LATUR RENEWABLE PRIVATE LIMITED

Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Members of Latur Renewable Private Limited

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

Opinion

1. We have audited the accompanying financial statements of Latur Renewable Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Other Information

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

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

   In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

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

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

7. Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

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

12. As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations as at March 31, 2019 which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2019.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

   iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Piyush Jalandhara
Partner
Membership No.: 122351

Place:
Date:

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Latur Renewable Private Limited on the Ind AS financial statements for the year ended March 31, 2019

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

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

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Latur Renewable Private Limited on the Ind AS financial statements for the year ended March 31, 2019

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Piyush Jhalandhara
Partner
Membership No.: 122351

Place:
Date:

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Latur Renewable Private Limited on the Ind AS financial statements as of and for the year ended March 31, 2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, as disclosed in Note 5 on fixed assets to the financial statements, are not held in the name of the Company as mentioned thereunder:

Sr. No.	Nature of Assets	Gross Block (Amount in Rs. Lakhs)	Net Block (Amount in Rs. Lakhs)	Remarks
1.	Freehold Land	300	300	The land is in the process of transfer in the name of the Company.

ii. The Company, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, income tax, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, or goods and service tax which have not been deposited on account of any dispute.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Latur Renewable Private Limited on the financial statements for the year ended March 31, 2019

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Piyush Jalandhara
Partner
Membership No.: 122351

Place:
Date:

LATUR RENEWABLE PRIVATE LIMITED

Balance sheet

as at 31st March, 2019

(₹ in Lakhs)

	Note	As at 31st March, 2019	As at 31st March, 2018
Assets			
Non-current assets			
Property, plant and equipment	5	41,140.64	43,473.86
Financial assets			
Loans	6	1.50	-
Deferred tax assets (net)	27	166.49	150.75
Non-current tax assets (net)	7	64.00	-
Other non-current assets	8	-	5.90
		41,372.63	43,630.51
Current assets			
Financial assets			
Investments	9	503.98	-
Trade receivables	10	2,429.51	-
Cash and cash equivalents	11	28.20	14.12
Other financial assets	12	-	0.20
Other current assets	13	34.27	31.22
		2,995.96	45.54
		44,368.59	43,676.05
Equity and liabilities			
Equity			
Share capital	14	11,000.00	0.10
Other equity	15	(530.49)	(366.92)
		10,469.51	(366.82)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	30,394.55	-
		30,394.55	-
Current liabilities			
Financial liabilities			
Borrowings	17	-	27,863.82
Trade payables	18		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		207.48	17.12
Other financial liabilities	19	3,194.96	15,186.19
Other current liabilities	20	102.09	975.74
		3,504.53	44,042.87
		44,368.59	43,676.05

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

T. P. Vijayasarathy
Chairman
DIN: 00271777

Pranav Rao
Chief Executive Officer

Piyush Jalandhara
Partner
Membership No.: 122351

Shreya Tank
Chief Financial Officer

Samir Shah
Company Secretary

Place:
Date:

Place:
Date:

LATUR RENEWABLE PRIVATE LIMITED

Statement of Profit and Loss

(₹ in Lakhs)

For the year ended 31st March, 2019

	Note	Year ended 31st March, 2019	From 1st Feb, 2017 to 31st March, 2018
Income			
Revenue from operations	21	6,037.43	-
Other income	22	10.47	-
Total income		6,047.90	-
Expenses			
Employee benefits expense	23	5.22	-
Finance costs	24	3,489.74	319.03
Depreciation	25	2,333.22	194.43
Other expenses	26	300.49	4.21
Total expenses		6,128.67	517.67
Profit / (Loss) before tax		(80.77)	(517.67)
Tax expense			
Current tax		-	-
Deferred tax	27	(15.74)	(150.75)
		(15.74)	(150.75)
Profit / (Loss) for the year / period		(65.03)	(366.92)
Other comprehensive income		-	-
Total comprehensive income for the year / period		(65.03)	(366.92)
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	30	(0.55)	(36,692.43)

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

T. P. Vijayasarathy
Chairman
DIN: 00271777

Pranav Rao
Chief Executive Officer

Piyush Jalandhara
Partner
Membership No.: 122351

Shreya Tank
Chief Financial Officer

Samir Shah
Company Secretary

Place:
Date:

Place:
Date:

LATUR RENEWABLE PRIVATE LIMITED

Cash flow statement

(₹ in Lakhs)

For the year ended 31st March, 2019

	Note	Year ended 31st March, 2019	From 1st Feb, 2017 to 31st March, 2018
Cash flow from operating activities			
Net Profit / (Loss) before tax		(80.77)	(517.67)
Adjustments for :			
Depreciation	25	2,333.22	194.43
Profit on sale of current investments in mutual funds	22	(8.24)	-
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	22	(2.23)	-
Finance costs	24	3,489.74	319.03
Operating Profit / (Loss) before working capital changes		5,731.72	(4.21)
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Trade receivables		(2,429.51)	-
Long-term loans		(1.50)	-
Other current financial asset		0.20	(0.20)
Other current assets		(3.05)	(31.22)
Other non-current assets		5.90	(5.90)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		190.36	17.12
Other current financial liabilities		(0.09)	0.13
Other current liabilities		(873.65)	0.27
Cash generated from / (used in) operations		2,620.38	(24.01)
Taxes paid		(64.00)	-
Net cash flow generated from / (used in) operating activities		2,556.38	(24.01)
Cash flow from investing activities			
Payments for property,plant and equipment		(13,763.27)	(27,538.66)
Purchase (net) of current investments		(501.75)	-
Profit on sale of current investments in mutual funds		8.24	-
Net cash flow from investing activities		(14,256.78)	(27,538.66)
Cash flow from financing activities			
Proceeds from issue of Share Capital (net)		10,901.36	0.10
Proceeds from long-term borrowings from Bank		26,845.50	-
Proceeds from long-term borrowings from related party (Torrent Power Limited)		5,556.81	-
Proceeds from short-term borrowings from related party (Torrent Power Limited)		17,050.68	27,576.69
Repayment of short-term borrowings from related party (Torrent Power Limited)		(44,914.50)	-
Finance costs paid		(3,725.37)	-
Net cash flow generated from financing activities		11,714.48	27,576.79
Net increase in cash and cash equivalents		14.08	14.12
Cash and cash equivalents as at beginning of the year / period		14.12	-
Cash and cash equivalents as at end of the year / period		28.20	14.12

See accompanying notes forming part of the financial statements

	Note	As at 31st March, 2019	As at to 31st March, 2018
Notes:			
1. Cash and cash equivalents as at end of the year / period:	11		
Balances with banks		27.96	14.12
Cash on hand		0.24	-
		28.20	14.12

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.

3. For Net debt reconciliation refer note - 16.

In terms of our report attached

For and on behalf of the Board of Directors

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

T. P. Vijayasarathy
Chairman
DIN: 00271777

Pranav Rao
Chief Executive Officer

Piyush Jalandhara
Partner
Membership No.: 122351

Shreya Tank
Chief Financial Officer

Samir Shah
Company Secretary

Place:
Date:

Place:
Date:

LATUR RENEWABLE PRIVATE LIMITED

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

(₹ in Lakhs)

A. Equity share capital (Refer Note 14)

Balance as at 1st February, 2017	-
Changes in equity share capital during the period	0.10
Balance as at 31st March, 2018	**0.10**
Changes in equity share capital during the year	10,999.90
Balance as at 31st March, 2019	**11,000.00**

B. Other equity (Refer Note 15)

	Reserves and surplus Retained earnings
Balance as at 1st February, 2017	-
Loss for the period	(366.92)
Other comprehensive income for the period, net of income tax	-
Total comprehensive income for the period	**(366.92)**
Balance as at 31st March, 2018	**(366.92)**
Loss for the year	(65.03)
Share issue expenses adjusted against other equity	(98.54)
Other comprehensive income for the year, net of income tax	-
Total comprehensive income for the year	**(163.57)**
Balance as at 31st March, 2019	**(530.49)**

In terms of our report attached

For and on behalf of the Board of Directors

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

T. P. Vijayasarathy
Chairman
DIN: 00271777

Pranav Rao
Chief Executive Officer

Piyush Jalandhara
Partner
Membership No.: 122351

Shreya Tank
Chief Financial Officer

Samir Shah
Company Secretary

Place:
Date:

Place:
Date:

LATUR RENEWABLE PRIVATE LIMITED

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

Note 1. General Information

The Company is a wholly owned subsidiary of Torrent Power Limited. The Company is a private 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, Gujarat, India – 380015.

The Company is engaged in the business of generation of wind power. The Company's project of 60MW is situated in the Raichur district in the State of Karnataka.

Note 2. New standards and interpretations adopted by Company

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

Ind AS 115 – "Revenue from Contracts with Customers"

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

There is no impact on the Company's financial statement on account of Ind AS 115 as the revenue of the Company is based on fixed rate per kilowatt hour.

New standards or interpretations issued by but not yet effective

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

Ind AS - 116 "Leases"

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

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

In order to identify the potential impact of the standard on the Company's financial statements, the Company is analysing leasing contracts. The Company has begun the analysis on the key areas identified, in order to estimate the effect of the application of the new standard for which the work is ongoing and impact areas may be identified as the Company progresses further in the implementation process. As a result, at this stage the Company is not able to estimate the impact of the new standard on the Company's financial statements. The Company will make a more detailed assessment of the impact over the future periods.

Note 3. Significant accounting policies

3.1 Basis of preparation:

a) Compliance with Ind AS

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

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

b) Historical cost convention

The financial statements have been prepared on an accrual basis under the historical cost convention except for following which have been measured at fair value;

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

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

3.2 Property, plant and equipment:

Tangible fixed assets:-

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

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

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

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

Depreciation methods, estimated useful lives and residual value

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 on tangible assets which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003.

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

The depreciation rates of property, plant and equipment are as follows:

Class of assets	Rate of depreciation
Plant and machinery	5.38%

3.3 Impairment of tangible assets:

Tangible 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. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

3.4 Borrowing Costs:

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

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

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

3.5 Cash and cash equivalents:

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

3.6 Revenue recognition:

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

(i) Revenue from power supply are accounted for on the basis of billings to consumer in accordance with the Power Purchase Agreement.

3.7 Taxation:

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

Current Tax:

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

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

Deferred Tax:

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

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

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

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

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

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

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

3.8 Earnings per share:

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

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

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

3.9 Provisions, contingent liabilities and contingent assets:

Provisions:

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

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

Contingent liability:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as Contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets:

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

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

3.10 Financial instruments:

Financial assets

i) Classification of financial assets (including debt instruments)

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

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

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

ii) Initial measurement

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

iii) Subsequent measurement

Debt instruments

There are three measurement categories into which the debt instruments can be classified:

• **Amortised cost:**

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

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

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

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

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

iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with 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 115 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

v) Derecognition of financial assets

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

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

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

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

vi) Income recognition

• Interest income

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

• Dividend

Dividend is accounted when the right to receive payment is established.

Financials liabilities:

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

i) Classification

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

ii) Initial measurement

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

iii) Subsequent measurement

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

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

iv) Derecognition of financial liabilities

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

3.11 Contributed equity:

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

3.12 Leases:

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

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

3.13 Rounding of amounts:

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

Note 4 : Critical accounting judgements and key sources of estimation uncertainty

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

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

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of recognition of deferred tax assets (refer note 27).

LATUR RENEWABLE PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March, 2019

Note- 5 : Property, plant and equipment

As at 31st March, 2019

(₹ in Lakhs)

PARTICULARS	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As At 1st April, 2018	Additions during the year	Deduction during the year	As At 31st March, 2019	As At 1st April, 2018	For the year	Deduction during the year	As At 31st March, 2019	As At 31st March, 2019
Freehold land	300.00	-	-	300.00	-	-	-	-	300.00
Plant and machinery	43,368.29	-	-	43,368.29	194.43	2,333.22	-	2,527.65	40,840.64
Total	**43,668.29**	-	-	**43,668.29**	**194.43**	**2,333.22**	-	**2,527.65**	**41,140.64**

As at 31st March, 2018

(₹ in Lakhs)

PARTICULARS	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As At 1st February, 2017	Additions during the period	Deduction during the period	As At 31st March, 2018	As At 1st February, 2017	For the period	Deduction during the period	As At 31st March, 2018	As At 31st March, 2018
Freehold land	-	300.00	-	300.00	-	-	-	-	300.00
Plant and machinery	-	43,368.29	-	43,368.29	-	194.43	-	194.43	43,173.86
Total	-	**43,668.29**	-	**43,668.29**	-	**194.43**	-	**194.43**	**43,473.86**

Footnotes:

1. Assets pledged as security:

   Entire movable and immovable properties with the net carrying amount of ₹ 41,140.64 Lakhs (31st March, 2018 - ₹ 43,473.86 Lakhs) is in the process of being mortgaged and hypothecated to secure borrowings of the Company (Refer Note 16).

LATUR RENEWABLE PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March, 2019

Note - 6 : Non-current loans
Unsecured (considered good unless stated otherwise)

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Security Deposits	1.50	-
	1.50	-

Note - 7 : Non-current tax assets (net)

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Advance income tax (net)	64.00	-
	64.00	-

Note - 8 : Other non-current assets
Unsecured (considered good unless stated otherwise)

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Prepaid expenses	-	5.90
	-	5.90

Note - 9 : Current investments

(Investments carried at fair value through profit or loss)

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Investment in mutual funds (Unquoted)*		
ICICI Liquid Plan - Regular - Growth	**503.98**	-
(No. of units- 31st March, 2019: 182986.764, 31st March, 2018: Nil)		
	503.98	-
Aggregate amount of unquoted investments	**503.98**	-

* As Mutual fund investments are not listed on stock exchange, it is considered as unquoted investments.

Note - 10 : Trade receivables

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
Trade receivables			
Unsecured	- Considered good	**2,429.51**	-
		2,429.51	-

Note:

1. Refer Note 33 for credit risk related disclosures

LATUR RENEWABLE PRIVATE LIMITED

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

Note - 11 : Cash and cash equivalents

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Balances with banks		
Balance in current accounts	27.96	14.12
	27.96	14.12
Cash on hand	0.24	-
	28.20	14.12

Note - 12 : Other financial assets

Unsecured (considered good unless stated otherwise)

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Deposits	-	0.20
	-	0.20

Note - 13 : Other current assets

Unsecured (considered good unless stated otherwise)

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Prepaid expenses	34.27	31.22
	34.27	31.22

LATUR RENEWABLE PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March, 2019

Note - 14 : Equity share capital

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Authorised		
11,50,00,000 (10,000 as at 31st March, 2018) equity shares of ₹10 each	11,500.00	1.00
	11,500.00	1.00
Issued, subscribed and paid up		
11,00,00,000 (1,000 as at 31st March, 2018) equity shares of ₹10 each	11,000.00	0.10
	11,000.00	0.10

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

	No. of shares As at 31st March, 2019	No. of shares As at 31st March, 2018
At the beginning of the reporting year / period	1,000	-
Add: Subscribers to the Memorandum	-	1,000
Add: Issued During the year	109,999,000	-
Outstanding at the end of the reporting year / period	110,000,000	1,000

2. Shares held by holding company :
   11,00,00,000 (1,000 as at 31st March 2018) equity shares of ₹10 each fully paid up are held by holding company - Torrent Power Limited jointly with nominees.

3. Terms / Rights attached to equity shares :

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

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

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

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	% holding	No. of shares	% holding
Torrent Power Limited (Jointly with nominees)	110,000,000	100.00%	1,000	100.00%

Note - 15 : Other equity

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Reserves and surplus		
Retained earnings	(530.49)	(366.92)
	(530.49)	(366.92)

Notes:
1. Retained earnings:
   The same reflects the loss of the Company incurred till date net of appropriations.

Q

Note - 16 : Non-current borrowings

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Non-current borrowings @		
Secured loans - at amortised cost		
Term loans		
From banks	24,837.74	-
	24,837.74	-
Unsecured loans - at amortised cost		
Loans from Torrent Power Limited - Parent Company (including interest accrued)	5,556.81	-
	5,556.81	-
	30,394.55	-

@ After considering unamortised expense of ₹ 207.76 Lakh as at 31st March, 2019 and ₹ Nil Lakh as at 31st March, 2018.

	As at 31st March, 2019	As at 31st March, 2018
Current maturities $		
Secured loans - at amortised cost		
Term loans		
From banks	1,772.13	-
	1,772.13	-
Amount disclosed under the head 'Other current financial liabilities' [Refer Note 19]	(1,772.13)	-
	-	-

$ After considering unamortised expense of ₹ 27.87 Lakh as at 31st March, 2019 and ₹ Nil Lakh as at 31st March, 2018.

Footnotes:

1. The aforesaid term loan is secured by way of first pari passu charge over entire immovable assets (in the process of creation) and movable assets including current assets, both present and future, of the project, all Bank Accounts including Trust and Retention Accounts of the project and by way of pledge of 5,61,00,000 equity shares of ₹ 10 each fully paid up (equivalent to 51% of equity share capital) held by Torrent Power Limited (Parent Company) in the equity share capital of the Company, in favour of lenders for term loans of ₹ 26,845.50 Lakhs.
2. The loan shall be repayable in equal quarterly installment of ₹ 450 Lakh for 16 years starting from June-2019.
3. Undrawn borrowings from banks, based on approved facilities, were ₹ 1,954.50 Lakh.
4. The aforesaid loan from Torrent Power Limited (Parent Company) includes Equity-Promoter Loan of ₹ 4,400 Lakh.

Net debt reconciliation :

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents	28.20	14.12
Current investments	503.98	-
Current borrowings	-	(27,863.82)
Non-current borrowings (including current maturities and interest accrued)	(32,166.68)	-
	(31,634.50)	(27,849.70)

	Other assets		Liabilities from financing activities		Total
	Cash and cash equivalent	Current investment	Current borrowing	Non-current borrowing	
Net balance as at 31st March, 2018	14.12	-	27,863.82	-	**27,877.94**
Cash flows	14.08	501.75	(27,863.82)	(32,166.53)	**(59,514.52)**
Interest expense	-	-	-	(3,489.74)	**(3,489.74)**
Interest paid	-	-	-	3,489.59	**3,489.59**
Fair value adjustment	-	2.23	-	-	**2.23**
Net balance as at 31st March, 2019	**28.20**	**503.98**	**0.00**	**(32,166.68)**	**(31,634.50)**

	Other assets		Liabilities from financing activities		Total
	Cash and cash equivalent	Current investment	Current borrowing	Non-current borrowing	
Net balance as at 1st February , 2017	-	-	-	-	-
Cash flows	14.12	-	(27,576.69)	-	**(27,562.57)**
Interest expense	-	-	(319.03)	-	**(319.03)**
Interest paid	-	-	31.90	-	**31.90**
Fair value adjustment	-	-	-	-	-
Net balance as at 31st March, 2018	**14.12**	-	**(27,863.82)**	-	**(27,849.70)**

LATUR RENEWABLE PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March, 2019

Note - 17 : Current borrowings

	As at 31st March, 2019	(₹ in Lakhs) As at 31st March, 2018
Unsecured loans		
Loans from Torrent Power Limited (Parent Company)#	-	27,863.82
	-	27,863.82

Repayable on demand along with interest @ 9% p.a.

Note - 18 : Current trade payables

	As at 31st March, 2019	(₹ in Lakhs) As at 31st March, 2018
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises [Refer Note 28]	-	-
Total outstanding dues other than micro and small enterprises	207.48	17.12
	207.48	17.12

Note - 19 : Other current financial liabilities

	As at 31st March, 2019	(₹ in Lakhs) As at 31st March, 2018
Current maturities of long-term debt [Refer Note 16]	1,772.13	-
Payables on purchase of property, plant and equipment	1,422.79	15,186.06
Sundry payables	0.04	0.13
	3,194.96	15,186.19

Note - 20 : Other current liabilities

	As at 31st March, 2019	(₹ in Lakhs) As at 31st March, 2018
Statutory dues	102.09	975.74
	102.09	975.74

LATUR RENEWABLE PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March, 2019

Note - 21 : Revenue from operations

(₹ in Lakhs)

	Year ended 31st March, 2019	From 1st Feb, 2017 to 31st March, 2018
Revenue from Contracts with Customers		
Revenue from power supply	6,037.43	-
	6,037.43	-

Note - 22 : Other income

(₹ in Lakhs)

	Year ended 31st March, 2019	From 1st Feb, 2017 to 31st March, 2018
Profit on sale of current investments in mutual funds	8.24	-
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	2.23	-
	10.47	-

LATUR RENEWABLE PRIVATE LIMITED

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

Note - 23 : Employee benefits expenses

(₹ in Lakhs)

	Year ended 31st March, 2019	From 1st Feb, 2017 to 31st March, 2018
Salaries, wages and bonus	4.77	-
Contribution to provident and other funds	0.44	-
Employees welfare expenses	0.01	-
	5.22	-

Note - 24 : Finance costs

(₹ in Lakhs)

	Year ended 31st March, 2019	From 1st Feb, 2017 to 31st March, 2018
Interest expense for financial liabilities not classified as fair value through profit or loss		
Term loans	20.63	-
Others	3,468.96	319.03
Amortisation of borrowing costs	0.15	-
	3,489.74	319.03

Note - 25 : Depreciation

(₹ in Lakhs)

	Year ended 31st March, 2019	From 1st Feb, 2017 to 31st March, 2018
Depreciation expense on property, plant and equipment	2,333.22	194.43
	2,333.22	194.43

Note - 26 : Other expenses

(₹ in Lakhs)

	Year ended 31st March, 2019	From 1st Feb, 2017 to 31st March, 2018
Rent and hire charges	0.24	0.16
Repairs to		
Plant and machinery	217.23	-
	217.23	-
Insurance	31.50	0.35
Vehicle running expenses	8.69	0.96
Auditors remuneration [Refer Note 29]	1.18	1.18
Legal, professional and consultancy fees	35.67	18.17
Miscellaneous expenses	5.98	2.68
	300.49	23.50
Less: Allocated to capital works, repairs and other relevant revenue accounts	-	(19.29)
	300.49	4.21

Note - 27: Income tax expenses

Management has made an assessment of the amount of taxable income that would be available in future to offset the tax credits available to the Company.

The assessment of taxable income involved several key assumptions, which the management considered reasonable based on past trends, applicable tariff regulations / agreements and current and likely future state of the industry.

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

(₹ in Lakhs)

	Year ended 31st March, 2019	Period ended 31st March, 2018
Current tax		
Current tax on profits for the year / period	-	-
	-	-
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(351.45)	(497.81)
(Decrease) / increase in deferred tax liabilities	335.71	347.06
	(15.74)	(150.75)
Income tax expense attributable to continuing operations	(15.74)	(150.75)

(b) Reconciliation of income tax expense

(₹ in Lakhs)

	Year ended 31st March, 2019	Period ended 31st March, 2018
Profit / (Loss) before tax from continuing operations	(80.77)	(517.67)
Expected income tax expense calculated using tax rate at 27.82% (Previous year - 29.12%)	(22.47)	(133.30)
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Impact of enacted income tax rate on deferred tax balance	6.73	(17.45)
Total	(15.74)	(150.75)
Total expense as per statement of profit and loss	(15.74)	(150.75)

The tax rate used for the reconciliations given above is the actual / enacted corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

Note - 27: Income tax expenses (Contd.)

(c) Deferred tax balances

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

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets	**849.26**	497.81
Deferred tax liabilities	**(682.77)**	(347.06)
	166.49	150.75

(2) Movement of deferred tax assets / (liabilities)

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

(₹ in Lakhs)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	**(345.34)**	**(271.26)**	-	**(616.60)**
Tax effect on fair value change in financial instruments and unamortised cost	**(1.72)**	**(64.45)**	-	**(66.17)**
Unabsorbed depreciation or business loss / Minimum Alternate Tax (MAT) credit entitlement	**497.81**	**351.45**	-	**849.26**
	150.75	**15.74**	-	**166.49**

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

(₹ in Lakhs)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	-	(345.34)	-	(345.34)
Tax effect on fair value change in financial instruments and unamortised cost	-	(1.72)	-	(1.72)
Unabsorbed depreciation or business loss / Minimum Alternate Tax (MAT) credit entitlement	-	497.81	-	497.81
	-	150.75	-	150.75

Note - 28: Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. No interest is paid/payable during the period and no amount is outstanding at the year end.

Note - 29: Auditors remuneration (including taxes)

(₹ in Lakhs)

	Year ended 31st March, 2019	Period ended 31st March, 2018
As auditor		
Audit fees	**1.18**	1.18
	1.18	1.18

Note - 30: Earnings / (Loss) per share

	Year ended 31st March, 2019	Period ended 31st March, 2018
Basic earnings / (Loss) per share (₹)	**(0.55)**	(36,692.43)
Diluted earnings / (Loss) per share (₹)	**(0.55)**	(36,692.43)

Basic and diluted earnings per share

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

	Year ended 31st March, 2019	Period ended 31st March, 2018
Profit / (Loss) for the year / period attributable to the Company used in calculation of basic earning per share (₹ in Lakhs)	**(65.03)**	(366.92)
Weighted average number of equity shares	**11,754,318**	1,000

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

Note - 31: Operating segment

The Company's primary business segment is Generation of Electricity. The Company does not have any reportable segments as per Indian Accounting Standard 108 "Operating Segments".

Note - 32: Related party disclosures

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

1	**Parent company**	Torrent Power Limited
2	**Ultimate parent company**	Torrent Private Limited
3	**Key management personnel**	T. P. Vijayasarathy Chairman and Director

(b) Related party transactions

(₹ in Lakhs)

	Parent Company	
	Year ended 31st March, 2019	Period ended 31st March, 2018
Nature of transactions		
Torrent Power Limited		
Loan received	19,480.19	27,576.69
Equity Share Capital infused	10,999.90	0.10
Loan repaid	42,745.50	-
Interest Expense on Loan	3,468.96	319.03
Shared expenditure	5.23	-

(c) Related party balances

(₹ in Lakhs)

	Parent Company	
	Year ended 31st March, 2019	Period ended 31st March, 2018
Balances at the end of the year / period		
Torrent Power Limited		
Loan outstanding	5,556.81	27,863.82

(d)Terms and conditions of outstanding balances

Loan from Torrent Power Limited includes Equity - Promoter Loan of ₹ 4,400 Lakh. The loan carries an interest rate of 9% p.a.

LATUR RENEWABLE PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2019

Note - 33: Financial instruments and risk review

(a) Capital management

The Company manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The Company's capital structure is represented by equity (comprising issued capital and retained earnings as detailed in Notes 14,15) and debt (borrowings as detailed in Note 16).

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) comes well within the limit of 2:1.

Gearing ratio

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

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Debt	**32,166.68**	27,863.82
Total equity	**10,303.02**	(517.57)
Debt to equity ratio	**3.12**	(53.84)

Footnotes :

1. Debt is defined as all long term debt outstanding (including unamortised expense) + short term debt outstanding in lieu of long term debt
2. Total equity is defined as Equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets

Loan Covenants

The company has complied with financial covenants specified as per the terms of borrowing facilities.

(b) Categories of financial instruments

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Carrying value	**Fair value**	Carrying value	Fair value
Financial assets				
Measured at amortised Cost				
Cash and cash equivalents	**28.20**	**28.20**	14.12	14.12
Trade receivables	**2,429.51**	**2,429.51**	-	-
Other financial assets	**-**	**-**	0.20	0.20
	2,457.71	**2,457.71**	14.32	14.32
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	**503.98**	**503.98**	-	-
	503.98	**503.98**	-	-
Financial liabilities				
Measured at amortised Cost				
Borrowing	**30,394.55**	**30,394.55**	27,863.82	27,863.82
Trade payable	**207.48**	**207.48**	17.12	17.12
Other financial liabilities	**3,194.96**	**3,194.96**	15,186.19	15,186.19
	33,796.99	**33,796.99**	43,067.13	43,067.13

Note - 33: Financial instruments and risk review

(c) Fair value measurement

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

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

(₹ in Lakhs)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31st March, 2019	As at 31st March, 2018		
Investment in mutual fund units	503.98	-	Level 1	Quoted bid prices in an active market
	503.98	-		

(d) Financial risk management objectives

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

Interest rate risk

Most of the Company's borrowings are on a floating rate of interest. 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:

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Fixed rate borrowings	-	27,863.82
Floating rate borrowings ^	32,166.68	-
	32,166.68	27,863.82

^ Gross amount including unamortised expense

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting year / period was outstanding for the whole year / period. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit before tax .

(₹ in Lakhs)

	Year ended 31st March, 2019	Period ended 31st March, 2018
Impact on profit before tax - increase in 50 basis points	(160.83)	-
Impact on profit before tax - decrease in 50 basis points	160.83	-

LATUR RENEWABLE PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2019

Note - 33: Financial instruments and risk review

Credit risk

Trade receivables

1. 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 receivable, suppliers etc.) might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts and the cost of substituting products that are not supplied.

2. Credit risk management:

   Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The credit trisk is limited as the revenue and collection are from Gulbarga Electricity Supply Company Limited which is a Government of Karnataka undertaking.

3. Other credit enhancements:

   The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

4. Age of receivables and expected credit loss

   Based on an analysis of past trends of recovery, the management is of the view that the entire receivables are fully recoverable. Accordingly, the Company does not recognise any impairment loss on its receivables.

Other financial assets

The Company is having balances in cash and cash equivalents and investment in mutual funds. With respect to investments, the Company limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Company's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Company therefore considers credit risks on such investments to be negligible.

LATUR RENEWABLE PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2019

Note - 33: Financial instruments and risk review (Contd.)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering the cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and unused borrowing facilities, by continuously monitoring projected / actual cash flows.

Maturities of financial liabilities

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. 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 (accrued upto 31st March, 2019) and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at 31st March, 2019 (₹ in Lakhs)

	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings^	-	7,200.00	23,402.31	30,602.31
	-	7,200.00	23,402.31	30,602.31
Current financial liabilities				
Trade payables	207.48	-	-	207.48
Other financial liabilities^	3,222.82	-	-	3,222.82
	3,430.30	-	-	3,430.30
Total financial liabilities	3,430.30	7,200.00	23,402.31	34,032.61

^ Gross amount including unamortised expense.

As at 31st March, 2018 (₹ in Lakhs)

	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Current financial liabilities				
Borrowings	27,863.82	-	-	27,863.82
Trade payables	17.12	-	-	17.12
Other financial liabilities	15,186.19	-	-	15,186.19
Total financial liabilities	43,067.13	-	-	43,067.13

Note - 34: Previous Year Figures

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

Note - 35: Approval of financial statements

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

Signature to Note 1 to 35

In terms of our report attached

For and on behalf of the Board of Directors

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

T. P. Vijayasarathy
Chairman
DIN: 00271777

Pranav Rao
Chief Executive Officer

Shreya Tank
Chief Financial Officer

Samir Shah
Company Secretary

Piyush Jalandhara
Partner
Membership No.: 122351

Place:
Date:

Place:
Date: