to the company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

The amendment to Ind AS 102 is not applicable to the Company.

4 Significant accounting policies

4. 1 Basis of preparation:

The financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies stated hereunder.

Property, plant and equipment:

4. 2 Tangible fixed assets:-

Property, plant and equipment including capital work in progress in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other direct 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.

Depreciation commences when the assets are ready for their intended use. Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation is calculated on a straight line basis. Depreciation on tangible assets is governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided based on the depreciation rates, the methodology and residual value as notified by the Central Electricity Regulatory Commission and in accordance with the Electricity Act, 2003.

The depreciation rates 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.

Depreciation rates:

Class of assets	Rates
Plant and Machinery	
Overhead Transmission line	5.28%
400 KV Kamod substation	5.28%
Others	5.28%
Office equipment	
- Computer	15.00%
- Office equipment	6.33%
Vehicles	9.50%

4. 3 Impairment of tangible and intangible assets:

Tangible and Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. An impairment loss is recognised immediately in profit or loss. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of cash inflows from other assets or group of assets (cash generating units).

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. 4 Borrowing costs:

Borrowing costs attributed 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 or sale, 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.

4. 5 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4. 6 Inventories:

Inventories of stores, spare parts, and loose tools are valued at weighted average cost and net realizable value, whichever is lower. Cost of inventories includes cost of purchase price, conversion cost and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4. 7 Revenue recognition:

i Revenue is recognized 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 rebates and other similar allowances.

Revenue from transmission Charges are accounted for on the basis of billings to the Central transmission utility in accordance with tariff orders issued by Central Electricity Regulatory Commissions. Revenue recognized in excess of billing has been reflected under "other financial assets" as unbilled revenue.

ii 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.

4. 8 Employee benefits:

Defined contribution plans

Retirement benefit plans in the form of provident fund, family pension fund and superannuation schemes are charged as an expense on an accrual basis when employees have rendered the service.

Defined benefits plans

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

4. 9 Taxation:

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

Current Tax:

The tax currently payable is based on estimated taxable profit 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.

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.

4. 10 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.

4. 11 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 nonoccurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as Contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets:

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 entity.

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

4. 12 Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

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.

i. ***Financial assets***

a. Classification of financial assets

Debt instruments (including Mutual Fund)
Debt Instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

b. Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company assesses on a forward looking basis the expected credit losses associated with it's 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.

c. 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

4. 13 Financial liabilities

a.) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b.) Equity instruments

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.

c.) Financial liabilities

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

d.) Subsequent measurement

All the Company's financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortized cost. The carrying amounts of financial liabilities, that are subsequently measured at amortised cost, are determined based on the effective interest method.

The effective interest 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.

e.) Loans and borrowings

Loans and Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

f.) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled 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.

4. 14 Fair value measurement:

The Company measures financial instruments, such as, derivatives, investment in units of mutual fund at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
-In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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.

Note: 5 Critical accounting judgements and key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under note 4 above, the management of the Company are 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.

Such 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.

i Regulatory Accounting

a. Depreciation rates, depreciation method and residual value of property, plant and equipment[1]

With respect to the regulated business, in terms of Part B of Schedule II of the Companies Act, 2013, the Company has followed the depreciation rates, depreciation method and residual value of the items of property, plant and equipment as notified by the Central Electricity Regulatory Commission in accordance with the Electricity Act, 2003 with respect to the assets falling under regulated business.

b. Property, plant and Equipment

c. Service concession arrangements[1]

The Company has assessed applicability of Appendix A of Ind AS 11: 'Service Concession Arrangements' with respect to its transmission assets portfolio. In assessing the applicability, they have exercised significant judgment in relation to the underlying ownership of the assets, Provisions of the Electricity Act, 2003 & transmission license and/or agreements, ability to borrow funds against the underlying assets of the arrangements, useful lives of the assets etc. Based on such assessment, it has concluded that Appendix A of Ind AS 11 is not applicable.

d. Impairment of property plant and equipment[2]

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount of property plant and equipment is the higher of its fair value less costs of disposal and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows.

ii Impairment of Financial Assets

Trade receivables[2]

The Company estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in Note 45.

iii Taxation

Deferred tax assets[2]

Deferred tax assets are recognised for unused tax losses / credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

iv Contingencies

Contingent liabilitites[2]

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

iv Employee Benefit plans

Defined benefit plans and other long-term employee benefits[2]

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

1 ***Critical accounting judgment***
2 ***Key sources of estimation uncertainties***

Note: 6 First-time adoption – mandatory exceptions and optional exemptions
Overall principle

The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2015 (the transition date) after availing certain optional exemptions as given below paragraphs:

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Transfers of Assets

The Company has applied Appendix C of Ind AS 18 Transfers of Assets from Customers on or after the transition dates from April 1, 2015. This relates to contribution received from Gujarat Mineral Development Corporation(GMDC) an outside party for overhead line, which is now classified as deferred revenue and is being transferred to income statement over the useful life of assets, in line with Ind AS 18, which hitherto has been referred to as overhead line contribution and classified under reserve and adjusted against depreciation charge, in the income statement, over the useful life of the assets.

Classification and measurement of financial assets

The Company has followed classification and measurement of financial assets in accordance with Ind AS 109 *Financial Instruments* on the basis of facts and circumstances that existed at the date of transition to Ind AS.

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Note - 7 : Property, plant and equipment - as at 31st March, 2017

Amt. in Rs.

PARTICULARS	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1st April, 2016	Additions during the year	Deductions during the year	As at 31st March, 2017	As at 1st April, 2016	For the year	Deductions during the year	As at 31st March, 2017	As at 31st March, 2017
Property, plant and equipment									
Plant and machinery	-								
(a) 400 Kv- Kamod Sub station	11,98,31,171	-	-	11,98,31,171	80,42,776	80,42,776	-	1,60,85,552	10,37,45,619
(b) Others	27,71,684	-	-	27,71,684	1,91,938	1,91,938	-	3,83,876	23,87,808
Transmission and distribution systems									
(a) Overhead	2,25,54,24,607	-	-	2,25,54,24,607	15,61,01,424	15,61,01,424	-	31,22,02,848	1,94,32,21,759
Vehicles	6,59,661	-	-	6,59,661	76,000	76,000	-	1,52,000	5,07,661
Office equipments	1,84,385	-	-	1,84,385	42,987	15,674	-	58,661	1,25,724
Total	**2,37,88,71,508**	-	-	**2,37,88,71,508**	**16,44,55,125**	**16,44,27,812**	-	**32,88,82,937**	**2,04,99,88,571**

Notes:

1 **Assets pledged as security:**
Plant and machinery with a net carrying amount of Rs.2,04,99,88,571, (31st March, 2016 - Rs.2,21,44,16,383, 1st April, 2015 - Rs.2,37,88,71,508) have been pledged to secure borrowings of the Company (note 19).

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Note - 7 : Property, plant and equipment - as at 31st March, 2016

Amt. in Rs.

PARTICULARS	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1st April, 2015	Additions during the year	Deductions during the year	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions during the year	As at 31st March, 2016	As at 31st March, 2016
Property, plant and equipment									
Plant and machinery									
(a) 400 Kv- Kamod Sub station	11,98,31,171	-	-	11,98,31,171	-	80,42,776	-	80,42,776	11,17,88,395
(b) Others	27,71,684	-	-	27,71,684	-	1,91,938	-	1,91,938	25,79,746
Transmission and distribution systems									
(a) Overhead	2,25,54,24,607	-	-	2,25,54,24,607	-	15,61,01,424	-	15,61,01,424	2,09,93,23,183
Vehicles	6,59,661	-	-	6,59,661	-	76,000	-	76,000	5,83,661
Office equipments	1,84,385	-	-	1,84,385	-	42,987	-	42,987	1,41,398
Total	2,37,88,71,508	-	-	2,37,88,71,508	-	16,44,55,125	-	16,44,55,125	2,21,44,16,383

Note - 7 : Property, plant and equipment - as at 1st April, 2015

Additional disclosure- Gross block, Accumulated depreciation and Net block

Amt. in Rs.

PARTICULARS	As at 1st April, 2015		
	Gross block	Accumulated depreciation	Net block
Property, plant and equipment			
Plant and machinery			
(a) 400 Kv- Kamod Sub station	15,23,25,303	3,24,94,132	11,98,31,171
(b) Others	36,35,189	8,63,505	27,71,684
Transmission and distribution systems			
(a) Overhead	2,97,66,31,602	72,12,06,995	2,25,54,24,607
Vehicles	8,00,000	1,40,339	6,59,661
Office equipments	7,60,533	5,76,148	1,84,385
Total	3,13,41,52,627	75,52,81,119	2,37,88,71,508

Note 8 : Other non-current financial assets

Unsecured (considered good unless stated otherwise)

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Bank fixed deposits balance @	-	33,466	33,466
	-	33,466	33,466

@ Above balance is under lien with VAT authority of Gujarat

Note - 9 : Inventories

(valued at lower of cost and net realizable value)

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Coal, oil, stores and spares	48,60,990	63,71,124	54,72,542
	48,60,990	63,71,124	54,72,542

Notes:

1 The cost of inventories recognised as an expense during the year as per note 32 .

2 There is no inventories which is expected to bo recovered after twelve months.

3 The carrying amount of inventories which has been pledged to secure borrowings of the Company was Rs.48,60,990 (31st March, 2016 - Rs.63,71,124,1st April, 2015- Rs.54,72,542).

Note - 10 : Current Investments

(Investments carried at fair value through profit or loss)

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investment in mutual funds (quoted)			
DSPBR Liquidity Fund (No. of units- 31st March, 2017: 46214.29, 31st March, 2016: Nil, 1st April, 2015: Nil)	10,71,29,995	-	-
ICICI Liquid Plan - Regular - Growth (No. of units- 31st March, 2017: Nil, 31st March, 2016: 67582.67, 1st April, 2015: Nil)	-	1,51,28,650	-
IDFC Cash Fund -Growth-(Regular Plan) (No. of units- 31st March, 2017: Nil, 31st March, 2016: 103945.39, 1st April, 2015: 38574.51)	-	19,11,37,739	6,55,37,845
Tata Money Market Liquid Regular Plan - Growth (No. of units- 31st March, 2017: 76766.23, 31st March, 2016: Nil, 1st April, 2015: Nil)	19,60,44,662	-	-
	30,31,74,657	20,62,66,389	6,55,37,845
Aggregate amount of quoted investments	30,31,74,657	20,62,66,389	6,55,37,845
Aggregate amount of unquoted investments	-	-	-
	30,31,74,657	20,62,66,389	6,55,37,845
Aggregate amount of impairment in value of investments	-	-	-
Aggregate amount of market value of quoted investments	30,31,74,657	20,62,66,389	6,55,37,845
	30,31,74,657	20,62,66,389	6,55,37,845

Note - 11 : Trade receivables

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade receivables			
Unsecured - Considered good	6,13,69,430	8,06,01,122	9,26,07,729
	6,13,69,430	8,06,01,122	9,26,07,729

Note:

1 Refer Note 45 for credit risk related disclosures.

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Note - 12 : Cash and cash equivalents

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks			
Balance in current accounts	40,50,680	1,22,94,816	59,66,329
Cash on hand	-	1,630	14,719
	40,50,680	1,22,96,446	59,81,048

Note - 13 : Other bank balances

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balance in fixed deposit accounts #	91,460	53,680	4,75,49,100
(remaining maturity for more than three months but less than twelve months)			
	91,460	53,680	4,75,49,100

Includes Rs.91,460 (31st March, 2016- Rs. 53,680, 1st April, 2015 - Rs.49,100) on which lien was created in favour of lenders

Note 14 : Other current financial assets

Unsecured (considered good unless stated otherwise)

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deposits to related party	5,000	-	-
Interest accrued on deposits	11,784	9,119	17,85,363
Unbilled revenue	-	3,25,18,166	5,08,10,430
Other advances			
Considered good	8,91,610	1,33,000	4,17,889
	9,08,394	3,26,60,285	5,30,13,682

Note 15 : Current tax assets

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance tax & tax deducted at source (Net of provision for income tax)	36,82,177	32,27,703	39,51,640
	36,82,177	32,27,703	39,51,640

Note 16 : Other current assets

Unsecured (considered good unless stated otherwise)

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Prepayments	1,75,801	1,84,523	1,81,157
	1,75,801	1,84,523	1,81,157

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Note - 17 : Equity share capital

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorised			
125,000,000 (125,000,000 as at 31st March, 2016 and 125,000,000 as at 1st April, 2015) equity shares of Rs.10 each	1,25,00,00,000	1,25,00,00,000	1,25,00,00,000
	1,25,00,00,000	1,25,00,00,000	1,25,00,00,000
Issued, subscribed and paid up			
90,000,000 (90,000,000 as at 31st March, 2016 and 90,000,000 as at 1st April, 2015) equity shares of Rs.10 each	90,00,00,000	90,00,00,000	90,00,00,000
	90,00,00,000	90,00,00,000	90,00,00,000

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

	No. of shares As at 31st March, 2017	No. of shares As at 31st March, 2016	No. of shares As at 1st April, 2015
At the beginning of the year	9,00,00,000	9,00,00,000	9,00,00,000
Issued during the year on account of amalgamation	-	-	-
Outstanding at the end of the year	9,00,00,000	9,00,00,000	9,00,00,000

2 6,66,00,000 equity shares (6,66,00,000 equity shares as at 31st March, 2016 and 6,66,00,000 equity shares as at 1st April, 2015) of Rs.10 each fully paid up are held by the holding company - Torrent Power Limited

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, 2017		As at 31st March, 2016	
	No. of shares	% holding	No. of shares	% holding
Torrent Power Limited	6,66,00,000	74.00%	6,66,00,000	74.00%
Power Grid Corporation of India Limited	2,34,00,000	26.00%	2,34,00,000	26.00%

Name of the Shareholder	As at 1st April, 2015	
	No. of shares	% holding
Torrent Power Limited	6,66,00,000	74%
Power Grid Corporation of India Limited	2,34,00,000	26%

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Note - 18 : Other equity

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Reserves and surplus			
Retained earnings	**11,85,87,182**	16,01,12,483	13,89,62,364
	11,85,87,182	16,01,12,483	13,89,62,364

Notes:

Retained earnings:
The same reflects surplus/deficit after taxes in the Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

Note - 19 : Non-current borrowings

Amt. in Rs.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured loans - at amortised cost			
Term loans			
From banks	**81,66,00,000**	1,02,02,00,000	1,22,38,00,000
	81,66,00,000	1,02,02,00,000	1,22,38,00,000

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current maturities			
Secured loans - at amortised cost			
Term loans			
From banks	**20,36,00,000**	20,36,00,000	20,36,00,000
	20,36,00,000	20,36,00,000	20,36,00,000
Amount disclosed under the head "Other current financial liabilities" (note 23)	**(20,36,00,000)**	(20,36,00,000)	(20,36,00,000)
	-	-	-

Notes:
The above term loan is secured by way of first pari passu charge created on the entire moveable properties including transmission towers, insulators and other moveable assets, book debts, operating cash flows, revenues, intangibles, trust and retention account and by way of pledge of 18,000,000 equity shares of Rs.10 each fully paid up held by Torrent Power Limited in the equity share capital of the company.

Summary of borrowing arrangements:
Secured term loan from banks:

i.) The loan carries an effective interest rate of 9.95% p.a.(Previous year is 10.59% p.a.)

ii.) Incase of default in payment of the principal amount of the loan, Interest thereon, or any other monies due under the loan agreement entered into between the Company and Bank on the respective due date, the Company shall pay defaulted amount further with interest at the rate of 1.00% p.a. over and above the applicable interest rate computed from respective due date until the date of actual payment.

iii.) During the current financial year the company has complied with covenants and obligations of the loan agreement with lender (Bank of Baroda) in all material respects.

The future annual repayment obligations on principal amount for the above long-term borrowings are as under:-.

Financial year	Amt. in Rs. **Term loans**
2017-2018	20,36,00,000
2018-2019	20,36,00,000
2019-2020	20,36,00,000
2020-2021	20,36,00,000
2021-2022	15,38,00,000
2022-2023	5,20,00,000

TORRENT POWER GRID LIMITED

Note - 20 : Non-current provisions

	As at 31st March, 2017	As at 31st March, 2016	Amt. in Rs. As at 1st April, 2015
Provision for employee benefits			
Provision for gratuity (note 38)	-	-	-
Provision for compensated absences	7,14,264	5,00,595	8,07,154
	7,14,264	5,00,595	8,07,154

Note - 21 : Other non-current liabilities

	As at 31st March, 2017	As at 31st March, 2016	Amt. in Rs. As at 1st April, 2015
Deferred revenue (note 34)			
Contribution received from party	4,60,33,462	5,01,54,396	5,42,75,330
	4,60,33,462	5,01,54,396	5,42,75,330

Note - 22 : Current trade payables

	As at 31st March, 2017	As at 31st March, 2016	Amt. in Rs. As at 1st April, 2015
Trade payables for goods and services			
Due to others	66,06,874	70,84,689	72,03,772
	66,06,874	70,64,689	72,03,772

Note - 23 : Other current financial liabilities

	As at 31st March, 2017	As at 31st March, 2016	Amt. in Rs. As at 1st April, 2015
Current maturities of long-term debt (note 19)	20,36,00,000	20,36,00,000	20,36,00,000
Credit balance of consumer	8,65,67,984	-	-
Other deposits	-	1,00,000	2,00,000
Payables on purchase of property, plant and equipment	87,38,652	87,38,652	87,38,652
Sundry payables	11,370	-	-
	29,79,18,006	21,24,38,652	21,25,38,652

Note - 24 : Other current liabilities

	As at 31st March, 2017	As at 31st March, 2016	Amt. in Rs. As at 1st April, 2015
Deferred revenue (note 34)			
Contribution received from party	41,20,934	41,20,934	41,20,934
Statutory dues	7,81,742	4,24,072	3,17,487
	49,02,676	45,45,006	44,38,421

Note - 25 : Current provisions

	As at 31st March, 2017	As at 31st March, 2016	Amt. in Rs. As at 1st April, 2015
Provision for employee benefits			
Provision for gratuity (note 38)	42,162	2,10,087	61,712
Provision for compensated absences	43,862	3,95,826	61,607
	86,024	6,05,913	1,23,319

Note - 26 : Current tax liabilities

	As at 31st March, 2017	As at 31st March, 2016	Amt. in Rs. As at 1st April, 2015
Provision for taxation (net of advance tax and tax deducted at source)	6,03,186	6,03,185	6,03,185
	8,03,186	6,03,185	6,03,185

Note - 27 : Revenue from operations

	Year ended 31st March, 2017	Amt. in Rs. Year ended 31st March, 2016
Revenue from transmission income including incentive	38,78,44,900	54,26,92,543
Less: Discount for prompt payment of bills	21,91,758	44,16,168
	38,56,53,142	53,82,76,375
Other operating income		
Deferred income on		
Transfer of assets from party	41,20,934	41,20,934
	38,97,74,076	54,23,97,309

Transmission income for the year ended on 31st March, 2017 is lower by Rs. Rs.10,76,57,295 consequent to giving effect to Petition Order no. 134/TT/2015 dated 19.09.2016 covering Tariff period (a) 2009-2014 (True up) (b) 2014-2019.

The break up of reduction of revenue is represented by :

Particulars	Amt. in Rs.
True up period 2009-2014	3,82,30,760
Period 2014-2015 & 2015-2016	6,94,26,535
Total	10,76,57,295

Note - 28 : Other income

	Year ended 31st March, 2017	Amt. in Rs. Year ended 31st March, 2016
Interest income from financial assets that are not designated as fair value through profit & loss:		
Deposits	7,459	24,56,286
Others	-	4,71,135
	7,459	29,27,421
Miscellaneous income	32,45,121	90,94,034
Profit on sale of investments in mutual funds	1,91,86,694	78,43,019
Net gain / (loss) arising on investments in mutual funds mandatorily measured at fair value through profit or loss	2,14,562	53,85,525
	2,26,53,836	2,52,49,999

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Note - 29 : Employee benefits expense

Amt. in Rs.

	Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries, wages and bonus	1,02,92,918	88,90,640
Contribution to provident and other funds	5,34,654	4,94,926
Compensated absences	10,10,924	2,20,137
Gratuity (Refer note 38)	1,09,594	5,29,706
	1,19,48,090	1,01,35,409

Note - 30 : Finance costs

Amt. in Rs.

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest expense for financial liabilities not classified as fair value through profit or loss		
Term loans	11,41,28,971	14,53,28,532
	11,41,28,971	14,53,28,532

Note - 31 : Depreciation and amortization expense

Amt. in Rs.

	Year ended 31st March, 2017	Year ended 31st March, 2016
Depreciation expense on property, plant and equipment	16,44,27,812	16,44,55,125
	16,44,27,812	16,44,55,125

Note - 32 : Other expenses

Amt. in Rs.

	Year ended 31st March, 2017	Year ended 31st March, 2016
Consumption of stores and spares	16,48,971	17,40,946
Rent and hire charges	10,000	-
Repairs to		
Plant and machinery	2,33,69,220	2,34,53,115
Insurance	2,64,934	1,75,470
Rates and taxes	2,400	3,400
Vehicle running expenses	8,15,068	9,70,119
Miscellaneous expenses	10,25,713	16,08,364
Directors sitting fees	2,12,350	2,11,100
Statutory auditors remuneration (note 39)	10,93,850	8,37,149
Legal, professional and consultancy fees	8,28,187	6,65,511
Donations	37,81,584	49,80,711
	3,30,52,277	3,46,45,886
Less: Allocated to repairs	16,48,971	17,40,946
	3,14,03,306	3,29,04,939

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Note 33: Income tax expenses

(a) Income tax expense recognised in statement of profit and loss

(Amt in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Current tax :		
Current tax on profits for the year	1,95,50,000	4,47,10,000
	1,95,50,000	4,47,10,000
Deferred tax :		
Decrease (increase) in deferred tax assets	3,02,11,477	(4,12,06,038)
(Decrease) increase in deferred tax liabilities	62,71,590	13,06,13,460
	3,64,83,067	8,94,07,422
Income tax expense attributable to continuing operations	**5,60,33,067**	13,41,17,422

(b) Reconciliation of current tax

(Amt in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit before tax from continuing operations	9,05,19,733	21,48,23,303
Current tax expense calculated using MAT tax rate at 21.3416% (Previous year - 21.3416%)	1,93,18,359	4,58,46,730
Rounding off adjustment	24,838	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable book profit :		
Other comprehensive income	(60,916)	-
Opening Ind AS adjustments	2,67,719	(11,36,730)
Current tax expense	**1,95,50,000**	4,47,10,000

The tax rate used for the year ended 31st March, 2017 and year ended 31st March, 2016 reconciliations above is the MAT tax rate of 18.5% (excluding surcharge 12% and cess 3%) payable by corporate entities in India on taxable book profits under the Indian tax law.

(c) Income tax recognised in other comprehensive income

(Amt in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Deferred tax asset/ (liability)		
Re-measurement of defined benefit obligation (items that will not be reclassified to profit or loss)	98,782	(11,260)
Income tax expense recognised in other comprehensive income	**98,782**	(11,260)

Note 33: Income tax expenses (Contd.)

(d) Deferred tax balances

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

(Amt in Rs.)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Deferred tax assets	**1,14,04,101**	4,15,16,796	3,22,018
Deferred tax liabilities	**(24,76,54,588)**	(24,13,82,998)	(11,07,69,538)
	(23,62,50,487)	(19,98,66,202)	(11,04,47,520)

(b) Movement of deferred tax

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2017

(Amt in Rs.)

	Opening balance	Recognised in profit or loss	Recognised in OCI	**Closing balance**
Property, plant and equipment	(23,92,12,306)	(61,97,334)	-	(24,54,09,640)
Expense allowable for tax purposes when paid	-	-	-	-
Impact on account effective interest rate on long term borrowings	-	-	-	-
Financial assets at fair value through profit and loss	(21,70,692)	(74,256)	-	(22,44,948)
Financial liabilities at amortised cost	-	-	-	-
Defined benefit obligation	3,82,940	(2,04,758)	98,782	2,76,964
Unabsorbed depreciation	4,11,33,856	(3,00,06,719)	-	1,11,27,137
	(19,98,66,202)	**(3,64,83,067)**	**98,782**	**(23,62,50,487)**

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2016

(Amt in Rs.)

	Opening balance	Recognised in profit or loss	Recognised in OCI	**Closing balance**
Property, plant and equipment	(11,04,62,668)	(12,87,49,638)	-	(23,92,12,306)
Expense allowable for tax purposes when paid	-	-	-	-
Impact on account effective interest rate on long term borrowings	-	-	-	-
Financial assets at fair value through profit and loss	(3,06,870)	(18,63,822)	-	(21,70,692)
Financial liabilities at amortised cost	-	-	-	-
Defined benefit obligation	3,22,018	72,182	(11,260)	3,82,940
Unabsorbed depreciation	-	4,11,33,856	-	4,11,33,856
	(11,04,47,520)	**(8,94,07,422)**	**(11,260)**	**(19,98,66,202)**

(C) Unrecognised deferred tax assets

(Amt in Rs.)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Unused tax losses	-	-	28,48,33,727
Unused tax credits @	20,34,03,344	18,41,45,900	13,94,41,585
deductible temporary differences	-	-	-
	20,34,03,344	18,41,45,900	42,42,75,312

@The unrecognised tax credits will expire in the year starting from FY 2022-23 to FY 2030-31.

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Note 34: Deferred revenue

(a) Contribution received from party :

(i) Nature of Contribution received from "Gujarat Mineral Development Corporation Limited"

Under previous Indian GAAP, amount received from GMDC towards overhead line contributions was accounted as capital reserve by the Company as the amount was not refundable and subsequently, proportionate amount is being transferred to income statement during the expected life of the asset to match with depreciation on total cost of such asset.

Contribution received by third party (GMDC) for refusal of right of way is recognized as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

(ii) Movement of contribution received received from "Gujarat Mineral Development Corporation Limited"

(Amt in Rs.)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Opening balance	5,42,75,330	5,83,96,264	6,25,17,198
Add: Contribution received during the year			
Less: Transfer to statement of profit and loss	41,20,934	41,20,934	41,20,934
Closing balance	**5,01,54,396**	5,42,75,330	5,83,96,264
Non-current portion	4,60,33,462	5,01,54,396	5,42,75,330
Current portion	41,20,934	41,20,934	41,20,934
	5,01,54,396	5,42,75,330	5,83,96,264

Note 35: Contingent liabilities

(a) Contingent liabilities :

(Amt in Rs.)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Claims against the Company not acknowledged as debt	20,000	20,000	20,000
Disputed income tax matters	21,70,206	20,56,620	10,33,670

Note 36: Billing of Transmission Charges based on POC Mechanism

In accordance with the Point of Connection charges (POC) mechanism introduced by the Central Electricity (sharing of interstate transmission charges and losses) regulation 2010 as amended upto date, the responsibility for billing, collection and disbursement of transmission charges on behalf of all the interstate transmission (ISTS) licences has been entrusted to the Central Transmission Utility (CTU) which in this case is the Power Grid Corporation of India Limited. Accordingly, since the company is an ISTS licence, billing is done and disbursements are made by the CTU on behalf of the company and accounted in the books of the company based on CTU's records & collections received from CTU.

Note 37: 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 38: Emloyee benefit plans

38.1 Defined contribution plan

The employees of the company are members of state-managed retirement benefit plan operated by the government. The company is required to contribute specifie percentage of payroll costs of the retirement benefit scheme to fund the benefits. The obligation of the company with respect to the retirement benefit plan is to make the specified contributions.

The Company's contribution to provident fund, superannuation fund and employee state insurance are determined under the relevant schemes and / or statute and charged to the profit and loss.

The Company's contribution to provident fund and superannuation fund aggregating to **Rs.5,34,654/-** (Previous year - Rs.4,94,926/-) has been recognised in the profit and loss under the head employee benefits expense.

38.2 Defined benefit plans

(a) Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting.

The Company makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund. The liability in respect of plan is determined on the basis of an actuarial valuation.

(b) Risk exposure to defined benefit plans

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by referenco to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2017. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(c) Significant assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Discount rate	7.20%	8.00%	8.00%
Salary escalation rate	8.50%	8.50%	8.50%

Note 38: Emloyee benefit plans

(d) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plan is as follows:

Balances of defined benefit plan

(Amt in Rs.)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Present value of funded defined benefit obligation	15,52,721	25,97,039	19,46,273
Fair value of plan assets	15,10,559	23,86,952	18,84,561
Net asset / (liability) arising from gratuity	(42,162)	(2,10,087)	(61,712)

(e) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability and movement in plan assets:

(Amt in Rs.)

	Funded plan- Gratuity	
	Year ended 31st March, 2017	Year ended 31st March, 2016
(i) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	25,97,039	19,46,273
Current service cost	92,787	77,256
Interest cost	2,07,763	1,55,702
Past service cost	-	4,43,427
Liability transferred in	-	16,748
Liability transferred out	-	(12,661)
Amount recognised in the statement of profit and loss	3,00,550	6,80,471
Actuarial (gains) / losses from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising changes in financial assumptions	1,40,559	18,000
Actuarial (gains) / losses from experience adjustments	77,523	(47,705)
Amount recognised in other comprehensive income	2,18,082	(29,705)
Benefits paid directly by employer	(5,62,950)	-
Benefits paid from fund	(10,00,000)	-
Obligation at the end of the year	15,52,721	25,97,039
(ii) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	23,88,952	18,84,561
Interest income	1,90,956	1,50,765
Amount recognised in the statement of profit and loss	1,90,956	1,50,765
Return on plan assets (excluding interest income)	(67,349)	2,827
Amount recognised in other comprehensive income	(67,349)	2,827
Contributions	-	3,48,799
Benefits paid	(10,00,000)	-
Plan assets at the end of the year, at fair value	15,10,559	23,86,952

Note 38: Emloyee benefit plans

(f) Category wise plan assets

Contributions to fund the obligations under the gratuity plan are made to the Life Insurance Corporation of India, who has invested the funds substantially as under:

	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015
Government securities	54.63%	46.35%	45.51%
Debenture and bond	29.89%	34.00%	34.61%
Equity shares	8.91%	6.20%	4.56%
Fixed deposits	5.10%	12.37%	14.23%
Others	1.47%	1.08%	1.09%
	100.00%	100.00%	100.00%

(g) Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amt In Rs.)

Change in assumptions	Year ended 31st March, 2017	Year ended 31st March, 2016
Impact on discount rate for 50 basis points increase in defined benefit obligation of gratuity	(90,039)	(66,928)
Impact on discount rate for 50 basis points decrease in defined benefit obligation of gratuity	98,044	72,797
Impact on salary escalation rate for 50 basis points increase in defined benefit obligation of gratuity	96,354	72,100
Impact on salary escalation rate for 50 basis points decrease in defined benefit obligation of gratuity	(89,401)	(66,927)
Impact on employee turnover rate for 50 basis points increase in defined benefit obligation of gratuity	(10,520)	(3,437)
Impact on employee turnover rate for 50 basis points decrease in defined benefit obligation of gratuity	11,221	3,649

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(h) The weighted average duration of the gratuity plan based on average future service is 38 years (As at 31st March, 2016 is 40 years, As at 1st April 2015 is 37.43 years).

(i) Expected contributions to the plan for the next annual reporting period is NIL.

(j) Cash flow projection from the fund :

Projected benefits payable in future years from the date of reporting

(Amt In Rs.)

	Funded Plan - Gratuity	
	As at 31st March,2017	As at 31st March,2016
1st following year	17,375	14,61,472
2nd following year	19,102	15,336
3rd following year	24,976	16,867
4th following year	23,706	20,964
5th following year	26,092	20,793
sum of years 6 to 10th	17,20,668	1,40,061
	18,32,139	16,75,493

38.3 Other long-term employee benefit obligations

The leave obligation covers the Company's liability for earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days. Refer note 20,25 and 29 with respect to item of balance sheet and profit and loss where such charge / provision has been presented.

Note 39: Statutory auditors remuneration

(Amt in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
As auditor		
Audit fees	6,44,000	5,60,000
Tax audit fees	1,52,000	1,15,000
Other services- certificates etc.	1,75,000	49,450
For service tax	1,22,850	1,12,699
	10,93,850	8,37,149

Note 40: Corporate Social Responsibility (CSR) expenditure

(Amt in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Gross amount required to be spent by the Company	37,81,584	49,80,711
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	37,81,584	49,80,711
	37,81,584	49,80,711

Amount spent during the year includes donation made to section 8 Company Rs.37,81,584 (Previous year - Rs.49,80,711)

Note 41: Earnings per share

	Year ended 31st March, 2017	Year ended 31st March, 2016
Basic earnings per share	0.38	0.90
Diluted earnings per share	0.38	0.90

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:

(Amt in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit / (loss) for the year attributable to the Company used in calculation of basis earning per share	3,44,86,666	8,07,05,881
Weighted average number of equity shares	9,00,00,000	9,00,00,000

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 42: Operating segment

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however only for one segment called as "Transmission of Power".

Note 43: Value of stores and spare parts consumed (including fuel)

(Amt in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Imported	-	-
Indigenous		
i.) Consumption of stores and spares	16,48,971	17,40,946
ii.) Consumption of stores and spares in %	100.00	105.58

TORRENT POWER GRID LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 44: Related party disclosures

A: Volume of transactions:

(Amt in Rs.)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Amount billed to beneficiary on behalf of the Company		
Power Grid Corporation of India Limited	50,69,18,694	56,28,09,202
Rent paid		
Torrent Power Limited	10,000	-
Sap maintenance charges		
Torrent Power Limited	98,014	-
Rent deposit paid		
Torrent Power Limited	5,000	-
Services received		
Power Grid Corporation of India Limited	1,46,70,503	1,40,56,429
CSR expense		
Tornascent Care Institute	37,81,584	49,80,711
Dividend paid		
Torrent Power Limited	4,66,20,000	3,66,30,000
Power Grid Corporation of India Limited	1,63,80,000	1,28,70,000
Deposit received on behalf of Director		
Torrent Power Limited	2,00,000	1,00,000
Deposit refunded on behalf of Director		
Torrent Power Limited	3,00,000	2,00,000
Contribution to fund		
TPG Superannuation Fund	2,23,208	5,034
TPG Gratuity Trust	4,318	3,48,799
Director sitting fees		
Shri Vasant A. Shah	65,000	80,000
Ms Parvinder Behuria	1,20,000	-
Nita Chowdhury	-	1,05,000
Managerial remuneration		
Shri R.P.Rath	33,68,272	40,34,865
Shri Venkat Tata	21,43,953	-

B. Balances at the end of the Year

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Receivables:			
Power Grid Corporation of India Limited	6,13,69,430	8,06,01,122	8,96,82,257
Torrent Power Limited - Sugen	-	-	29,25,472
Torrent Power Limited (Rent Deposit)	5,000	-	-
Payables:			
Torrent Power Limited	98,014	1,00,000	2,00,000

The transaction with related parties are made on terms equivalent to those that prevail in arms length transaction. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year end are unsecured and settlement occured in cash.

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TORRENT POWER GRID LIMITED

Note 44: Related party disclosures

C.) Names of related parties and nature of relationship

1	Enterprise Controlling the holding Company	Torrent Private Limited		
2	Holding Company	Torrent Power Limited		
3	Associates	Power Grid Corporation of India Ltd		
4	Other Enterprises Controlled by a) Holding Company b)Enterprise Controlling the holding Company	Torrent Pipavav Generation Limited Torrent Solargen Limited Torrent Pharmaceuticals Limited Gujarat Lease Financing Limited GLFL Housing Finance Limited GLFL Securities Limited GLFL International Limited Torrent Power Services Private Limited Heumann Pharma Gmbh & Co. Generica KG. Torrent Do Brasil Ltda. Zao Torrent Pharma Torrent Pharma GmbH. Torrent Pharma Inc. Torrent Pharma Philippines Inc. Torrent Australasia Pty Ltd. Laborotrios Torrent SA de CV UNM Foundation Torrent Pharma (Thailand) Co., Ltd. Norispharm GmbH. Heunet Pharma GmbH. Torrent Pharma (UK) Ltd. Torrent Pharma S.R.L. Laboratories Torrent (Malaysia) Sdn. Bhd. Torrent Pharmaceuticals Sikkim Torrent Pharma France S.A.S Aptil Pharma Limited Puro Wellness Pvt. Ltd. TPL(Ahmedabad) Gratuity Trust TPL(Ahmedabad) Superannuation Fund TPL(Cables Unit) Gratuity Trust TPL(Cables Unit) Superannuation Fund TPL DGEN Unit Gratuity Trust TPL DGEN Unit Superannuation Fund TPL(Surat) Gratuity Trust TPL(Surat) Superannuation Fund TPL(SUGEN) Gratuity Trust TPL(SUGEN) Superannuation Fund TSL Gratuity Trust TSL Superannuation Fund Torrent Financiers AEC Cements & Constructions Limited(Under liquidation) Tidong Hydro Power Limited Torrent Fincorp Pvt. Ltd. Tornascent Care Institute Radiant Urja LLP		
5	Enterprise Controlled by the Company	TPG Gratuity Trust TPG Superannuation Fund		
6	Key Management Personnel	Shri I.S.Jha - Chairman Shri Jinal Mehta – Director & CEO Shri D.K.Singh Shri Asis Ghosh Ms. Parvinder Behuria Shri P.K.Parikh Shri V.A.Shah	Shri R.P.Rath- Whole Time Director (Resigned w.e.f. 17/09/2016)	Shri V.S. Tata – Whole time Director (Appointed w.e.f. 20/10/2016)

Note 45: 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 capital structure of the Company consists of debt (borrowings as detailed in notes 19) and equity of the Company (comprising issued capital, reserves, retained earnings, deferred tax liability \ assets in notes 17,18 & 33).

The Company's management reviews the capital structure of the Company on an 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's plan is to ensure that the gearing ratio (debt equity ratio) is within the limit of 2.33:1.

Gearing ratio

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

(Amt in Rs.)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Debt	**1,11,45,18,008**	1,23,26,38,652	1,43,63,38,652
Equity	**1,25,48,37,669**	1,25,99,78,685	1,14,94,09,884
Net debt to equity ratio	**88.82%**	97.83%	124.96%

(i) Debt is defined as all long term debt outstanding + contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt.

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

(b) Categories of financial instruments

(Amt in Rs.)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Financial assets			
Measured at amortised Cost			
Cash and bank balances	**40,50,680**	1,22,96,446	59,81,048
Other bank balance	**91,460**	53,680	4,75,49,100
Trade receivables	**6,13,69,430**	8,06,01,122	9,26,07,729
Other financial assets	**9,08,394**	3,26,60,285	5,30,13,682
	6,64,19,964	12,56,11,533	19,91,51,559
Measured at fair value through profit and loss (FVTPL)			
Investments in mutual funds	**30,31,74,657**	20,62,66,389	6,55,37,845
	30,31,74,657	20,62,66,389	6,55,37,845
Financial liabilities			
Measured at amortised Cost			
Borrowing	**1,02,02,00,000**	1,22,38,00,000	1,42,74,00,000
Trade payable	**66,06,874**	70,84,689	72,03,772
	1,02,68,06,874	1,23,08,84,689	1,43,46,03,772

(c) Financial risk management objectives

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations, normal and projects capital expenditure. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks viz regulatory risk, interest rate risk, credit risk, liquidity risk etc. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Company.

Note 45: Financial Instruments and risk review

Regulatory risk

The Company's substantial operations are subject to regulatory interventions, introduction of new laws and regulations including changes in competitive framework. The rapidly changing regulatory landscape poses a risk to the Company.

Interest rate risk

The Company is exposed to interest rate risk because the Company borrow funds at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR).

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(Amt in Rs.)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Fixed rate borrowings	-	-	-
Floating rate borrowings	**1,02,02,00,000**	1,22,38,00,000	1,42,74,00,000
	1,02,02,00,000	1,22,38,00,000	1,42,74,00,000

(i) Interest rate risk sensitivity:

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit. A positive is increase in profit and negative is decrease in profit.

(Amt in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Impact on profit - increase in 50 basis points	**51,01,000**	61,19,000
Impact on profit - (decrease) in 50 basis points	**(51,01,000)**	(61,19,000)

Credit risk

(i) Exposures to credit risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to the credit risk arising from the possibility that counterparties (primarily trade receivables, suppliers etc.) might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts and to the cost of substituting products that are not supplied.

(ii) Credit risk management:

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The credit risk is limited as the revenue and collection are sources from Central Tranmission Utility Power Grid Corporation of India Ltd (PGCIL) which is a Government of India undertaking.

(iii) Age of receivables and expected credit loss

As mentioned in Note no.45, since the company is an ISTS licensees, the responsibilty for billing and collection on behalf of the Company lies with the CTU i.e. PGCIL. Based on the fact that the collection by PGCIL is from Designated ISTS Customers (DICs) which in majority of the cases are state government organisations and further based on an analysis of the past trends of recovery, the management is of the view that the entire receivables are fully recoverable. Accordingly, the Company does not recognize any impairment loss on its receivables.

Note 45: Financial instruments and risk review

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering the cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses risking damage to the Company's reputation.

(i) Liquidity and interest risk 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. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at 31st March,2017

(Amt in Rs.)

	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings	-	76,46,00,000	5,20,00,000	81,66,00,000
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
	-	76,46,00,000	5,20,00,000	81,66,00,000
Current financial liabilities				
Borrowings	20,36,00,000	-	-	20,36,00,000
Trade payables	66,06,874	-	-	66,06,874
Other financial liabilities	9,43,18,006	-	-	9,43,18,006
	30,45,24,880	-	-	30,45,24,880
Total financial liabilities	30,45,24,880	76,46,00,000	5,20,00,000	1,12,11,24,880

As at 31st March,2016

(Amt in Rs.)

	Between 1 and 5 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings	-	76,46,00,000	25,56,00,000	1,02,02,00,000
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
	-	76,46,00,000	25,56,00,000	1,02,02,00,000
Current financial liabilities				
Borrowings	20,36,00,000	-	-	20,36,00,000
Trade payables	70,84,689	-	-	70,84,689
Other financial liabilities	88,38,652	-	-	88,38,652
	21,95,23,341	-	-	21,95,23,341
Total financial liabilities	21,95,23,341	76,46,00,000	25,56,00,000	1,23,97,23,341

As at 1st April, 2015

(Amt in Rs.)

	Between 1 and 5 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings	-	96,82,00,000	25,56,00,000	1,22,38,00,000
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
	-	96,82,00,000	25,56,00,000	1,22,38,00,000
Current financial liabilities				
Borrowings	20,36,00,000	-	-	20,36,00,000
Trade payables	72,03,772	-	-	72,03,772
Other financial liabilities	89,38,652	-	-	89,38,652
	21,97,42,424	-	-	21,97,42,424
Total financial liabilities	21,97,42,424	96,82,00,000	25,56,00,000	1,44,35,42,424

Note 46: Fair Value Measurement and related disclosures

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

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

(Amt in Rs.)

	Fair value as at				
	31st March,2017	31st March,2016	1st April, 2015	**Fair value hierarchy**	**Valuation**
Investment in mutual fund units	30,31,74,657	20,62,66,389	6,55,37,845	Level 1	Quoted bid prices in an active market
	30,31,74,657	**20,62,66,389**	**6,55,37,845**		

Note 47: Specified bank notes (SBNs)

Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 as provided below:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November,2016	-	14,413	14,413
Add: Permitted receipts	-		-
Less: Permitted payments	-	3,503	3,503
Less: Amount deposited in banks	-		-
Closing cash in hand as on 30th December, 2016	-	**10,910**	**10,910**

'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016

TORRENT POWER GRID LIMITED

Note 48: Reconciliation of equity

Reconciliation of equity

(Rs. In Crore)

	Note	As at date of transition 1st April,2015 Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	As at 31st March, 2016 Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets							
Non-current assets							
Property, plant and equipment		2,37,88,71,508	-	2,37,88,71,508	2,21,44,16,383	-	2,21,44,16,383
Other financial assets		33,466	-	33,466	33,466	-	33,466
Other non-current assets		-	-	-	-	-	-
		2,37,89,04,974	-	2,37,89,04,974	2,21,44,49,849	-	2,21,44,49,849
Current assets							
Inventories		54,72,542	-	54,72,542	63,71,124	-	63,71,124
Financial assets							
Investments	b	6,46,51,143	8,86,702	6,55,37,845	19,99,94,162	62,72,227	20,62,66,389
Trade receivables		9,28,07,729	-	9,28,07,729	8,06,01,122	-	8,06,01,122
Cash and cash equivalents		59,81,048	-	59,81,048	1,22,96,446	-	1,22,96,446
Other bank balances		4,75,49,100	-	4,75,49,100	53,680	-	53,680
Other financial assets		5,30,13,682	-	5,30,13,682	3,28,60,285	-	3,28,60,285
Current tax assets (net)		39,51,640	-	39,51,640	32,27,703	-	32,27,703
Other current assets		1,81,157	-	1,81,157	1,84,523	-	1,64,523
		27,34,08,040	8,86,702	27,42,94,742	33,53,89,045	62,72,227	34,16,61,272
		2,65,23,13,015	8,86,702	2,65,31,99,717	2,54,98,38,894	62,72,227	2,55,61,11,121
Equity and liabilities							
Equity							
Share capital		90,00,00,000	-	90,00,00,000	90,00,00,000	-	90,00,00,000
Other equity	a	13,73,81,708	15,80,656	13,89,62,364	13,44,60,960	2,56,51,523	16,01,12,483
		1,03,73,81,708	15,80,656	1,03,89,62,364	1,03,44,60,960	2,56,51,523	1,06,01,12,483
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings		1,22,38,00,000	-	1,22,38,00,000	1,02,02,00,000	-	1,02,02,00,000
Provisions		8,07,154	-	8,07,154	6,00,595	-	6,00,595
Deferred tax liabilities (net)	b	11,01,40,650	3,06,870	11,04,47,520	19,76,95,510	21,70,692	19,98,66,202
Other non-current liabilities	c	-	5,42,75,330	5,42,75,330	-	5,01,54,396	5,01,54,396
		1,33,47,47,804	5,45,82,200	1,36,93,30,004	1,21,83,96,105	5,23,25,088	1,27,07,21,193
Current liabilities							
Financial liabilities							
Trade payables							
Due to others		72,03,772	-	72,03,772	70,84,689	-	70,84,689
Other financial liabilities		21,25,38,652	-	21,25,38,652	21,24,38,652	-	21,24,38,652
Other current liabilities	c	3,17,487	41,20,934	44,38,421	4,24,072	41,20,934	45,45,006
Provisions	a	5,95,20,407	(5,93,97,088)	1,23,319	7,84,31,231	(7,58,25,318)	6,05,913
Current tax liabilities (net)		6,03,165	-	6,03,165	6,03,165	-	6,03,165
		28,01,83,503	(5,52,76,154)	22,49,07,349	29,69,81,829	(7,17,04,384)	22,52,77,445
		2,65,23,13,015	8,86,702	2,65,31,99,717	2,54,98,38,894	62,72,228	2,55,61,11,121

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

TORRENT POWER GRID LIMITED

Note 49: Reconciliation of total comprehensive income for the year ended 31 March 2016

Amt. in Rs.

	Note	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Income				
Revenue from operations	d	54,26,92,543	(2,95,234)	54,23,97,309
Other income	b	1,98,64,474	53,85,525	2,52,49,999
Total income		56,25,57,017	50,90,292	56,76,47,308
Expenses				
Employee benefits expense		1,01,02,877	32,532	1,01,35,409
Finance costs		14,53,86,714	(58,182)	14,53,28,532
Depreciation and amortization expense	c	16,03,34,191	41,20,934	16,44,55,125
Other expenses		3,72,62,926	(43,57,986)	3,29,04,939
Total expenses		35,30,86,708	(2,62,702)	35,28,24,005
Profit before exceptional items and tax		20,94,70,309	53,52,994	21,48,23,303
Exceptional items		-		-
Profit before tax		20,94,70,309	53,52,994	21,48,23,303
Tax expenses				
Current tax		4,47,10,000	-	4,47,10,000
Deferred tax	c	6,75,54,860	18,52,562	6,94,07,422
Short / (excess) provision of current tax for earlier years		-		-
		13,22,64,860	18,52,562	13,41,17,422
Profit for the period from continuing operations		7,72,05,449	35,00,432	8,07,05,881
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of the defined benefit plans		-	32,532	32,532
Income tax relating to remeasurement of the defined benefit plans		-	11,260	11,260
Other comprehensive income for the year (net of tax)		-	21,272	21,272
Total comprehensive income for the year		7,72,05,449	35,21,704	8,07,27,153

TORRENT POWER GRID LIMITED

Note 50: Reconciliation of cash flow for the year ended 31 March 2016

Particulars	Previous GAAP	Effect of transition of Ind AS	Ind AS
Net cash flows from operating activities	49,79,64,899	-	49,79,64,899
Net cash flows from investing activities	5,21,99,085	-	5,21,99,085
Net cash flows from financing activities	(40,85,05,566)	-	(40,85,05,566)
Net increase/(decrease) in cash and cash equivalents	**14,16,58,418**	-	**14,16,58,418**
Cash and cash equivalents as at beginning of the year	7,06,32,190	8,86,702	7,15,18,892
Cash and cash equivalents as at end of the year	21,22,90,608	8,86,702	21,31,77,310

Analysis of cash and cash equivalents as at March 31, 2016 and as at April 1, 2015 for the purpose of statement of cash flows under Ind AS

Particulars	As at 31/03/2016	As at 01/04/2015
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	21,22,90,608	7,06,32,190
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	21,31,77,310	7,15,18,892
Less:Net gain / (loss) arising on investments in mutual funds mandatorily measured at fair value through profit or loss	8,86,702	8,86,702
Net Cash and Cash equivalents for purpose of statement of Cash flows under Ind AS	21,22,90,607	7,06,32,190

Footnote on reco:

A. Under Ind AS, dividends to shareholders declared after the end of the reporting period but before the financial statements are authorised for issue are not recognised as a liability at the end of the reporting period, but are disclosed separately in the notes. Accordingly, at the date of transition to Ind AS, a decrease to the extent of such proposed dividend is to be recognised in short term provisions and adjusted against retained earnings.

B. Under the previous GAAP, the Company accounted for long term investments in non-quoted and quoted investments at cost less provision other than temporary diminution in the value of investments. Current investments are stated at the lower of cost and fair value. As per the requirements of Ind AS 109, the investments in mutual fund units are to be fair valued. The differences arising out of the above treatment as at the date of transition is to be adjusted against retained earnings.The corresponding deferred taxes have also been recognised as at March 31, 2016 and as at April 1, 2015 and also for the year ended March 31, 2016.

C. Under previous Indian GAAP, amount received towards overhead / service line contributions were accounted as capital reserve by the Company as the amount was not refundable and subsequently, proportionate amount is transferred to income statement during the expected life of the asset to match against depreciation on total cost of such asset.

Under Ind AS, taking into cognizance of the prospective application of Appendix C to Ind AS 18, the balance as at the date of transition towards service line contributions have been transferred to deferred revenue.

D. Under Indian GAAP, the Company used to account for sales incentives or rebates in any form, including cash discounts given to customers as an expense. However under Ind AS, the said items are considered as selling price reductions and accounted as reduction from revenue.

Note 51: Equity reconciliations as at 31st March, 2016 and 1st April, 2015

Amt. in Rs.

	Notes	As at 31st March, 2016	As at 1st April, 2015
Total equity as per previous GAAP		**13,44,60,960**	**13,73,81,708**
Net gain / (loss) arising on financial assets measured at fair value	b	62,72,227	8,86,702
Proposed dividend	a	7,58,25,318	5,93,97,088
Deferred tax impact on Ind AS adjustments	b	(21,70,692)	(3,06,870)
Reclassification from reserves :			
- Service line contribution	a	(5,42,75,330)	(5,83,96,264)
Total adjustments		2,56,51,523	15,80,656
Total equity as per Ind AS		**16,01,12,483**	**13,89,62,364**

Reconciliation of total comprehensive income for the year ended 31st March, 2016

Amt. in Rs.

	Notes	Year ended 31st March, 2016
Profit after tax per previous GAAP		**7,72,27,969**
Net gain / (loss) arising on financial assets measured at fair value	b	53,85,525
Actuarial (gain) / loss on employee defined benefit funds recognised in other comprehensive income		(21,272)
Deferred tax impact on Ind AS adjustments		(18,63,821)
Total adjustments		35,00,432
Profit after tax per Ind AS		**8,07,28,401**
Other comprehensive income		43,792
Total comprehensive income as per Ind AS		**8,07,72,193**

TORRENT POWER GRID LIMITED

Note 52: Previous year figures

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

Note 53: Approval of financial statements

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

Signature to Note 1 to 53

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

I.S. Jha
Chairman

T P Vijayasarathy
CFO

Hemendra L. Shah
Partner

Abhinav Mathur
Company Secretary

Ahmedabad, 17th May, 2017

Ahmedabad, 17th May, 2017