

TORRENT POWER GRID LIMITED

# Price Waterhouse Chartered Accountants LLP

## Independent auditor's report

### To the Members of Torrent Power Grid Limited

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

#### Opinion

1. We have audited the accompanying Ind AS financial statements of Torrent Power Grid Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

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


#### Other Information

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

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

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

We have nothing to report in this regard.

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# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Torrent Power Grid Limited  
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### **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

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# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Torrent Power Grid Limited  
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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.

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# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Torrent Power Grid Limited  
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- 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 has disclosed the impact, if any, of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;
  - 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

Place:  
Date:

Piyush Jalandhara  
Partner  
Membership No.: 122351



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

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

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

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

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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# **Price Waterhouse Chartered Accountants LLP**

## **Annexure A to Independent Auditors' Report**

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

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### **Meaning of Internal Financial Controls with reference to financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

### **Opinion**

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

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

Place:  
Date:

Piyush Jalandhara  
Partner  
Membership No.: 122351



# 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 Torrent Power Grid 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 Company does not own any immovable properties as disclosed in Note 5 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material
- 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.
- 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. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 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 generally regular in depositing undisputed statutory dues in respect of goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, income tax and other material statutory dues, as applicable, with the appropriate authorities.

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# Price Waterhouse Chartered Accountants LLP

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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand of tax	2.47	Financial year 2010-11	CIT (A)
	Demand of tax	10.23	Financial year 2010-11	Income Tax Appellate Tribunal

- 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. The Company has not issued any debentures.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- 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 Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 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 Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act].
- 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.

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# **Price Waterhouse Chartered Accountants LLP**

## **Annexure B to Independent Auditors' Report**

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- 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

Place:  
Date:

Piyush Jalandhara  
Partner  
Membership No.: 122351



**TORRENT POWER GRID LIMITED****Balance sheet**

As at 31st March, 2019

	Note	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	17,211.50	18,855.69
Financial assets			
Other financial assets	6	0.45	0.45
Non-current tax assets(net)	7	31.23	21.38
		<u>17,243.18</u>	<u>18,877.52</u>
<b>Current assets</b>			
Inventories	8	36.18	50.24
Financial assets			
Investments	9	3,751.48	2,974.37
Trade receivables	10	641.26	597.56
Cash and cash equivalents	11	112.96	186.63
Bank balances other than cash and cash equivalents	12	0.67	0.62
Other financial assets	13	379.60	437.49
Other current assets	14	3.60	1.89
		<u>4,925.75</u>	<u>4,248.80</u>
		<u>22,168.93</u>	<u>23,126.32</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	9,000.00	9,000.00
Other equity	16	4,672.20	4,076.29
		<u>13,672.20</u>	<u>13,076.29</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17	4,094.00	6,130.00
Provisions	18	8.74	9.03
Deferred tax liabilities (net)	31	911.50	1,306.98
Other non-current liabilities	19	377.92	419.13
		<u>5,392.16</u>	<u>7,865.14</u>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	20		
Total outstanding dues of micro and small enterprises		7.37	-
Total outstanding dues of creditors other than micro and small enterprises		63.82	75.84
Other financial liabilities	21	2,455.46	2,036.02
Other current liabilities	22	555.77	47.59
Provisions	23	16.06	1.36
Current tax liabilities (net)	24	6.09	24.08
		<u>3,104.57</u>	<u>2,184.89</u>
		<u>22,168.93</u>	<u>23,126.32</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

**For Price Waterhouse Chartered Accountants LLP**  
Chartered Accountants  
Firm Registration No.: 012754N/N500016

**Ravi P.Singh**  
Chairman

**Pankaj Shah**  
Chief Financial Officer

**Piyush Jalandhara**  
Partner  
Membership No.:122351

**Abhinav Mathur**  
Company Secretary

Place :  
Date :

Place : Ahmedabad  
Date: \_\_\_\_\_

**TORRENT POWER GRID LIMITED****Statement of profit and loss****For the year ended on 31st March, 2019**

	Note	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
<b>Income</b>			
Revenue from operations	25	4,652.26	6,322.68
Other income	26	290.50	352.06
<b>Total income</b>		<u>4,942.76</u>	<u>6,674.74</u>
<b>Expenses</b>			
Employee benefits expense	27	164.52	133.25
Finance costs	28	636.59	850.00
Depreciation and amortization expense	29	1,644.19	1,644.20
Other expenses	30	515.08	334.96
<b>Total expenses</b>		<u>2,960.38</u>	<u>2,962.41</u>
<b>Profit before tax</b>		1,982.38	3,712.33
<b>Tax expenses</b>			
Current tax	31	462.70	795.20
Deferred tax	31	(394.16)	(1,055.80)
<b>Total tax expenses</b>		<u>68.54</u>	<u>(260.60)</u>
<b>Profit for the year</b>		<u>1,913.84</u>	<u>3,972.93</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plans	35	(4.55)	0.98
Tax relating to remeasurement of the defined benefit plans	31	(1.32)	0.28
<b>Other comprehensive income for the year (net of tax)</b>		<u>(3.23)</u>	<u>0.70</u>
<b>Total comprehensive income for the year</b>		<u>1,910.61</u>	<u>3,973.63</u>
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	38	2.13	4.41

**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 No.: 012754N/N500016

**Ravi P.Singh**  
Chairman

**Pankaj Shah**  
Chief Financial Officer

**Piyush Jalandhara**  
Partner  
Membership No.:122351

**Abhinav Mathur**  
Company Secretary

Place :  
Date :

Place : Ahmedabad  
Date: \_\_\_\_\_



# TORRENT POWER GRID LIMITED

## Cash flow statement

For the year ended on 31st March, 2019

	Note	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
<b>Cash flow from operating activities</b>			
Net Profit before tax		1,982.38	3,712.33
<b>Adjustments for :</b>			
Depreciation and amortization expense	29	1,644.19	1,644.20
Deferred income	25	(41.21)	(41.21)
Provision of earlier years written back	26	-	(87.39)
Allowance for doubtful debts	30	156.64	-
Finance costs	28	636.59	850.00
Interest income	26	(0.20)	(0.10)
Profit on sale of current investments in mutual funds	26	(382.77)	(120.20)
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	26	129.88	(111.43)
Provisional true up impact		174.04	-
<b>Operating profit before working capital changes</b>		<b>4,299.54</b>	<b>5,846.20</b>
<b>Movement in working capital:</b>			
Adjustments for decrease / (increase) in operating assets:			
Inventories		14.06	(1.63)
Trade receivables		(200.34)	16.14
Other current financial asset		57.92	(428.47)
Other current assets		(1.71)	(0.13)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(4.65)	9.78
Other current financial liabilities		15.69	(855.66)
Long-term provisions		(0.28)	1.88
Short-term provisions		10.15	1.48
Other current liabilities		508.18	(1.55)
<b>Cash generated from operations</b>		<b>4,698.56</b>	<b>4,588.04</b>
Taxes paid		(490.55)	(761.71)
<b>Net cash flow from operating activities</b>		<b>4,208.01</b>	<b>3,826.33</b>
<b>Cash flow from investing activities</b>			
(Purchase)/ redemption (net) of current investments		(524.22)	289.01
Investments (net) in bank deposits (maturity more than three months)		(0.04)	(0.16)
Interest received		0.16	0.16
<b>Net cash from investing activities</b>		<b>(524.10)</b>	<b>289.01</b>
<b>Cash flow from financing activities</b>			
Repayment of long-term borrowings		(2,036.00)	(2,036.00)
Dividend paid		(900.00)	(900.00)
Dividend distribution tax paid		(185.00)	(183.22)
Finance costs paid		(636.58)	(850.00)
<b>Net cash generated from / (used) in financing activities</b>		<b>(3,757.58)</b>	<b>(3,969.22)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(73.67)</b>	<b>146.12</b>
<b>Cash and cash equivalents as at beginning of the year</b>		<b>186.63</b>	<b>40.51</b>
<b>Cash and cash equivalents as at end of the year</b>		<b>112.96</b>	<b>186.63</b>

See accompanying notes forming part of the financial statements

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# TORRENT POWER GRID LIMITED

## Cash flow statement (Contd.)

	Note	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
<b>Notes:</b>			
1. Cash and cash equivalents as at end of the year:			
Cash and cash equivalents	11		
Balance in Current Accounts		37.96	86.63
Balance in fixed deposit accounts (original maturity for less than three months)		75.00	100.00
		<u>112.96</u>	<u>186.63</u>

2. The cash flow statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS), 7 - "Statement of Cash Flows".

3. For Net Debt Reconciliation (Refer note 17)

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 No.: 012754N/N500016

**Ravi P. Singh**  
Chairman

**Pankaj Shah**  
Chief Financial Officer

**Piyush Jalandhara**  
Partner  
Membership No.: 122351

**Abhinav Mathur**  
Company Secretary

Place :  
Date :

Place : Ahmedabad  
Date: \_\_\_\_\_

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# TORRENT POWER GRID LIMITED

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

		₹ in lakhs
<b>A. Equity share capital</b>		
Balance as at 1st April, 2017		9,000.00
Changes in equity share capital during the year		-
Balance as at 31st March, 2018		<u>9,000.00</u>
Changes in equity share capital during the year		-
Balance as at 31st March, 2019		<u>9,000.00</u>
<b>B. Other equity</b>		
		<b>Reserves and surplus</b>
		<b>Retained earnings</b>
		₹ in lakhs
Balance as at 1st April, 2017		1,185.88
Profit for the year	3,972.93	
Other comprehensive income for the year, net of income tax	0.70	
<b>Total comprehensive income for the year</b>		<b>3,973.63</b>
Dividend (including interim dividend) paid	(900.00)	
Dividend distribution tax paid	(183.22)	
		<u>(1,083.22)</u>
<b>Balance as at 31st March, 2018</b>		<b><u>4,076.29</u></b>
Balance as at 1st April, 2018		4,076.29
Change in accounting policy (Refer note 42)		<u>(229.70)</u>
<b>Restated balance as at 1st April, 2018</b>		<b>3,846.59</b>
Profit for the year	1,913.84	
Other comprehensive income for the year, net of income tax	(3.23)	
<b>Total comprehensive income for the year</b>		<b>1,910.61</b>
Dividend (including interim dividend) paid	(900.00)	
Dividend distribution tax paid	(185.00)	
		<u>(1,085.00)</u>
<b>Balance as at 31st March, 2019</b>		<b><u>4,672.20</u></b>

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## TORRENT POWER GRID LIMITED

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

### NOTE: 1. GENERAL INFORMATION

The financial statements comprise financial statements of Torrent Power Grid Limited ("the Company") for the year ended 31st March, 2019.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad - 380 015.

The Company is engaged in the business of transmission of power. The Company has set up a transmission system for evacuation of power from Torrent Power Limited's 1,147.5 MW Generation Project near Akhakhol in District Surat, Gujarat to Pirana sub-station and the system is being used to transmit power to its beneficiaries within and outside Gujarat State.

### NOTE: 2. NEW STANDARDS OR INTERPRETATIONS ADOPTED BY THE COMPANY

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

#### Change due to transition to 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.

Refer note 3.7 for the accounting policy and note 42 for the impact on change in policy and related disclosures.

#### 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 which has been measured at fair value
- Defined benefit plan assets

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.



# TORRENT POWER GRID LIMITED

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

### 3. 2 Property, plant and equipment:

#### Tangible fixed assets

All items of property, plant and equipment held for use in the production or supply of services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, except that on adoption of Ind AS, property, plant and equipment had been measured at deemed cost, using the net carrying value as per previous GAAP as at 1st April, 2015.

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, 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 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 method using the depreciation rates, the methodology and residual value as notified by the Central Electricity Regulatory Commission and in accordance with the Electricity Act, 2003.

The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period. The effect of any such change in estimate in this regard being accounted for on a prospective basis.

#### Depreciation rates:

Class of assets	Rates of depreciation
Plant and Machinery	- 5.28%
Overhead Transmission line	-5.28%
Vehicles	-9.50%
Office equipment	
- Computer	-15.00%
- Office equipment	- 6.33%

### 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. 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.

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## TORRENT POWER GRID LIMITED

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

#### 3. 6 Inventories:

Stores and spares are stated at the lower of cost and net realisable value. Cost of stores and spares comprises cost of purchases. Cost of stores and spares also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts.

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

#### 3. 7 Revenue recognition:

Revenue from transmission Charges are accounted for on the basis of billings to the Central transmission utility in accordance with tariff orders issued by Central Electricity Regulatory Commission. Adjustments in respect of unbilled amounts towards revenue gaps are recognised considering applicable tariff regulations / tariff order, past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

These adjustments / accruals are carried forward as 'Unearned revenue' under "Other current financial liabilities" in Note 21, which would be adjusted through future billing based on tariff determination by Central Electricity Regulatory Commission.

#### 3. 8 Employee benefits:

##### Defined contribution plans

Contribution to Retirement benefit plans in the form of provident fund, employee state insurance and superannuation schemes as per regulation are charged as an expense on an accrual basis when employees have rendered the service. The Company has no further payment obligations once the contributions have been paid.

##### Defined benefits plans

The liability or asset recognised in the balance sheet in respect of retirement benefit plans i.e. gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuary using projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximately to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the statement of profit and loss.

Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

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

##### Other long-term employee benefit obligations

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

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

#### 3. 9 Taxation:

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

##### Current Tax

The tax currently payable is based on 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.



# TORRENT POWER GRID LIMITED

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

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. 10 Earnings per share:

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

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

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

### 3. 11 Provisions, contingent liabilities and contingent assets:

#### Provisions:

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

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

#### Contingent liability:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or 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 entity.

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

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### 3. 12 Financial instruments:

#### (i) Financial assets:

##### a. 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 cash flow characteristics of the financial assets.

##### b. 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.

##### c. Subsequent measurement

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

###### • Amortised cost:

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

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

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue 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.

###### • Fair value through profit or loss (FVTPL):

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.

##### d. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

##### e. Derecognition of financial assets

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

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

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



# TORRENT POWER GRID LIMITED

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

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.

### f. 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.

### (ii) Financial liabilities

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

#### a. Classification

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

#### b. 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.

#### c. Subsequent Measurement

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

The Effective Interest Rate Method 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.

#### d. Derecognition of financial liabilities

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

### 3. 13 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. 14 Leases:

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

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

### 3. 15 Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs to 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 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.

**4. 1 Property, plant and equipment:**

**i Service concession arrangements**

The Company has assessed applicability of Appendix D of Ind AS 115: 'Service Concession Arrangements' with respect to its transmission assets portfolio. In assessing the applicability, they have exercised significant judgment in relation to the underlying ownership of the assets, Provisions of the Electricity Act, 2003 and transmission license and/or agreements. Based on such assessment, it has been concluded that Appendix D of Ind AS 115 is not applicable.

**4. 2 Impairment of Financial Assets:**

**i Trade receivables**

The Company estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in Note 41.

**ii Taxation**

**Deferred tax assets**

Deferred tax assets are recognised for unused tax losses / credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. (Refer note 31)

**4. 3 Contingencies:**

**Contingent liabilities**

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

**4. 4 Employee Benefit plans:**

**Defined benefit plans and other long-term employee benefits**

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



# TORRENT POWER GRID LIMITED

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

## NOTE - 5 : PROPERTY, PLANT AND EQUIPMENT

### NOTE - 5.1 - 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	Deductions during the year	As at 31st March, 2019	As at 1st April, 2018	For the year	Deductions during the year	As at 31st March, 2019	As at 31st March, 2019
<b>Tangible assets</b>									
Plant and machinery	1,226.03	-	-	1,226.03	247.05	82.35	-	329.40	896.63
Overhead transmission line	22,554.25	-	-	22,554.25	4,683.03	1,561.02	-	6,244.05	16,310.20
Vehicles	6.60	-	-	6.60	2.28	0.76	-	3.04	3.56
Office equipments	1.84	-	-	1.84	0.67	0.06	-	0.73	1.11
<b>Total</b>	<b>23,788.72</b>	<b>-</b>	<b>-</b>	<b>23,788.72</b>	<b>4,933.03</b>	<b>1,644.19</b>	<b>-</b>	<b>6,577.22</b>	<b>17,211.50</b>

#### Notes:

Property, plant and equipment have been fully mortgaged and hypothecated towards secured borrowings of the Company.

### NOTE - 5.2 - As at 31st March, 2018

₹ in lakhs

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1st April, 2017	Additions during the year	Deductions during the year	As at 31st March 2018	As at 1st April, 2017	For the year	Deductions during the year	As at 31st March 2018	As at 31st March 2018
<b>Tangible assets</b>									
Plant and machinery	1,226.03	-	-	1,226.03	164.70	82.35	-	247.05	978.98
Overhead transmission line	22,554.25	-	-	22,554.25	3,122.02	1,561.01	-	4,683.03	17,871.22
Vehicles	6.60	-	-	6.60	1.52	0.76	-	2.28	4.32
Office equipments	1.84	-	-	1.84	0.59	0.08	-	0.67	1.17
<b>Total</b>	<b>23,788.72</b>	<b>-</b>	<b>-</b>	<b>23,788.72</b>	<b>3,288.83</b>	<b>1,644.20</b>	<b>-</b>	<b>4,933.03</b>	<b>18,855.69</b>

# TORRENT POWER GRID LIMITED

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

## NOTE - 6 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Bank fixed deposits balance #	0.45	0.45
	<u>0.45</u>	<u>0.45</u>

# Above balance is under lien with GST/ VAT authority of Gujarat

## NOTE - 7 : NON-CURRENT TAX ASSETS

Unsecured (considered good unless stated otherwise)

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Advance income tax and tax deducted at source (Net of provision for income tax)	31.23	21.38
	<u>31.23</u>	<u>21.38</u>

## NOTE - 8 : INVENTORIES

(valued at lower of cost and net realizable value)

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Stores and spares	36.18	50.24
	<u>36.18</u>	<u>50.24</u>

Inventories have been fully mortgaged and hypothecated towards secured borrowings of the Company.

## NOTE - 9 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
<b>Investment in mutual funds (unquoted)*</b>		
DSPBR Liquidity Fund (No. of units- 31st March, 2019: Nil, 31st March, 2018: 46214.29)	-	1,143.34
ICICI Liquid Fund - Growth (No. of units- 31st March, 2019: 551820.17, 31st March, 2018: Nil)	1,519.82	-
LIC MF Liquid Fund (No. of units- 31st March, 2019: Nil, 31st March, 2018: 17065.47)	-	535.14
Tata Liquid Fund Regular Plan - Growth (No. of units- 31st March, 2019: 76151.67, 31st March, 2018: 47521.95)	2,231.66	1,295.89
	<u>3,751.48</u>	<u>2,974.37</u>
Aggregate amount of unquoted investments	<u>3,751.48</u>	<u>2,974.37</u>

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

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# TORRENT POWER GRID LIMITED

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

## NOTE - 10 : TRADE RECEIVABLES

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Trade receivables		
Unsecured - Considered good	641.26	597.56
- Credit impaired	156.64	-
	<u>797.90</u>	<u>597.56</u>
Less: Allowance for bad and doubtful debts	156.64	-
	<u>641.26</u>	<u>597.56</u>

Note:

- 1 Refer Note 41 for credit risk related disclosures.

## NOTE - 11 : CASH AND CASH EQUIVALENTS

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Balances with banks		
Balance in current accounts	37.96	86.63
Balance in fixed deposit accounts (original maturity for less than three months)	75.00	100.00
	<u>112.96</u>	<u>186.63</u>

## NOTE - 12 : OTHER BANK BALANCES

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Unclaimed dividend@	0.00	0.00
Balance in fixed deposit accounts # (original maturity of more than three months but less than twelve months)	0.67	0.62
	<u>0.67</u>	<u>0.62</u>

# includes ₹ 0.67 lakhs (31st March, 2018- ₹ 0.62 lakhs) on which lien was created in favour of lenders

@ includes ₹ 425 (31st March, 2018- ₹ 155)

## NOTE - 13 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Security deposits to related party	0.05	0.05
Interest accrued on deposits	0.09	0.06
Unbilled revenue	373.10	434.59
Other advances	6.36	2.79
	<u>379.60</u>	<u>437.49</u>

## NOTE - 14 : OTHER CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Advances for goods and services	1.81	-
Prepaid expenses	1.79	1.89
	<u>3.60</u>	<u>1.89</u>

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# TORRENT POWER GRID LIMITED

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

## NOTE - 15 : EQUITY SHARE CAPITAL

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
<b>Authorised</b>		
12,50,00,000 (12,50,00,000 as at 31st March, 2018) equity shares of ₹ 10 each	12,500.00	12,500.00
	<u>12,500.00</u>	<u>12,500.00</u>

### Issued, subscribed and paid up

9,00,00,000 (9,00,00,000 as at 31st March, 2018) equity shares of ₹ 10 each	9,000.00	9,000.00
	<u>9,000.00</u>	<u>9,000.00</u>

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

	No. of shares As at 31st March, 2019	No. of shares As at 31st March, 2018
At the beginning of the year	90,000,000	90,000,000
Outstanding at the end of the year	<u>90,000,000</u>	<u>90,000,000</u>

2. 6,66,00,000 equity shares (6,66,00,000 equity shares as at 31<sup>st</sup> March, 2018) of ₹10 each fully paid up are held by the holding company - Torrent Power Limited.

3. Terms / Rights attached to equity shares :

The Company has only one class of equity shares having par value of ₹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	66,600,000	74.00%	66,600,000	74.00%
Power Grid Corporation of India Limited	23,400,000	26.00%	23,400,000	26.00%

- 5 Distributions made and proposed:

The amount of per share dividend(including interim dividend) distributed to equity shareholders during the year ended 31st March, 2019 is ₹1.00 (Previous year- ₹1.00) per equity share, being the dividend (including interim dividend) declared and paid for the year ended 31st March, 2018.

The Board of Directors at its meeting held on \_\_\_\_\_, 2019 have recommended a \_\_\_\_\_ dividend of \_\_% ( ₹\_\_ per equity share of par value ₹10 each).The proposal is subject to the approval of share holders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately ₹ \_\_\_\_\_ Lakhs (inclusive of corporate dividend tax of ₹ \_\_\_\_\_ Lakhs).



# TORRENT POWER GRID LIMITED

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

## NOTE - 16 : OTHER EQUITY

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
<b>Reserves and surplus</b>		
Retained earnings	4,672.20	4,076.29
	<u>4,672.20</u>	<u>4,076.29</u>

### 1 Retained earnings:

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

## NOTE - 17 : NON-CURRENT BORROWINGS

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
<b>Secured loans - at amortised cost</b>		
Term loans		
From banks	4,094.00	6,130.00
	<u>4,094.00</u>	<u>6,130.00</u>
<b>Current maturities</b>		
<b>Secured loans - at amortised cost</b>		
Term loans		
From banks	2,036.00	2,036.00
	<u>2,036.00</u>	<u>2,036.00</u>
Amount disclosed under the head "Other current financial liabilities" (Refer note 21)	<u>(2,036.00)</u>	<u>(2,036.00)</u>
	<u>-</u>	<u>-</u>

### Notes:

1. The above term loan is secured by way of first pari passu charge created on the entire moveable properties including transmission assets, inventory, insulators and other moveable assets, book debts, operating cash flows, revenues, intangibles, trust and retention account and by way of pledge of 2,70,00,000 equity shares of ₹10 each fully paid up held by Torrent Power Limited in the equity share capital of the company.

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

Financial year	₹ in lakhs Term loans
2019-2020	2036.00
2020-2021	2036.00
2021-2022	1538.00
2022-2023	520.00

### Net debt reconciliation

	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents	112.96	186.63
Current Investment	3,751.48	2,974.37
Non-current borrowing (includes current maturity of long term borrowings)	<u>(6,130.00)</u>	<u>(8,166.00)</u>
	<u>(2,265.56)</u>	<u>(5,005.00)</u>

	Other Assets		Liabilities from Financing Activities	Total
	Cash and Cash equivalents	Current Investments	Non-current Borrowings	
Net Debt as of 31st March, 2017	40.51	3,031.75	(10,202.00)	(7,129.74)
Cash flow (Net)	146.12	54.05	2,036.00	2,236.17
Interest expense	-	-	850.00	850.00
Interest paid	-	-	(850.00)	(850.00)
Net gain / (loss) arising on investments in mutual funds mandatorily at fair value through profit or loss	-	(111.43)	-	(111.43)
Net Debt as of 31st March, 2018	186.63	2,974.37	(8,166.00)	(5,005.00)
Net Debt as of 31st March, 2018	186.63	2,974.37	(8,166.00)	(5,005.00)
Cash flow (Net)	(73.67)	647.23	2,036.00	2,609.56
Interest expense	-	-	636.59	636.59
Interest paid	-	-	(636.59)	(636.59)
Net gain / (loss) arising on investments in mutual funds mandatorily at fair value through profit or loss	-	129.88	-	129.88
Net Debt as of 31st March, 2019	112.96	3,751.48	(6,130.00)	(2,265.56)

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# **TORRENT POWER GRID LIMITED**

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

## **NOTE - 18 : NON-CURRENT PROVISIONS**

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Provision for employee benefits	8.74	9.03
Provision for compensated absences	8.74	9.03

## **NOTE - 19 : OTHER NON-CURRENT LIABILITIES**

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Deferred revenue (Refer note 32)	377.92	419.13
Contribution received from party	377.92	419.13

## **NOTE - 20 : CURRENT TRADE PAYABLES**

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Trade payables for goods and services	7.37	-
(a.) Total outstanding dues of micro and small enterprises	63.82	75.84
(b.) Total outstanding dues of creditors other than micro and small enterprises	71.19	75.84

## **NOTE - 21 : OTHER CURRENT FINANCIAL LIABILITIES**

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Current maturities of long-term debt (Refer note 17)	2,036.00	2,036.00
Unearned revenue(Refer note 42)	403.74	-
Unclaimed dividend#	0.00	0.00
Sundry payables	15.72	0.02
	2,455.46	2,036.02

# There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2019.

# includes ₹ 425 (31st March, 2018- ₹ 155)

## **NOTE - 22 : OTHER CURRENT LIABILITIES**

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Credit balances of party#	507.08	-
Deferred revenue (Refer note 32)	41.21	41.21
Contribution received from party	7.48	6.38
Statutory dues	555.77	47.59

#Balance pertaining to advance received from National High Speed Rail Corporation Limited for shifting of 400KV Sugan-Pirana line for work of Mumbai-Ahmedabad High Speed Rail Corridor.

## **NOTE - 23 : CURRENT PROVISIONS**

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Provision for employee benefits	6.46	0.68
Provision for gratuity (Refer note 35)	9.60	0.68
Provision for compensated absences	16.06	1.36

## **Note - 24 : CURRENT TAX LIABILITIES**

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Provision for taxation (net of advance tax and tax deducted at source)	6.09	24.08
	6.09	24.08

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# TORRENT POWER GRID LIMITED

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

## NOTE - 25 : REVENUE FROM OPERATIONS

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
Revenue from transmission income including incentive	4,640.87	6,314.66
Less: Discount for prompt payment of bills	34.36	33.19
	<u>4,606.51</u>	<u>6,281.47</u>
Other operating income		
Deferred income on		
Transfer of assets from party	41.21	41.21
Miscellaneous income	4.54	-
	<u>45.75</u>	<u>41.21</u>
	<u>4,652.26</u>	<u>6,322.68</u>

## NOTE - 26 : OTHER INCOME

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
Interest income from financial assets at amortised cost		
Deposits	0.20	0.10
	<u>0.20</u>	<u>0.10</u>
Profit on sale of investments in mutual funds	382.77	120.20
Net gain / (loss) arising on investments in mutual funds measured at fair value through profit or loss	(129.88)	111.43
Provision of earlier years written back	-	87.39
Miscellaneous income	37.41	32.94
	<u>290.50</u>	<u>352.06</u>

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# TORRENT POWER GRID LIMITED

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

## NOTE - 27 : EMPLOYEE BENEFITS EXPENSE

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
Salaries, wages and bonus	150.67	122.92
Contribution to provident and other funds	7.12	5.46
Compensated absences	5.50	3.63
Gratuity (Refer note 35)	1.23	1.24
	<u>164.52</u>	<u>133.25</u>

## NOTE - 28 : FINANCE COSTS

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
Interest expense for financial liabilities not classified as fair value through profit or loss		
Term loans	636.59	850.00
	<u>636.59</u>	<u>850.00</u>

## NOTE - 29 : DEPRECIATION AND AMORTIZATION EXPENSE

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
Depreciation expense on property, plant and equipment	1,644.19	1,644.20
	<u>1,644.19</u>	<u>1,644.20</u>

## NOTE - 30 : OTHER EXPENSES

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
Consumption of stores and spares	14.19	7.35
Rent and hire charges	0.64	0.61
Repairs to Plant and machinery	263.52	260.20
Insurance	3.01	2.60
Rates and taxes	0.02	0.02
Vehicle running expenses	12.22	9.10
Directors sitting fees	2.36	1.88
Statutory auditors remuneration (Refer note 36)	4.07	3.54
Legal, professional and consultancy fees	12.35	11.34
Corporate social responsibility expense (Refer note 37)	41.37	31.45
Allowance for doubtful debts (net)	156.64	-
Miscellaneous expenses	4.69	6.87
	<u>515.08</u>	<u>334.96</u>

## TORRENT POWER GRID LIMITED

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

### NOTE - 31 : CURRENT AND DEFERRED TAX

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) Tax expense recognised in statement of profit and loss

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
<b>Current tax</b>		
Current tax on profits for the year	462.70	795.20
	<u>462.70</u>	<u>795.20</u>
<b>Deferred tax</b>		
Decrease / (increase) in deferred tax assets	(356.34)	(837.72)
(Decrease) / increase in deferred tax liabilities	(37.82)	(218.08)
	<u>(394.16)</u>	<u>(1,055.80)</u>
<b>Tax expense</b>	<u>68.54</u>	<u>(260.60)</u>

#### (b) Reconciliation of tax expense and the accounting profit (including Other Comprehensive Income) multiplied by statutory tax rate

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
Profit before tax	1,982.38	3,712.33
Tax at the income tax rate of 27.82% (Previous year - 34.608%)#	551.50	1,284.77
Rounding off adjustment		
Tax effect of amounts which are not deductible (taxable) in calculating taxable book profit :		
Effect of Corporate social responsibility expenditure that is not deductible in determining taxable profit	11.51	10.88
Effect on Deferred tax balances due to changes in Income tax rates		
Change in tax rate on Opening	-	(129.65)
Change in tax rate - Movement	-	(57.93)
Effect of tax on account of available tax holiday under section 80IA of Income tax Act	(128.71)	(1,187.62)
Minimum Alternate Tax credit recognised	(353.47)	(155.97)
Others	(13.61)	(24.80)
<b>Tax expense including OCI</b>	<u>67.22</u>	<u>(260.32)</u>

# The tax rate used for the year ended 31st March, 2019 and year ended 31st March, 2018 reconciliations above is the Normal tax rate of 27.82% (including surcharge 7% and Health and education cess 4%) (Previous year normal tax rate - 34.608%) payable by corporate entities in India on taxable book profits under the Indian tax law.

#### (c) Income tax recognised in other comprehensive income

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
<b>Deferred tax</b>		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	(1.32)	0.28
<b>Income tax expense recognised in other comprehensive income</b>	<u>(1.32)</u>	<u>0.28</u>



# TORRENT POWER GRID LIMITED

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

## NOTE - 31 : CURRENT AND DEFERRED TAX (Contd.)

### (d) Deferred tax balances

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

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
<b>Deferred tax liabilities</b>		
Property, plant and equipment	(2,207.12)	(2,207.12)
Financial assets at fair value through profit and loss	(13.52)	(51.34)
	<u>(2,220.64)</u>	<u>(2,258.46)</u>
<b>Deferred tax assets</b>		
Remeasurement of the defined benefit plan	7.22	3.03
Minimum Alternate Tax credit entitlement	1,301.92	948.45
	<u>1,309.14</u>	<u>951.48</u>
	<u>(911.50)</u>	<u>(1,306.98)</u>

### (ii) Movement of deferred tax

Particulars	As at 1st April, 2018	Recognised in profit or loss	Recognised in OCI	₹ in lakhs As at 31st March, 2019
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(2,207.12)	-	-	(2,207.12)
Financial assets at fair value through profit and loss	(51.34)	37.82	-	(13.52)
<b>Deferred tax assets</b>				
Remeasurement of the defined benefit plan	3.03	2.87	(1.32)	7.22
Minimum Alternate Tax credit entitlement	948.45	353.47	-	1,301.92
	<u>(1,306.98)</u>	<u>394.16</u>	<u>(1.32)</u>	<u>(911.50)</u>
<b>Particulars</b>	<b>As at 1st April, 2017</b>	<b>Recognised in profit or loss</b>	<b>Recognised in OCI</b>	<b>As at 31st March, 2018</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(2,454.09)	246.97	-	(2,207.12)
Financial assets at fair value through profit and loss	(22.45)	(28.89)	-	(51.34)
<b>Deferred tax assets</b>				
Remeasurement of the defined benefit plan	2.77	0.54	0.28	3.03
Minimum Alternate Tax credit entitlement		948.45		948.45
Unabsorbed depreciation	111.27	(111.27)	-	0.00
	<u>(2,362.50)</u>	<u>1,055.80</u>	<u>0.28</u>	<u>(1,306.98)</u>

### (iii) Unrecognised deferred tax assets

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Unused tax losses	-	-
Unused tax credits	1,872.18	1,872.18
	<u>1,872.18</u>	<u>1,872.18</u>

As at 31st March, 2019, the company has unused tax credits that shall expire as follows:

Year	Unutilized Tax Credit	Year	Unutilized Tax Credit
2019-20	24.90	2023-24	420.85
2020-21	163.55	2024-25	460.90
2021-22	195.37	2025-26	447.04
2022-23	128.85	2026-27	30.72
		<b>Total from 2019-20 to 2026-27</b>	<u>1,872.18</u>

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# TORRENT POWER GRID LIMITED

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

## NOTE - 32 : DEFERRED REVENUE

### (a) Contribution received from party :

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

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

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

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Opening balance	460.34	501.55
Less: Transfer to statement of profit and loss	41.21	41.21
Closing balance	419.13	460.34
Non-current portion	377.92	419.13
Current portion	41.21	41.21
	419.13	460.34

## NOTE - 33 : CONTINGENT LIABILITIES

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Claims against the Company not acknowledged as debt	0.20	0.20
Disputed income tax matters	12.70	10.23

## NOTE - 34 : MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) have been determined based on the information available with the Company and the required disclosures are given below:

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
(a) Principal amount remaining unpaid	7.14	-
(b) Interest due thereon	-	-
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	0.25	-
(d) The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	0.29	-
(e) The amount of interest accrued and remaining unpaid	0.29	-
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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# TORRENT POWER GRID LIMITED

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

## NOTE - 35 : EMPLOYEE BENEFIT PLANS

### 35.1 Defined contribution plan

The Company operates defined contribution retirement benefit plans for all qualifying employees.

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

The Company's contribution to provident fund and superannuation fund aggregating to ₹ 7.12 lakhs (Previous year - ₹ 5.46 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

### 35.2 Defined benefit plans

#### (a) Gratuity

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

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

#### (b) Risk exposure to defined benefit plans

The plans typically expose the Company to actuarial risks such as: asset volatility, interest rate risk, longevity risk and salary risk as described below :

##### Asset volatility

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

##### Interest risk

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

##### Longevity risk

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

##### Salary risk

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2019. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

#### (c) Significant assumptions

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

	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.92%	7.78%
Salary escalation rate	8.50%	8.50%

# TORRENT POWER GRID LIMITED

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

## NOTE - 35 : EMPLOYEE BENEFIT PLANS

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

### Balances of defined benefit plan

	As at 31st March, 2019	As at 31st March, 2018
Present value of funded defined benefit obligation	56.26	17.02
Fair value of plan assets	49.80	16.34
Net asset / (liability) arising from gratuity (Refer note 23)	(6.46)	(0.68)

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

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

	Year ended 31st March, 2019	Year ended 31st March, 2018
(i) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	17.02	15.53
Current service cost	1.18	1.20
Interest cost	1.32	1.12
Liability transferred in	32.04	-
Actuarial (gains) / losses from changes in demographic assumptions	-	(0.53)
Actuarial (gains) / losses arising changes in financial assumptions	(0.24)	(0.91)
Actuarial (gains) / losses from experience adjustments	4.94	0.61
Obligation at the end of the year	56.26	17.02
(ii) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	16.34	15.11
Interest income	1.27	1.08
Return on plan assets (excluding interest income)	0.15	0.15
Contributions by the Employer	32.04	-
Plan assets at the end of the year, at fair value	49.80	16.34
(iii) Gratuity cost recognized in the statement of profit and loss		
Current service cost	1.18	1.20
Interest cost	0.05	0.04
Net gratuity cost recognized in the statement of profit and loss (Refer note 27)	1.23	1.24
(iv) Gratuity cost recognized in the other comprehensive income(OCI)		
Return on plan assets, excluding interest income	(0.15)	(0.15)
Actuarial (gains)/ losses on obligation for the period	4.70	(0.83)
Net (income) / expense for the year recognized in OCI	4.55	(0.98)

- (f) Category wise plan assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Insurer Managed Funds	100.00%	100.00%

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# TORRENT POWER GRID LIMITED

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

## NOTE - 35 : EMPLOYEE BENEFIT PLANS

### (g) Sensitivity analysis:

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

Change in assumptions	₹ in lakhs	
	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Impact on defined benefit obligation of gratuity</b>		
50 basis points increase in discount rate	(0.83)	(0.72)
50 basis points decrease in discount rate	0.89	0.78
50 basis points increase in salary escalation rate	0.88	0.77
50 basis points decrease in salary escalation rate	(0.83)	(0.72)

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

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

(h) The weighted average duration of the gratuity plan based on average future service is **11 years** (As at 31st March, 2018 is 13 years).

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

### (j) Cash flow projection from the fund :

Projected benefits payable in future years from the date of reporting

	₹ in lakhs	
	Funded Plan - Gratuity	
	As at 31st March, 2019	As at 31st March, 2018
1st following year	36.79	0.67
2nd following year	0.89	0.73
3rd following year	0.93	0.77
4th following year	0.97	0.80
5th following year	1.02	0.84
sum of years 6 to 10th	18.19	16.74
sum of years 11 and above	24.48	19.55

### 35.3 Other long-term employee benefit obligations

The leave obligation covers the Company's liability for earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation at the rate of daily salary, as per current accumulation of leave days. Refer note 18,23 and 27 with respect to item of balance sheet and profit and loss where such charge / provision has been presented.

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# TORRENT POWER GRID LIMITED

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

## NOTE - 36 : STATUTORY AUDITORS REMUNERATION

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
As auditor #		
Audit fees	3.54	3.54
Other services- certificates etc #	0.53	-
# (including goods and service tax)		
	<u>4.07</u>	<u>3.54</u>

## NOTE - 37 : CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
(a) Gross amount required to be spent by the Company	41.37	31.45
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above (Refer note 30)	41.37	31.45
	<u>41.37</u>	<u>31.45</u>
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornascent Care Institute	41.37	31.45
	<u>41.37</u>	<u>31.45</u>

## NOTE - 38 : EARNINGS PER SHARE

	Year ended 31st March, 2019	Year ended 31st March, 2018
Basic earnings per share	2.13	4.41
Diluted earnings per share	2.13	4.41

### 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	₹ in lakhs Year ended 31st March, 2018
Profit / (loss) for the year attributable to the Equity share holder of the Company used in calculation of basis earning per share	1,913.84	3,972.93
Weighted average number of equity shares	90,000,000	90,000,000

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 - 39 : OPERATING SEGMENT

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however only for one segment called as "Transmission of Power" as per Ind AS - 108 : Operating Segments.

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# TORRENT POWER GRID LIMITED

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

## NOTE - 40 : RELATED PARTY DISCLOSURES

### A. Names of related parties and nature of relationship:

1	Enterprise Controlling the holding Company	Torrent Private Limited
2	Holding Company	Torrent Power Limited
3	Enterprise having significant influence on the company	Power Grid Corporation of India Ltd.
4	Other entities where the Company has 50% voting right / enterprises controlled by the Parent Company*	Tornascent Care Institute
5	Employee benefits plans*	TPG Gratuity Trust TPG Superannuation Fund
6	Key Management Personnel	Jinal Mehta - Managing Director and CEO
7	Non-executive directors	Ravi Prakash Singh Deepak Kumar Singh Asis Kumar Ghosh Pradeep Kantilal Parikh
8	Executive directors	Barindra Narayan De Bhowmick (Appointed w.e.f. 31st Jan., 2019 and Resigned w.e.f. 7th March, 2019) Robin Sarkar (Resigned w.e.f. 26th Nov., 2018) Venkat Tata (Resigned w.e.f. 5th July, 2017)

\* where transactions have taken place during the year and / or previous year or where balances are outstanding

### B. Volume of transactions:

Particulars	₹ in lakhs	
	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Revenue from transmission income</b>		
Power Grid Corporation of India Limited	4,640.87	6,213.62
Torrent Power Limited	-	101.04
<b>Reimbursement of expense received</b>		
Power Grid Corporation of India Limited	2.96	-
<b>Rent and hire charges</b>		
Torrent Power Limited	0.64	0.61
<b>Miscellaneous expenses (SAP maintenance charges)</b>		
Torrent Power Limited	-	0.31
<b>Repairs and maintenance expenses</b>		
Power Grid Corporation of India Limited	162.16	155.97
<b>CSR expense</b>		
Tornascent Care Institute	41.37	31.45
<b>Dividend paid</b>		
Torrent Power Limited	666.00	666.00
Power Grid Corporation of India Limited	234.00	234.00
<b>Deposit received on behalf of Director</b>		
Torrent Power Limited	-	1.00
<b>Deposit refunded on behalf of Director</b>		
Torrent Power Limited	-	1.00
<b>Contribution to fund</b>		
TPG Superannuation Fund	2.45	1.40
TPG Gratuity Trust	32.04	-
<b>Gratuity &amp; Leave Encashment Liability transfer in</b>		
Torrent Power Limited	39.70	-
<b>Director sitting fees^</b>		
Vasant A. Shah	1.60	0.65
Parvinder Behuria	0.40	1.15
<b>Managerial remuneration</b>		
Venkat Tata	-	17.54
Robin Sarkar	73.48	42.89

^Excluding Goods and Service tax

### C. Balances at the end of the year:

Particulars	As at	
	31st March, 2019	31st March, 2018
<b>Receivables</b>		
Power Grid Corporation of India Limited	797.90	597.56
Power Grid Corporation of India Limited-(Unbilled revenue)	373.10	434.59
Torrent Power Limited (Rent Deposit)	0.05	0.05

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

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# TORRENT POWER GRID LIMITED

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

## NOTE - 41 : FINANCIAL INSTRUMENTS AND RISK REVIEW

### (a) Capital Management

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

The capital structure of the Company consists of debt (borrowings as detailed in notes 17) and equity of the Company (comprising issued capital, reserves, retained earnings, deferred tax liability / assets in notes 15, 16 & 31).

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company's plan is to ensure that the gearing ratio (debt equity ratio) is within the limit of 2.33:1.

#### Gearing ratio

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

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Debt	6,145.72	8,166.02
Total equity	14,583.70	14,383.27
Debt to Total equity ratio	0.43:1	0.57:1

- (i) Net debt is defined as all long term debt outstanding (including unamortised expense) + contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt as per terms of arrangement with lender.
- (ii) Equity is defined as, Equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – intangible assets.

#### Loan covenants

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

### (b) Categories of financial instruments

	As at 31st March, 2019		As at 31st March, 2018	
	Carrying value	Fair Value	Carrying value	Fair Value
<b>Financial assets</b>				
Measured at amortised Cost				
Cash and bank balances	112.96	112.96	186.63	186.63
Other bank balance	0.67	0.67	0.62	0.62
Trade receivables	641.26	641.26	597.56	597.56
Other financial assets	379.60	379.60	437.49	437.49
	1,134.49	1,134.49	1,222.30	1,222.30
Measured at fair value through profit and loss (FVTPL)				
Investments in mutual funds	3,751.48	3,751.48	2,974.37	2,974.37
	3,751.48	3,751.48	2,974.37	2,974.37
<b>Financial liabilities</b>				
Measured at amortised Cost				
Borrowing	6,130.00	6,130.00	8,166.00	8,166.00
Trade payable	71.19	71.19	75.84	75.84
Other financial liabilities	419.46	419.46	0.02	0.02
	6,620.65	6,620.65	8,241.86	8,241.86

### (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

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)

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2019	31st March, 2018		
Investment in mutual fund units	3,751.48	2,974.37	Level 1	Quoted bid prices in an active market
	3,751.48	2,974.37		

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## TORRENT POWER GRID LIMITED

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

### NOTE - 41 : FINANCIAL INSTRUMENTS AND RISK REVIEW

#### (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, normal and projects capital expenditure. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks viz 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

All 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) as under :

	As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
Floating rate borrowings	6,130.00	8,166.00
	<u>6,130.00</u>	<u>8,166.00</u>

#### 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 period was outstanding for the whole year. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit before tax.

	Year ended 31st March, 2019	₹ in lakhs Year ended 31st March, 2018
Impact on profit - increase in 50 basis points	30.65	40.83
Impact on profit - (decrease) in 50 basis points	(30.65)	(40.83)

#### Credit risk

##### Trade receivables

##### (i) Exposures to credit risk

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

##### (ii) Credit risk management

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

##### (iii) Other credit enhancements

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

##### (iv) Age of receivables and expected credit loss

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due and the rates as given in the provision matrix.

The age of receivables and provision matrix at the end of the reporting period is as follows.

#### As at 31st March, 2019

	Gross trade receivables	₹ in lakhs Allowance for doubtful debt
Less than or equal to 6 months	641.26	-
More than 6 months but less than or equal to 1 year	35.88	35.88
More than one year	120.76	120.76
	<u>797.90</u>	<u>156.64</u>

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# TORRENT POWER GRID LIMITED

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

## NOTE - 41 : FINANCIAL INSTRUMENTS AND RISK REVIEW

As at 31st March, 2018

	Gross trade receivables	₹ in lakhs Allowance for doubtful debt
Less than or equal to 6 months	461.36	-
More than 6 months but less than or equal to 1 year	79.44	-
More than one year	56.76	-
	<u>597.56</u>	<u>-</u>

### (v) Other Financial Assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks 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.

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

As at 31st March, 2019

	Less than 1 year	Between 1 and 5 year	5 years and above	₹ in lakhs Total
<b>Financial liabilities</b>				
<b>Non current financial liabilities</b>				
Borrowings	-	4,094.00	-	4,094.00
	<u>-</u>	<u>4,094.00</u>	<u>-</u>	<u>4,094.00</u>
<b>Current financial liabilities</b>				
Trade payables	71.19	-	-	71.19
Other financial liabilities	2,455.46	-	-	2,455.46
	<u>2,526.65</u>	<u>-</u>	<u>-</u>	<u>2,526.65</u>
<b>Total financial liabilities</b>	<u>2,526.65</u>	<u>4,094.00</u>	<u>-</u>	<u>6,620.65</u>

As at 31st March, 2018

	Less than 1 year	Between 1 and 5 year	5 years and above	₹ in lakhs Total
<b>Financial liabilities</b>				
<b>Non current financial liabilities</b>				
Borrowings	-	6,130.00	-	6,130.00
	<u>-</u>	<u>6,130.00</u>	<u>-</u>	<u>6,130.00</u>
<b>Current financial liabilities</b>				
Trade payables	75.84	-	-	75.84
Other financial liabilities	2,036.02	-	-	2,036.02
	<u>2,111.86</u>	<u>-</u>	<u>-</u>	<u>2,111.86</u>
<b>Total financial liabilities</b>	<u>2,111.86</u>	<u>6,130.00</u>	<u>-</u>	<u>8,241.86</u>

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## TORRENT POWER GRID LIMITED

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

### NOTE - 42 : CHANGE DUE TO TRANSITION TO Ind AS - 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, from 1st April 2018. The adoption has resulted changes in accounting policies and adjustment to the amounts recognised in the financial statements. Prior to adoption of Ind AS 115, the company had been recognising the true up adjustment claims as and when these were billed subsequent to approval by the regulatory authorities.

The Company has adopted Ind AS 115 retrospectively with the cumulative effect of initial application recognized in the Opening Retained Earnings on 1st April, 2018. The Company has in the current year recognized true up adjustments, as per the applicable tariff regulations and the past trends of approval, by applying the guidance on variable consideration under Ind AS 115.

Due to the application of Ind AS 115, as at 1st April, 2018, Retained Earnings are lower by ₹ 229.70 lakhs, unearned revenue higher by ₹ 229.70 lakhs. Consequent to adoption of Ind AS 115, Revenue from Operations and Profit for the year ended 31st March 2019, are lower by ₹ 174.04 lakhs accordingly, as at 31st March, 2019, Retained Earnings are lower by ₹ 403.74 lakhs and unearned revenue higher by ₹ 403.74 lakhs.

### NOTE - 43 : APPROVAL OF FINANCIAL STATEMENTS

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

#### Signature to Note 1 to 43

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 No.: 012754N/N500016

Ravi P. Singh  
Chairman

Pankaj Shah  
Chief Financial Officer

Piyush Jalandhara  
Partner  
Membership No.: 122351

Abhinav Mathur  
Company Secretary

Place : Ahmedabad  
Date: \_\_\_\_\_

Place :  
Date :