TORRENT PIPAVAV GENERATION LIMITED

Deloitte
Haskins & Sells

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT
To The Members of TORRENT PIPAVAV GENERATION LIMITED
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Torrent Pipavav Generation 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 loss, total comprehensive loss, 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 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 and the reports of the other auditors.

   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 Indian Accounting Standards 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.

   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 does not have any pending litigations which would impact its financial position.

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 did not have any holdings or 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.

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)

Place: Ahmedabad
Date: 19th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 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 Pipavav Generation Limited ("the Company") as of March 31, 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 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 respective 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 March 31, 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)

Place: Ahmedabad
Date: 19th May, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.

2. The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

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. Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.

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

   a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

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

   c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2017 on account of disputes.

8. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

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. During the year, the Company has not paid / provided any managerial remuneration and hence reporting under clause (xi) of the CARO 2016 Order is not applicable.

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)

Place: Ahmedabad
Date: 19th May, 2017

TORRENT PIPAVAV GENERATION LIMITED

Balance sheet

as at 31st March, 2017

(Amount in Rs.)

	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Assets				
Non-current assets				
Property, plant and equipment	6	-	-	-
Capital work-in-progress	6	**9,11,00,364**	9,11,00,364	9,11,00,364
Goodwill		-	-	-
Investment property		-	-	-
Other intangible assets		-	-	-
Intangible assets under development		-	-	-
Financial assets				
Investments		-	-	-
Trade receivables		-	-	-
Loans		-	-	-
Other financial assets	7	**52,575**	1,96,556	1,99,009
Other non-current assets	8	**94,28,78,750**	94,28,78,750	93,20,66,001
		1,03,40,31,689	1,03,41,75,670	1,02,33,65,374
Current assets				
Inventories		-	-	-
Financial assets				
Cash and cash equivalents	9	**3,36,094**	1,62,883	3,43,877
Other bank balances		-	-	-
Loans		-	-	-
Other financial assets	10	-	3,766	-
Current tax assets (net)		-	-	-
Other current assets	11	-	434	434
		3,36,094	1,67,083	3,44,311
		1,03,43,67,783	1,03,43,42,753	1,02,37,09,684
Equity and liabilities				
Equity				
Share capital	12	**50,00,00,000**	50,00,00,000	50,00,00,000
Share capital suspense		-	-	-
Other equity	13	**(1,57,38,381)**	(34,47,537)	85,58,774
		48,42,61,619	49,65,52,463	50,85,58,774
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		-	-	-
Trade payables		-	-	-
Other financial liabilities		-	-	-
Provisions		-	-	-
Deferred tax liabilities (net)		-	-	-
Other non-current liabilities		-	-	-
		-	-	-
Current liabilities				
Financial liabilities				
Borrowings	14	**54,89,02,900**	53,65,73,970	51,46,22,453
Trade payables	15			
Due to micro and small enterprises		-	-	-
Due to others		**11,08,358**	10,41,925	2,66,136
Other financial liabilities	16	-	1,18,366	2,18,366
Other current liabilities	17	**94,390**	55,624	43,535
Current tax liabilities (net)	18	**516**	406	420
		55,01,06,164	53,77,90,291	51,51,50,910
		1,03,43,67,783	1,03,43,42,753	1,02,37,09,684

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Manisha Sikaria
Chief Financial Officer

T. P. Vijayasarathy
Director and CEO
DIN: 00271777

Hemendra L. Shah
Partner

Deepshikha Singhal
Company Secretary

Vasant A. Shah
Director
DIN: 00011596

Ahmedabad, 19th May, 2017

TORRENT PIPAVAV GENERATION LIMITED

Statement of profit and loss

for the year ended 31st March, 2017

(Amount in Rs.)

	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
Income			
Revenue from operations		-	-
Other income	19	1,20,036	1,313
Total income		1,20,036	1,313
Expenses			
Electrical energy purchased		-	-
Purchase of stock-in-trade		-	-
Cost of materials consumed		-	-
Changes in inventories of finished goods and work-in-progress		-	-
Employee benefits expense	20	8,28,930	5,51,517
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	21	1,15,81,433	1,14,55,698
Total expenses		1,24,10,363	1,20,07,215
Loss before exceptional items and tax		(1,22,90,327)	(1,20,05,902)
Exceptional items		-	-
Loss before tax		(1,22,90,327)	(1,20,05,902)
Tax expenses			
Current tax		516	406
Deferred tax		-	-
Short / (excess) provision of current tax for earlier years		-	3
		516	409
Loss for the period from continuing operations		(1,22,90,843)	(1,20,06,311)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		-	-
Tax relating to remeasurement of the defined benefit plans		-	-
Other comprehensive income for the year (net of tax)		-	-
Total comprehensive income for the year		(1,22,90,843)	(1,20,06,311)
Basic and diluted earnings per share of face value of Rs.10 each (in Rs.)		(0.25)	(0.24)

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Manisha Sikaria
Chief Financial Officer

T. P. Vijayasarathy
Director and CEO
DIN: 00271777

Hemendra L. Shah
Partner

Deepshikha Singhal
Company Secretary

Vasant A. Shah
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DIN: 00011596

Ahmedabad,19th May, 2017

Cash flow statement

for the year ended 31st March, 2017

	Year ended 31st March, 2017	(Amount in Rs.) Year ended 31st March, 2016
Cash flow from operating activities		
Net loss before tax	**(1,22,90,327)**	(1,20,05,902)
Adjustments for :		
Interest income	**(1,669)**	(1,313)
Deposit written off	**1,49,943**	-
Sundry payables written back	**(1,18,367)**	-
Operating loss before working capital changes	**(1,22,60,420)**	(1,20,07,215)
Movement in working capital:		
Adjustments for decrease / (increase) in operating assets:		
Other non-current financial asset	**(5,000)**	-
Other current assets	**434**	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	**66,434**	7,75,789
Other current financial liabilities	**-**	(1,00,000)
Other current liabilities	**38,766**	12,089
Cash used in operations	**(1,21,59,786)**	(1,13,19,337)
Taxes paid	**(406)**	(423)
Net cash used in from operating activities	**(1,21,60,192)**	(1,13,19,760)
Cash flow from investing activities		
Long-term advances for capital assets	**-**	(1,08,12,750)
Interest received	**4,473**	-
Net cash generated from / (used) in investing activities	**4,473**	(1,08,12,750)
Cash flow from financing activities		
Proceeds from short-term borrowings	**1,23,28,930**	2,19,51,517
Net cash generated from / (used) in financing activities	**1,23,28,930**	2,19,51,517
Net (decrease) / increase in cash and cash equivalents	**1,73,211**	(1,80,993)
Cash and cash equivalents as at beginning of the year	**1,62,883**	3,43,877
Cash and cash equivalents as at end of the year	**3,36,094**	1,62,883

See accompanying notes forming part of the standalone financial statements

	Year ended 31st March, 2017	Year ended 31st March, 2016
Notes:		
1. Cash and cash equivalents as at end of the year:		
Cash and cash equivalents (note9)	**3,36,094**	1,62,883
	3,36,094	1,62,883

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
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Ahmedabad, 19th May, 2017

TORRENT PIPAVAV GENERATION LIMITED

Statement of changes in equity

A. Equity share capital

	(Amount in Rs.)
Balance as at 1st April, 2015	50,00,00,000
Changes in equity share capital during the year	-
Balance as at 31st March, 2016	50,00,00,000
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	50,00,00,000

B. Other equity

(Amount in Rs.)

	Share capital suspense	Reserves and surplus						Total
		Securities premium reserve	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	
Balance as at 1st April, 2015	-	-	-	-	-	-	85,58,774	85,58,774
Loss for the year	-	-	-	-	-	-	(1,20,06,311)	(1,20,06,311)
Total comprehensive income for the year	-	-		-	-	-	(1,20,06,311)	(1,20,06,311)
Balance as at 31st March, 2016	-	-	-	-	-	-	(34,47,537)	(34,47,537)
Loss for the year	-	-	-	-	-	-	(1,22,90,843)	(1,22,90,843)
Total comprehensive income for the year	-	-		-	-	-	(1,22,90,843)	(1,22,90,843)
Balance as at 31st March, 2017	-	-	-	-	-	-	(1,57,38,381)	(1,57,38,381)

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

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Chief Financial Officer

T. P. Vijayasarathy
Director and CEO
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Hemendra L. Shah
Partner

Deepshikha Singhal
Company Secretary

Vasant A. Shah
Director
DIN: 00011596

Ahmedabad, 19th May, 2017

1. **General Information –**

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

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.

2. **Statement of compliance –**

The financial statements is 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 31 March 2016, the financials 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 4.13 for the details of significant first-time adoption exemptions availed by the Company. Refer Note 34 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.

4.2 **Property, plant and equipment:**

Tangible fixed assets:-

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

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.

4.3 **Impairment of tangible and intangible assets other than goodwill:**

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 **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.

4.5 **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.

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

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

4.6 **Taxation:**

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

Current Tax:

The tax currently payable is based on 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 for which applicable tax regulations are subject to interpretation and revises the provisions, if so required 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.

4.7 **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.

4.8 **Provisions, contingent liabilities and contingent assets:**

Provisions:

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

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 Company.

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

4.9 **Financial instruments:**

Financial assets and financial liabilities are recognised when the 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.

Financial assets

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 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.

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 considering the 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.

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

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

4.10 **Financial liabilities**

Classification as debt or equity

Debt and equity instruments issued by a 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.

Equity instruments

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

Financial liabilities

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

Subsequent measurement

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.

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.

Derecognition of financial liabilities

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

4.11 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.

4.12 **Leases :**

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

4.13 First-time adoption – mandatory exceptions and optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) after availing certain optional exemptions as detailed below.

Deemed cost for property, plant and equipment including Capital work in progress

The Company has elected to continue with the carrying value of all of its plant and equipment including CWIP 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.

Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

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 is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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Note - 6 : Property, plant and equipment - as at 31st March, 2017

(Amount in Rs.)

PARTICULARS	Gross carrying amount						Accumulated depreciation					Net carrying amount
	As at 1st April, 2016	Received on scheme of arrangement	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2017	As at 1st April, 2016	Received on scheme of arrangement	For the year	Deductions during the year	As at 31st March, 2017	As at 31st March, 2017
Property, plant and equipment												
Total	-	-	-	-	-	-	-	-	-	-	-	-
Capital work-in-progress												9,11,00,364

Notes:

1 Capital work in progress:
Capital work-in-progress includes the amount of expenditures recognised in the course of construction of property, plant and equipment of Rs.7,65,61,785 (31st March, 2016- Rs.7,65,61,785 , 1st April, 2015 - Rs.7,65,61,785)

2 Contractual obligation:
Refer to note 24 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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Note - 6 : Property, plant and equipment - as at 31st March, 2016

(Amount in Rs.)

PARTICULARS	Gross carrying amount						Accumulated depreciation					Net carrying amount	
	As at 1st April, 2015	Received on scheme of arrangement	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2016	As at 1st April, 2015	Received on scheme of arrangement	For the year	Deductions during the year	As at 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
Property, plant and equipment													
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital work-in-progress												9,11,00,364	9,11,00,364

Note 7 : Other non-current financial assets

Unsecured (considered good unless stated otherwise)

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deposits			
Considered good	36,613	1,81,556	1,81,556
Considered doubtful	-	-	-
	36,613	1,81,556	1,81,556
Less : Allowance for doubtful deposit	-	-	-
Deposits	36,613	1,81,556	1,81,556
Bank fixed deposits balance #	15,000	15,000	15,000
Interest accrued on deposits	962	-	2,453
	52,575	1,96,556	1,99,009

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

Note 8 : Other non-current assets

Unsecured (considered good unless stated otherwise)

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital advances	94,28,53,750	94,28,53,750	93,20,41,001
Balances with government authority	25,000	25,000	25,000
	94,28,78,750	94,28,78,750	93,20,66,001

Note - 9 : Cash and cash equivalents

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks			
Balance in current accounts	3,32,527	1,58,608	3,39,875
Balance in fixed deposit accounts (remaining maturity of less than three months)	-	-	-
	3,32,527	1,58,608	3,39,875
Cash on hand	3,567	4,275	4,002
	3,36,094	1,62,883	3,43,877

Note 10 : Other current financial assets

Unsecured (considered good unless stated otherwise)

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Interest accrued on deposits	-	3,766	-
	-	3,766	-

Note 11 : Other current assets

Unsecured (considered good unless stated otherwise)

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances for goods and services	-	434	434
	-	434	434

Note - 12 : Equity share capital

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorised			
10,00,00,000 (10,00,00,000 as at 31st March, 2016 and 10,00,00,000 as at 1st April, 2015) equity shares of Rs.10/- each	**1,00,00,00,000**	1,00,00,00,000	1,00,00,00,000
	1,00,00,00,000	1,00,00,00,000	1,00,00,00,000
Issued, subscribed and paid up			
5,00,00,000 (5,00,00,000 as at 31st March, 2016 and 5,00,00,000 as at 1st April, 2015) equity shares of Rs.10/- each	**50,00,00,000**	50,00,00,000	50,00,00,000
	50,00,00,000	50,00,00,000	50,00,00,000

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	**5,00,00,000**	5,00,00,000	5,00,00,000
Issued during the year on account of amalgamation	-	-	-
Outstanding at the end of the year	**5,00,00,000**	5,00,00,000	5,00,00,000

2 4,75,00,000 equity shares (4,75,00,000 equity shares as at 31st March, 2016 and 4,75,00,000 equity shares as at 1st April, 2015) of Rs.10 each fully paid up are held by holding company - Torrent Power Limited and its nominees.

3 Terms / Rights attached to equity shares :

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.The dividend,if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	% holding	No. of shares	% holding
Torrent Power Limited	**4,75,00,000**	**95.00%**	4,75,00,000	95.00%

Name of the Shareholder	As at 1st April, 2015	
	No. of shares	% holding
Torrent Power Limited	4,75,00,000	95.00%

Note - 13 : Other equity

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Reserves and surplus			
Retained earnings	**(1,57,38,381)**	(34,47,537)	85,58,774
	(1,57,38,381)	(34,47,537)	85,58,774

Notes:

1 Retained earnings:

The same reflects surplus/defecit after taxes in the Statement of 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 - 14 : Current borrowings

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured loans			
Loan from Torrent Powr Ltd. (Parent Company)	54,89,02,900	53,65,73,970	51,46,22,453
	54,89,02,900	53,65,73,970	51,46,22,453

Note - 15 : Current trade payables

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade payables for goods and services			
Due to micro and small enterprises (note 26)	-	-	-
Due to others	11,08,358	10,41,925	2,66,136
	11,08,358	10,41,925	2,66,136

Note - 16 : Other current financial liabilities

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Other deposits	-	-	1,00,000
Sundry payables	-	1,18,366	1,18,366
	-	1,18,366	2,18,366

Note - 17 : Other current liabilities

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory dues	94,390	55,624	43,535
	94,390	55,624	43,535

Note - 18 : Current tax liabilities

(Amount in Rs.)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for taxation (net of advance tax and tax deducted at source)	516	406	420
	516	406	420

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Note - 19 : Other income

	Year ended 31st March, 2017	(Amount in Rs.) Year ended 31st March, 2016
Interest income from financial assets at amortised cost		
Deposits	**1,669**	1,313
Miscellaneous income	**1,18,367**	-
	1,20,036	1,313

Note - 20 : Employee benefits expense

(Amount in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries, wages and bonus	8,28,930	5,51,517
	8,28,930	5,51,517

Note - 21 : Other expenses

(Amount in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Rent and hire charges	10,000	-
Repairs to		
Others	3,155	3,975
	3,155	3,975
Insurance	8,268	5,014
Rates and taxes	5,38,041	5,38,041
Electricity expenses	30,960	36,900
Security expenses	95,04,900	95,49,224
Miscellaneous expenses	1,61,050	1,56,777
Deposit written off	1,49,943	-
Directors sitting fees	3,79,500	3,59,276
Statutory auditors remuneration (note 28)	1,84,000	1,62,923
Legal, professional and consultancy fees	6,11,616	6,43,568
	1,15,81,433	1,14,55,698

Note 22: Income tax expenses

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

(Amount in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Current tax :		
Current tax on profits for the year	516	406
Adjustment for current tax of prior periods	-	3
Income tax expense attributable to continuing operations	516	409

(b) Reconciliation of current tax

(Amount in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit before tax from continuing operations	(1,22,90,327)	(1,20,05,902)
Current tax expense calculated at 30.90% tax rate (Previous year - 30.90%)	(37,97,711)	(37,09,824)
Tax effect of amounts which are not deductible (taxable) in calculating taxable profit :		
Non-deductible expense	37,98,227	37,10,229
Adjustment for current tax of prior periods	-	3
Current tax expense	516	409

The base tax rate used for the year ended 31st March, 2017 and year ended 31st March, 2016 reconciliations above is the tax rate of 30% (excluding cess. 3%) payable by corporate entities in India on taxable profits under the Indian tax law.

Note 23: Status of the project

The Company is jointly promoted by Torrent Power Limited (TPL) and Gujarat Power Corporation Limited (GPCL), a Government of Gujarat undertaking. The Company was in the process of acquisition of land for the Project. However, the erstwhile land owners were not co-operating for land acquisition. In view of this, currently the project is on hold and the financial statements have been prepared on a going concern basis.

Note 24: Commitments

(Amount in Rs.)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)			
Property, plant and equipment	-	-	-
Intangible assets	-	-	-

Other Commitments :

1. As per Shareholders' Agreement (SHA), the Company has to reimburse to GPCL, all the pre-operative expenditure incurred by GPCL for the development of the Project, along with simple interest at the rate 10% per annum, on receipt of duly audited and certified information and documents. The amount in this respect is being ascertained.

2. As per Shareholders' Agreement (SHA), Gujarat Power Corporation Limited (GPCL) will apply to the Government of Gujarat for transfer of land in the name of Torrent Pipavav Generation Limited (the Company). The land allotted to GPCL shall be transferred to the Company at market rate to be decided by Government of Gujarat. There are certain litigations for the private land acquired by GPCL. The same are pending before the Court. The entire legal liability arising out of the final decision through court or otherwise on such litigations would be paid by the Company. Accordingly, the Company has paid compensation of Rs.91,78,53,750 towards the private land as per court orders. If compensation to be paid by the Company, as directed by High Court is higher than market price, the difference between the two is to be borne by the Company.

Note 25: Segment reporting

The Company's activities during the year revolve around setting up of the Power Project. Considering the nature of Company's business and operation, there is no reportable segments in accordance with the requirements of Indian Accounting Standard 108 'Operating Segment' (Ind AS 108).

Note 26: 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 27: Operating lease

The Company's significant leasing arrangements are in respect of office premises taken on lease. The arrangement is for 10 years and is renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Company has not entered into any material financial lease. The Company does not have any non-cancellable lease.

Note 28: Statutory auditors remuneration

(Amount in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
As auditor		
Audit fees	1,60,000	1,40,000
Reimbursement of expenses	-	510
For service tax	24,000	22,413
	1,84,000	1,62,923

Note 29: Earnings per share

(Amount in Rs.)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Basic earnings per share	(0.25)	(0.24)
Diluted earnings per share	(0.25)	(0.24)

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:

(Amount 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	(1,22,90,843)	(1,20,06,311)
Weighted average number of equity shares	5,00,00,000	5,00,00,000

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 30: Related party disclosures

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

1	Parent Company / enterprises controlled by the Parent Company	Torrent Power Limited, Torrent Private Limited, Torrent Power Grid Limited, Torrent Solargen Limited, Torrent Pharmaceuticals Limited, Gujarat Lease Financing Limited, Torrent Power Services Private Limited, Puro Wellness Pvt. Ltd., 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, 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, GLFL Housing Finance Limited, GLFL Securities Limited, GLFL International Limited, TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund,TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust), TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund), TPL (Cables) Gratuity Trust, TPL (Cables) Superannuation Fund, TPG Gratuity Trust, TPG Superannuation Fund, TSL Gratuity Trust, TSL Superannuation Fund, Torrent Financiers, AEC Cements & Constructions Limited (under liquidation), Tidong Hydro Power Limited, Torrent Fincorp Private Limited., Tornascent Care Institute, UNM Foundation, Radiant Urja LLP

2	Key management personnel	T.P. Vijayasarathy CEO & Director

3	Relatives of key management	Lalitha Vijayasarathy, Wife Kundavi Vishwanathan, Daughter Priyadarshini Vijayasarathy, Daughter T.P. Sanjayasarathy, Brother Rajalakshmi Premkumar, Sister

TORRENT PIPAVAV GENERATION LIMITED

Note 30: Related party disclosures (Contd.)

(b) Related party transactions

(Amount in Rs.)

	Parent Company/ enterprises controlled by the Parent Company		Total	
	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16
Nature of transactions				
Services received	**10,000**	-	**10,000**	-
Torrent Power Limited	10,000	-	10,000	-
Rent Deposit	**5,000**	-	**5,000**	-
Torrent Power Limited	5,000	-	5,000	-
Shared expenditure	**8,28,930**	**5,51,517**	**8,28,930**	**5,51,517**
Torrent Power Ltd.	8,28,930	5,51,517	8,28,930	5,51,517
Loan received	**1,15,00,000**	**2,14,00,000**	**1,15,00,000**	**2,14,00,000**
Torrent Power Ltd.	1,15,00,000	2,14,00,000	1,15,00,000	2,14,00,000
Deposit received for nomination of directors	**1,00,000**	-	**1,00,000**	-
T.P. Vijayasarathy	1,00,000	-	1,00,000	-
Deposit refunded back on appointment of directors	**1,00,000**	**1,00,000**	**1,00,000**	**1,00,000**
Torrent Power Ltd.	-	1,00,000	-	1,00,000
T.P. Vijayasarathy	1,00,000	-	1,00,000	-

TORRENT PIPAVAV GENERATION LIMITED

Note 30: Related party disclosures (Contd.)

(Amount in Rs.)

(c) Related party balances

	Parent Company/ enterprises controlled by the Parent Company		
	As at 31.03.17	As at 31.03.16	As at 01.04.15
Balances at the end of the year			
Investment in equities	**47,50,00,000**	**47,50,00,000**	**47,50,00,000**
Torrent Power Limited	47,50,00,000	47,50,00,000	47,50,00,000
Unsecured Loans	**54,89,02,900**	**53,65,73,970**	**51,46,22,453**
Torrent Power Ltd.	54,89,02,900	53,65,73,970	51,46,22,453
Deposit for nomination of directors	-	-	**1,00,000**
Torrent Power Ltd.	-	-	1,00,000
Rent Deposit	**5,000**	-	-
Torrent Power Limited	5,000	-	-

(d)Terms and conditions of outstanding balances

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

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

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

Note 31: 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 note 14) and equity of the Company (comprising issued capital, reserves, retained earnings, as detailed in notes 12 and 13).

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

Gearing ratio

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

(Amount in Rs.)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Debt	**54,89,02,900**	53,65,73,970	51,46,22,453
Equity	**48,42,61,619**	49,65,52,463	50,85,58,774
Net debt to equity ratio	**1.13**	1.08	1.01

(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

(Amount 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	**3,36,094**	1,62,883	3,43,877
Other financial assets	**52,575**	2,00,322	1,99,009
	3,88,669	3,63,205	5,42,886
Financial liabilities			
Measured at amortised Cost			
Borrowing	**54,89,02,900**	53,65,73,970	51,46,22,453
Trade payable	**11,08,358**	10,41,925	2,66,136
Other financial liabilities	**-**	1,18,366	2,18,366
	55,00,11,258	53,77,34,261	51,51,06,955

Note 31: Financial instruments and risk review

(c) Financial risk management objectives

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due because it has inadequate funding or is unable to liquidate its assets. The Company manages liquidity risk by preparing cash flow forecasts and by ensuring it has sufficient funding to meet its forecast cash demands.

(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 contractual maturity is based on the earliest date on which the Company may be required to pay.

As at 31st March,2017

(Amount in Rs.)

	Less than 3 months	3 months to 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities					
Non current financial liabilities					
Borrowings	-	-	-	-	-
Trade payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
	-	-	-	-	-
Current financial liabilities					
Borrowings	54,89,02,900	-	-	-	54,89,02,900
Trade payables	8,19,608	2,88,750	-	-	11,08,358
Other financial liabilities	-	-	-	-	-
	54,97,22,508	**2,88,750**	-	-	**55,00,11,258**
Total financial liabilities	**54,97,22,508**	**2,88,750**	-	-	**55,00,11,258**

As at 31st March,2016

(Amount in Rs.)

	Less than 3 months	3 months to 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities					
Non current financial liabilities					
Borrowings	-	-	-	-	-
Trade payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
	-	-	-	-	-
Current financial liabilities					
Borrowings	53,65,73,970	-	-	-	53,65,73,970
Trade payables	7,65,000	2,76,925	-	-	10,41,925
Other financial liabilities	1,18,366	-	-	-	1,18,366
	53,74,57,336	**2,76,925**	-	-	**53,77,34,261**
Total financial liabilities	**53,74,57,336**	**2,76,925**	-	-	**53,77,34,261**

As at 1st April, 2015

(Amount in Rs.)

	Less than 3 months	3 months to 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities					
Non current financial liabilities					
Borrowings	-	-	-	-	-
Trade payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
	-	-	-	-	-
Current financial liabilities					
Borrowings	-	51,46,22,453	-	-	51,46,22,453
Trade payables	-	2,66,136	-	-	2,66,136
Other financial liabilities	2,18,366	-	-	-	2,18,366
	2,18,366	**51,48,88,589**	-	-	**51,51,06,955**
Total financial liabilities	**2,18,366**	**51,48,88,589**	-	-	**51,51,06,955**

Note 32: Fair Value Measurement and related disclosures

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

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

There are no financial assets which are valued through profit and loss.

(b) Financial assets and liabilities at amortised cost

The carrying amounts of current borrowings, trade payables, capital creditors, cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Note 33: 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:

(Amount in Rs.)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November,2016	-	8,048	8,048
Add: Permitted receipts	-	50,000	50,000
Less: Permitted payments	-	14,548	14,548
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on 30th December, 2016	-	43,500	43,500

'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

Note 34 : First time Ind AS adoption reconciliations

34.1 : Reconciliation of equity

(Amount in Rs.)

	As at date of transition 1st April,2015			As at 31st March, 2016		
	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets						
Non-current assets						
Property, plant and equipment	-	-	-	-	-	-
Capital work-in-progress	9,11,00,364	-	**9,11,00,364**	9,11,00,364	-	**9,11,00,364**
Financial assets				-	-	
Other financial assets	1,99,009	-	**1,99,009**	1,96,556	-	**1,96,556**
Other non-current assets	93,20,66,001	-	**93,20,66,001**	94,28,78,750	-	**94,28,78,750**
	1,02,33,65,374	-	**1,02,33,65,374**	1,03,41,75,670	-	**1,03,41,75,670**
Current assets						
Financial assets						
Cash and cash equivalents	3,43,877	-	**3,43,877**	1,62,883	-	**1,62,883**
Other financial assets	-	-	-	3,766	-	**3,766**
Other current assets	434	-	**434**	434	-	**434**
	3,44,311	-	**3,44,311**	1,67,083	-	**1,67,083**
	1,02,37,09,684	-	**1,02,37,09,684**	1,03,43,42,753	-	**1,03,43,42,753**
Equity and liabilities						
Equity						
Share capital	50,00,00,000	-	**50,00,00,000**	50,00,00,000	-	**50,00,00,000**
Other equity	85,58,774	-	**85,58,774**	(34,47,537)	-	**(34,47,537)**
	50,85,58,774	-	**50,85,58,774**	49,65,52,463	-	**49,65,52,463**
Liabilities						
Current liabilities						
Financial liabilities						
Borrowings	51,46,22,453	-	**51,46,22,453**	53,65,73,970	-	**53,65,73,970**
Trade payables						
Due to micro and small enterprises	-	-	-	-	-	-
Due to others	2,66,136	-	**2,66,136**	10,41,925	-	**10,41,925**
Other financial liabilities	2,18,366	-	**2,18,366**	1,18,366	-	**1,18,366**
Other current liabilities	43,535	-	**43,535**	55,624	-	**55,624**
Current tax liabilities (net)	420	-	**420**	406	-	**406**
	51,51,50,910	-	**51,51,50,910**	53,77,90,291	-	**53,77,90,291**
	1,02,37,09,684	-	**1,02,37,09,684**	1,03,43,42,753	-	**1,03,43,42,753**

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

Note 34 : First time Ind AS adoption reconciliations (contd.)

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

(Amount in Rs.)

	As at 31st March, 2016	As at 1st April, 2015
Total equity as per previous GAAP	(34,47,537)	85,58,774
Net gain / (loss) arising on financial assets measured at fair value	-	-
Net gain / (loss) arising on financial liabilities measured at amortised cost	-	-
Amortisation of borrowing cost	-	-
Unwinding of discount of financial liabilities	-	-
Deferred tax impact on Ind AS adjustments	-	-
Reclassification from reserves :		
- Service line contribution	-	-
- Grant in Aid under Accelerated Power Development Fund Reform Programme (APDRP)	-	-
Total adjustments	-	-
Total equity as per Ind AS	(34,47,537)	85,58,774

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

(Amount in Rs.)

	Year ended 31st March, 2016
Loss after tax per previous GAAP	(1,20,06,311)
Net gain / (loss) arising on financial assets measured at fair value	-
Net gain / (loss) arising on financial liabilities measured at amortised cost	-
Amortisation of borrowing cost	-
Unwinding of discount of financial liabilities	-
Actuarial (gain) / loss on employee defined benefit funds recognised in other comprehensive income	-
Deferred tax impact on Ind AS adjustments	-
Total adjustments	-
Loss after tax per Ind AS	(1,20,06,311)
Other comprehensive income	-
Total comprehensive income as per Ind AS	(1,20,06,311)

Note 34 : First time Ind AS adoption reconciliations (contd.)

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

(Amount in Rs.)

	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Income			
Other income	1,313	-	1,313
Total income	1,313	-	1,313
Expenses			
Employee benefits expense	5,51,517	-	5,51,517
Other expenses	1,14,55,698	-	1,14,55,698
Total expenses	1,20,07,215	-	1,20,07,215
Loss before exceptional items and tax	(1,20,05,902)	-	(1,20,05,902)
Exceptional items	-		-
Loss before tax	(1,20,05,902)	-	(1,20,05,902)
Tax expenses			
Current tax	406	-	406
Short / (excess) provision of current tax for earlier years	3	-	3
	409	-	409
Loss for the period from continuing operations	(1,20,06,311)	-	(1,20,06,311)
Total comprehensive income for the year	(1,20,06,311)	-	(1,20,06,311)

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

Note 34 : First time Ind AS adoption reconciliations (contd.)

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

(Amount in Rs.)

Particulars	Previous GAAP	Effect of transition of Ind AS	Ind AS
Net cash flows from operating activities	(1,13,19,760)	-	(1,13,19,760)
Net cash flows from investing activities	(1,08,12,750)	-	(1,08,12,750)
Net cash flows from financing activities	2,19,51,517	-	2,19,51,517
Net increase/(decrease) in cash and cash equivalents	**(1,80,993)**		**(1,80,993)**
Cash and cash equivalents as at beginning of the year	**3,43,877**	-	**3,43,877**
Cash and cash equivalents as at end of the year	**1,62,883**	-	**1,62,883**

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	1,62,883	3,43,877
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	1,62,883	3,43,877

Note 35: Approval of financial statements

The financial statements were approved for issue by the board of directors on 19th May, 2017.

Signature to Note 1 to 35

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Manisha Sikaria
Chief Financial Officer

T. P. Vijayasarathy
Director and CEO
DIN: 00271777

Hemendra L. Shah
Partner

Deepshikha Singhal
Company Secretary

Vasant A. Shah
Director
DIN: 00011596

Ahmedabad,19th May, 2017