

Torrent Power Limited
Surat Supply Area
TPL-D (Surat)

REF: HLS/TPL/2015-16/008

Torrent Power Limited – Surat Distribution Area

AUDITORS' CERTIFICATE

1. We, Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No: 117365W), the statutory auditors of Torrent Power Limited ("the Company") having its Registered Office at Torrent House, Off Ashram Road, Ahmedabad, have examined the audited standalone financial statements and other relevant records and documents of the Company, for the year ended as at 31st March, 2015 for the purpose of issuing this certificate. The standalone financial statements consists of the assets, liabilities, income, expenditure and cash flows of the Company's distribution activities at Surat area, Gujarat ("TPL Surat Distribution Area") and other units/areas/circles.
2. We have been requested by the management of the Company to provide a certificate on the attached financial statements ("Annexure") consisting of the assets, liabilities, income, expenditure and cash flows of the Company's distribution activities at Surat area, Gujarat ("TPL Surat Distribution Area") the year ended on 31st March, 2015. The Annexure has been duly stamped and signed for identification, and has been prepared by the Company based on the audited books of account and other relevant records and documents of the Company for the TPL Surat Distribution Area for the year ended as at 31st March, 2015.
3. The management of the Company is responsible for ensuring compliance with the requirements of the Companies Act, 2013 and the GERC Regulations. This includes collecting, collating and validating data and presentation thereof in the said Annexure and the design, implementation and maintenance of internal control suitable for ensuring compliance with the Regulations.
4. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in Annexure on the basis of the documents as referred in para 2 above. We conducted our verification in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India, which include the concept of test checks and materiality.
5. On the basis of examination of documents as referred in para 2 above and according to the information and explanations provided to us, we certify that the figures contained in "Annexure" have been correctly extracted from the audited standalone financial statements and other relevant records of the Company.
6. The review of events occurring after the Balance Sheet date for the purpose of these financial statements has been considered up to date on which the financial statements of the Company were approved i.e. 12th May, 2015.

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Deloitte Haskins & Sells

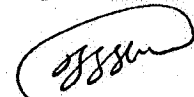
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Off Ashram Road,
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7. The Company makes provision for tax at Company level considering results of the Company including results of Surat Distribution Area, hence no provision for tax in respect of the TPL Surat Distribution Area has been made in the books of the division.
8. This certificate is being issued at the request of the Company to be submitted to the Gujarat Electricity Regulatory Commission and should not be used for any other purpose without our prior written consent.
9. The audit of the accounts of the Company is completed up to 31st March, 2015.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm Registration No.117365W)



Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad, 25th September, 2015

**TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA**

ANNEXURE

BALANCE SHEET AS AT 31st MARCH, 2015

	Note	As at 31st March, 2015	(Rs. in crore) As at 31st March, 2014
I. Equity and Liabilities			
Shareholders' funds			
Head Office Account		125.24	238.02
Reserves and surplus	2	124.53	116.73
		249.77	354.75
Non-current liabilities			
Long term borrowings	3	124.95	166.51
Other long term liabilities	4	201.31	186.63
Long-term provisions	5	9.53	6.92
		335.79	360.06
Current liabilities			
Trade payables	6	598.31	428.21
Other current liabilities	7	110.88	119.47
Short-term provisions	5	8.21	7.99
		717.40	555.67
		1,302.96	1,270.48
II. Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	938.38	942.09
Intangible assets		1.70	3.26
Capital work- in-progress		0.11	0.55
		940.19	945.90
Non-current investments	9	1.21	0.81
Long-term loans and advances	10	0.52	0.70
Other non-current assets	11	0.34	0.76
		942.26	948.17
Current assets			
Inventories	12	13.32	12.48
Trade receivables	13	173.81	140.36
Cash and bank balances	14	18.42	9.13
Short-term loans and advances	10	2.72	6.73
Other current assets	15	152.43	153.61
		360.70	322.31
		1,302.96	1,270.48

See accompanying notes forming parts of the financial statements

As referred to in our attached certificate of even date

For Deloitte Haskins & Sells
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 25th September, 2015



For Torrent Power Limited

D.N.Bhatia
Authorised Signatory

Surat, 17th September, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

(Rs. in crore)

	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
Income			
Revenue from operations	16	2,234.38	1,920.44
Other income	17	18.64	17.72
Total revenue		2,253.02	1,938.16
Expenses			
Electrical energy purchased		2,027.89	1,957.71
Employee benefits expense	18	48.66	35.57
Operation and other expenses	19	60.93	56.83
Finance costs	20	39.91	52.04
Depreciation and amortization expense	51.50		51.42
Transfer from service line contribution, APDRP grant and others	(5.70)		(5.04)
Depreciation and amortization expense (Net)		45.80	46.38
Total expenses		2,223.19	2,148.53
Profit / (Loss) for the year		29.83	(210.37)

See accompanying notes forming parts of the financial statements

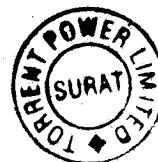
As referred to in our attached certificate of even date

For Deloitte Haskins & Sells
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 25th September, 2015

For Torrent Power Limited



D.N.Bhatia
Authorised Signatory

Surat, 17th September, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Year Ended 31st March, 2015	(Rs. in crore) Year Ended 31st March, 2014
Cash flow from operating activities		
Net profit / (Loss) before tax	29.83	(210.37)
Adjustments for :		
Depreciation and amortisation	45.80	46.38
Amount utilised from reserves	-	(27.94)
Provision of earlier years written back	(9.74)	(1.46)
Loss on sale of fixed assets	2.27	3.39
Profit on sale of fixed assets	(0.09)	(0.23)
Finance costs	39.91	52.04
Interest Income	(4.00)	(4.92)
Operating profit before working capital changes	103.98	(143.11)
Movement in working capital:		
Adjustment for increase / (decrease) in operating liabilities:		
Trade payables	179.84	250.16
Long-term provisions	2.61	(0.16)
Short-term provisions	0.28	(3.16)
Other current liabilities	10.03	(8.79)
Other long-term liabilities	14.68	13.97
Adjustment for decrease / (increase) in operating assets:		
Trade receivables	(33.45)	(2.56)
Inventories	(0.84)	0.02
Short-term loans and advances	4.01	(2.38)
Other current assets	1.17	(73.86)
Cash generated from operations	282.31	30.13
Taxes paid	(0.05)	(0.20)
Net Cash Flow from operating activities	282.26	29.93
Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress	(49.80)	(25.51)
Long-term loans and advances for capital assets	0.19	0.00
Sale of fixed assets	0.36	0.36
Purchase of non-current investments	(0.40)	(0.42)
Investments in bank deposits(having maturity more than three months)	(0.40)	0.15
Redemption of bank deposits(having maturity more than three months)	0.43	(0.24)
Interest received	4.00	4.92
Net cash used in investing activities	(45.62)	(20.74)
Cash flow from financing activities		
Inter Branch / HO Adjustments	(142.21)	97.87
Repayment of long-term borrowings	(56.92)	(62.69)
Repayment of APDRP loan	(1.56)	(1.56)
Service line contribution	13.10	11.63
Dividend paid (including corporate dividend tax)	-	-
Finance cost paid	(40.16)	(52.38)
Net cash used in financing activities	(227.75)	(7.13)
Net (decrease) / increase in cash and cash equivalents	8.89	2.06
Cash and cash equivalents as at beginning of the year	9.11	7.05
Cash and cash equivalents as at end of the year	18.00	9.11

See accompanying notes forming part of the financial statements

Notes:

1. Cash and cash equivalents as at end of the year:

Cash on hand	0.03	0.29
With banks		
In current accounts	17.95	8.82
In deposit accounts	0.02	-
	18.00	9.11

2. Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3 "Cash Flow Statement".

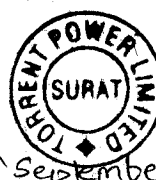
As referred to in our attached certificate of even date

For Deloitte Haskins & Sells
Chartered Accountants

Hemendra L. Shah
Partner
Ahmedabad, 25th September, 2015

For Torrent Power Limited

D.N.Bhatia
Authorised Signatory



Surat, 17th September, 2015

TORRENT POWER LIMITED SURAT DISTRIBUTION AREA

Note 1: Significant accounting policies

1.1 Basis for preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, unless otherwise stated.

1.2 Use of estimates:

The preparation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

1.3 Capital receipts:

- (i) Grant received under the Accelerated Power Development and Reforms Programme (APDRP) of the Ministry of Power, Government of India, is treated as capital receipt and accounted as capital reserve.
- (ii) Service line contributions received from consumers are treated as capital receipt and accounted as capital reserve.

1.4 Fixed assets:

Tangible fixed assets:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price, taxes and duties, labour cost and other direct costs incurred up to the date the asset is ready for its intended use. Allocation of indirect expenses to capital account is done on the basis of technical evaluation by the Management.

Intangible assets :

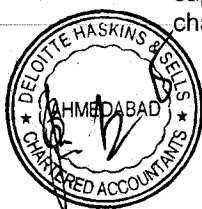
Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow there from for a period longer than one year.

1.5 Impairment of fixed assets:

Fixed 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 assets' net selling price and value in use.

1.6 Borrowing costs

Borrowing costs comprising interest, finance charges etc. to the extent related / attributed to the qualifying assets, 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. Other borrowing costs are charged to the statement of profit and loss in the period of their accrual.



TORRENT POWER LIMITED SURAT DISTRIBUTION AREA

1.7 Depreciation and amortisation:

- (i) 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.
- (ii) Depreciation for the year has been shown after reducing the proportion of the amount of depreciation provided on assets created against the service line contribution, APDRP grant received and others.
- (iii) Depreciation is provided on straight line method at the rates as per CERC regulations as applicable in the year of addition.
- (iv) Leasehold land is amortized over the lease period.
- (vi) Computer software costs are amortised over its useful life which is estimated at 3 years.

1.8 Investments:

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost less provision for diminution other than temporary, if any, in the value of such investments.

1.9 Cash and cash equivalents:

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

1.10 Inventories:

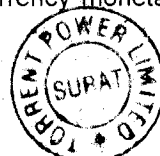
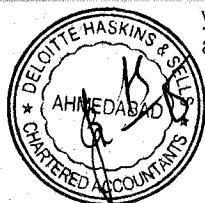
Inventories of stores, spare parts, coal, fuel and loose tools are valued at weighted average cost and net realizable value, whichever is lower. Cost of inventories includes cost of purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and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

1.11 Revenue recognition:

- (i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue recognized in excess of billing has been reflected under "Other Current Assets" as unbilled revenue. Further, in view of the uncertainties involved in the recoverability, the Company accounts for the quarterly fuel price and power purchase adjustment claims as and when allowed by the regulatory authorities and true-up adjustment claims as and when realized.
- (ii) Interest on overdue receivables of energy bills, insurance and other claims, casual income etc. are accounted on grounds of prudence, as and when recovered.

1.12 Transactions in foreign currency:

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the period end are restated at period end rates.
- (iii) Non-monetary foreign currency items are carried at cost.
- (iv) Exchange differences arising on settlement of monetary items or on reporting the company's monetary items at rates different from those at which they were initially recorded during the financial year are recognised as income or expense in the financial year in which they arise except for such adjustment of exchange difference arising on long term foreign currency monetary items in so far



TORRENT POWER LIMITED SURAT DISTRIBUTION AREA

they related to the acquisition of a depreciable capital assets which are adjusted to the cost of the assets and depreciated over the remaining useful life of such assets.

- (v) Forward exchange contracts are not intended for trading purposes. In case of forward exchange contracts, difference between the forward rate and the exchange rate on the date of transaction is recognised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

1.13 Retirement and other employee benefits:

Retirement benefits in the form of provident fund, family pension fund and superannuation schemes, which are defined contribution schemes, are charged to the statement of profit and loss of the period in which the contributions to the respective funds accrue.

The Company has created employees group gratuity fund which has taken a group gratuity insurance policy from Life Insurance Corporation of India (LIC). Premium on the above policy as intimated by LIC is charged to the statement of profit and loss. The adequacy of balances available is compared with actuarial valuation obtained at the period-end and shortfall, if any, is provided for in the statement of profit and loss.

Provision for leave encashment is determined and accrued on the basis of actuarial valuation.

Actuarial gains and losses are immediately recognized in the statement of profit and loss and are not deferred.

1.14 Provisions, contingent liabilities and contingent assets:

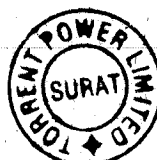
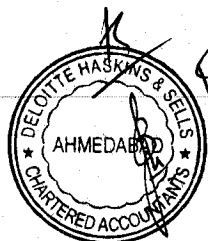
A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

Contingent assets are neither recognized nor disclosed in the financial statements.

1.15 Leases :

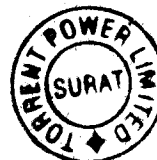
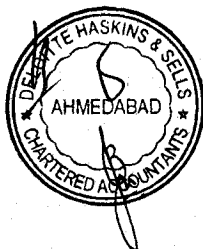
- (i) Operating: Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as expense in the Statement of Profit and Loss, on a straight-line or other systematic basis over the lease term.
- (ii) Finance: Leased assets acquired on which significant risks and rewards of ownership effectively transferred to the Company are capitalised at lower of fair value and the present value of minimum lease payments. Such assets are depreciated / amortised over the period of lease or estimated life of such assets, whichever is less.



TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

Note - 2 : Reserves and surplus

	As at 31st March, 2015	(Rs. in crore) As at 31st March, 2014
Capital reserves		
Service line contributions		
As per last balance sheet	77.93	70.12
Add: Received during the year	13.10	11.63
	91.03	81.75
Less: Transfer to statement of profit and loss	4.49	3.82
	86.54	77.93
 Grant in Aid under Accelerated Power Development and Reform Programme (APDRP)		
As per last balance sheet	14.72	15.93
Less: Transfer to statement of profit and loss	1.21	1.21
	13.51	14.72
Statutory reserves		
Contingency reserve		
As per last balance sheet	0.36	16.70
Add: Transfer from statement of profit and loss	0.40	0.40
Add: Transfer from Head Office	-	-
	0.76	17.10
Less: Loss on sale of Investments	-	0.04
Less: Utilisation during the year	-	16.70
	0.76	0.36
Tariff and dividend control reserve		
As per last balance sheet	-	11.24
Add: Transfer from Head Office	-	-
	-	11.24
Less: Utilisation during the year	-	11.24
	-	-
Special Reserve		
As per last balance sheet	23.72	23.72
Add: Transfer from Head Office (General reserve)	-	-
	23.72	23.72
Other reserves		
Surplus in the statement of profit and loss		
As per last balance sheet	-	-
Add: Profit/(Loss) for the year	29.83	(210.37)
	29.83	(210.37)
Less : Appropriations		
Transfer to Contingency reserve	0.40	0.40
Total Appropriations	0.40	0.40
Net Surplus in the Statement of Profit and Loss	29.43	(210.77)
Less : Transfer to Head Office	(29.43)	210.77
	124.53	116.73



TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

Note - 3 : Long-term borrowings

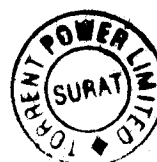
(Rs. in crore)				
	Non-current		Current maturities	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Secured Loans				
Term loans:				
From banks	7.75	12.75	5.00	21.93
From financial institutions	102.50	137.50	35.00	35.00
	<u>110.25</u>	<u>150.25</u>	<u>40.00</u>	<u>56.93</u>
Unsecured Loans				
Term loans:				
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	14.70	16.26	1.56	1.56
	<u>14.70</u>	<u>16.26</u>	<u>1.56</u>	<u>1.56</u>
	<u>14.70</u>	<u>16.26</u>	<u>1.56</u>	<u>1.56</u>
	<u>124.95</u>	<u>166.51</u>	<u>41.56</u>	<u>58.49</u>
Amount disclosed under the head				
"Other current liabilities" (note 7)	-	-	(41.56)	(58.49)
	<u>124.95</u>	<u>166.51</u>	<u>-</u>	<u>-</u>

Of the above

1 Amount of Term Loans of Rs. 150.25 crores (31st March, 2014 Rs. 207.17 crores) from financial institutions and banks are secured / to be secured by way of first pari passu charge by way of mortgage and hypothecation over the entire fixed assets, present and future of the Company and second pari passu charge by way hypothecation over entire current assets, present and future of the Company.

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

Financial year	Rs in crores	Financial year	Rs in crores
2015-2016	41.56	2021-2022	1.56
2016-2017	41.56	2022-2023	1.56
2017-2018	39.31	2023-2024	1.56
2018-2019	34.06	2024-2025	1.56
2019-2020	1.56	2025-2026	0.63
2020-2021	1.56		



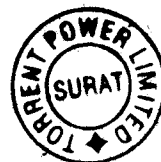
TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

Note - 4 : Other long-term liabilities

	As at 31st March, 2015	(Rs. in crore) As at 31st March, 2014
Other payables		
Security deposits from consumers	200.71	185.88
Sundry payables	0.60	0.75
	<u>201.31</u>	<u>186.63</u>

Note - 5 : Provisions

	Long-term		Short-term	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits (note 30)				
Provision for leave encashment	9.53	6.92	1.33	1.05
	<u>9.53</u>	<u>6.92</u>	<u>1.33</u>	<u>1.05</u>
Other provisions				
Provision for taxation (Net of advance tax and TDS)	-	-	6.88	6.94
	<u>-</u>	<u>-</u>	<u>6.88</u>	<u>6.94</u>
	<u>9.53</u>	<u>6.92</u>	<u>8.21</u>	<u>7.99</u>



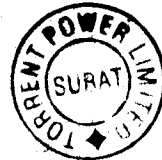
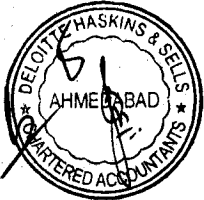
TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

Note - 6 : Trade Payables

	As at 31st March, 2015	(Rs. in crore) As at 31st March, 2014
Trade payables for goods and services (note 28)	598.31	428.21
	<u>598.31</u>	<u>428.21</u>

Note - 7 : Other current liabilities

	As at 31st March, 2015	(Rs. in crore) As at 31st March, 2014
Current maturities of long-term debt (note 3)	41.56	58.49
Interest accrued but not due on loans and security deposits	0.86	1.11
Book Overdraft	1.89	2.50
Other payables		
Credit balances of consumers	6.85	5.79
Service line and Security deposits from consumers	25.65	22.52
Statutory dues	1.56	1.16
Payables on purchase of fixed assets	2.81	4.27
Sundry payables	29.70	23.63
	<u>110.88</u>	<u>119.47</u>



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Note - 8 : Fixed assets

(Rs. in crore)

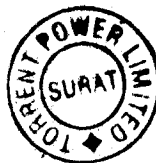
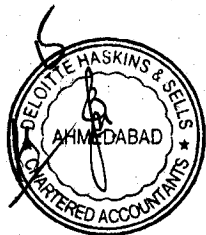


TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

Note-9 : Non-Current Investments

(Rs. in crore)

	As at 31st March, 2015	As at 31st March, 2014
Non trade investments (valued at cost unless stated otherwise)		
Contingency reserve investments (quoted)		
8.28% GOI Bond - 2032	0.40	0.40
8.97% GOI Bond - 2030	0.41	0.41
8.28% GOI BOND -2027	0.40	-
	<u>1.21</u>	<u>0.81</u>
	<u>1.21</u>	<u>0.81</u>
Total	<u>1.21</u>	<u>0.81</u>
Aggregate amount of quoted investments	1.21	0.81
Aggregate amount of Market Value of quoted investments	1.29	0.77



TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

Note - 10 : Loans and advances

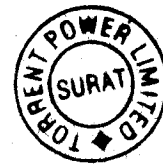
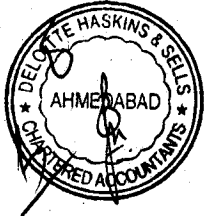
Unsecured (considered good unless stated otherwise)

	Non-current		Current	
	As at	As at	As at	As at
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Capital advances	0.52	0.70	-	-
Other loans and advances				
Prepaid expense	-	-	0.75	2.64
Others	-	-	1.97	4.09
	-	-	2.72	6.73
	0.52	0.70	2.72	6.73

Note - 11 : Other non-current assets

Unsecured (considered good unless stated otherwise)

	(Rs. in crore)	
	As at	As at
	31st March, 2015	31st March, 2014
Bank fixed deposits balance (note 14)	0.34	0.76
	0.34	0.76



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TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

Note - 12 : Inventories
(valued at lower of cost and net realizable value)

	As at 31st March, 2015	(Rs. in crore) As at 31st March, 2014
Coal, Oil, Stores and Spares	13.32	12.48
	<u>13.32</u>	<u>12.48</u>

Note - 13 : Trade Receivables

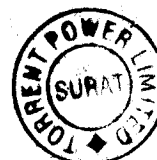
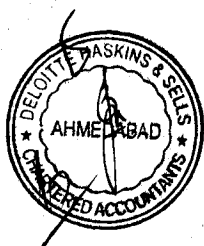
	As at 31st March, 2015	(Rs. in crores) As at 31st March, 2014
Debts outstanding for a period exceeding six months from due date		
Secured - Considered good	0.02	0.39
Unsecured - Considered good	0.50	0.05
- Considered doubtful	1.11	1.13
	<u>1.63</u>	<u>1.57</u>
Other Debts		
Secured - Considered good	104.38	88.81
Unsecured - Considered good	68.91	51.11
- Considered doubtful	0.34	0.32
	<u>173.63</u>	<u>140.24</u>
Less: Provision for doubtful debts	1.45	1.45
	<u>173.81</u>	<u>140.36</u>

Note - 14 : Cash and bank balances

	Non-current		Current	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Cash and cash equivalents				
Balances with banks				
Balance in current accounts	-	-	17.95	8.82
Balance in fixed deposit accounts (remaining maturity of less than three months)	-	-	0.02	-
			<u>17.97</u>	<u>8.82</u>
Cash on hand	-	-	0.03	0.29
			<u>18.00</u>	<u>9.11</u>
Other bank balances				
Balance in fixed deposit accounts (remaining maturity for more than three months but less than twelve months)	-	-	0.42	0.02
Balance in fixed deposit accounts (Remaining Maturity for more than twelve Months)	0.34	0.76	0.34	-
	<u>0.34</u>	<u>0.76</u>	<u>0.76</u>	<u>0.02</u>
Amount disclosed under other non-current asset (note 11)	(0.34)	(0.76)	(0.34)	-
	<u>-</u>	<u>-</u>	<u>18.42</u>	<u>9.13</u>

Note - 15 : Other current assets

	As at 31st March, 2015	(Rs. in crore) As at 31st March, 2014
Interest accrued on investments	0.02	0.02
Unbilled revenue	152.41	153.59
	<u>152.43</u>	<u>153.61</u>



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TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

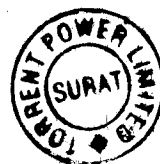
Note - 16 : Revenue from operations

	Year Ended 31st March, 2015	(Rs. in crore) Year Ended 31st March, 2014
Revenue from power supply (note 27)	2,205.68	1,900.68
Other operating income		
Hire of meters	13.17	12.86
Provision of earlier years written back	9.74	1.46
Recovery of bad debts	0.34	0.34
Insurance claim receipt	-	0.00
Miscellaneous income	5.45	5.10
	<u>28.70</u>	<u>19.76</u>
	<u>2,234.38</u>	<u>1,920.44</u>

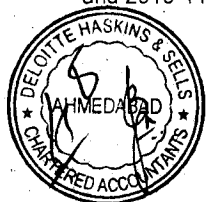
Note - 17 : Other income

	Year Ended 31st March, 2015	(Rs. in crore) Year Ended 31st March, 2014
Interest income from		
Deposits	0.09	0.08
Consumers	3.28	3.09
Contingency reserve investments*	0.63	1.67
Others	-	0.08
	<u>4.00</u>	<u>4.92</u>
Miscellaneous income	14.55	12.57
Profit on sale of fixed assets	0.09	0.23
	<u>18.64</u>	<u>17.72</u>

*(Current year includes Rs. 0.55 crore for 2011-12 and 2012-13 and previous year includes Rs. 1.56 crores for 2008-09, 2009-10 and 2010-11)



2



TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

Note - 18 : Employee benefits expense

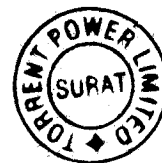
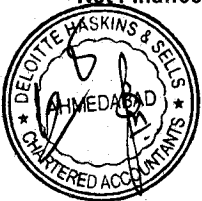
	Year Ended 31st March, 2015	(Rs. in crore) Year Ended 31st March, 2014
Salaries, wages and bonus	47.30	44.04
Contribution to provident and other funds	3.18	2.55
Employees welfare expenses	4.36	2.52
Gratuity and leave encashment	8.76	(0.80)
	<u>63.60</u>	<u>48.31</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	14.94	12.74
	<u>48.66</u>	<u>35.57</u>

Note - 19 : Operation and other expenses

	Year Ended 31st March, 2015	(Rs. in crore) Year Ended 31st March, 2014
Consumption of stores and spares	9.58	9.64
Rent and hire charges	0.47	0.39
Repairs to		
Buildings	1.36	1.20
Plant and machinery	27.66	28.28
Others	0.07	0.04
	<u>29.09</u>	<u>29.52</u>
Insurance	0.55	0.64
Rates and taxes	1.13	1.09
Miscellaneous expenses	20.05	18.64
Loss on sale of fixed assets	2.27	3.39
Commission to non executive directors	0.13	0.15
Directors Sitting Fees	0.10	
Statutory auditors remuneration (note 29)	0.13	0.14
Legal, professional & consultancy fees	1.95	1.13
Donations	3.71	0.51
Bad debts written off	0.31	0.28
Provision for doubtful debts and advances	-	-
	<u>69.47</u>	<u>65.52</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	(8.54)	(8.69)
	<u>60.93</u>	<u>56.83</u>

Note - 20 : Finance costs

	Year Ended 31st March, 2015	(Rs. in crore) Year Ended 31st March, 2014
Interest expense		
Term loans	22.00	29.72
Working capital loan	0.01	6.33
Security deposits from consumers	17.46	15.24
Others	0.00	-
Other borrowing cost	0.44	0.75
Net Finance Cost	<u>39.91</u>	<u>52.04</u>



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OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21. These Financial Statements have been prepared by the Company based on financial statements of the Company for the financial year ended on 31st March, 2015, which have been audited by the statutory auditors of the Company as per the requirements of the Companies Act, 2013. These have been prepared for the purpose of submission thereof to the Gujarat Electricity Regulatory Commission by separately disclosing the Financial Statements of Surat Distribution for the year ended on 31st March, 2015. Accordingly, the review of events occurring after the Balance Sheet for the purposes of these financial statements has been considered up to date on which the financial statements of the company were approved i.e. 12th May 2015.

These Financial Statements consists of assets, liabilities, income, expenditure and cash flows of the Company's distribution activities at Surat Area, Gujarat which has been prepared on the basis of audited books of account and other relevant records maintained for the Surat Distribution area.

Considering the purpose for which these Financial Statements have been prepared, no provision for tax in respect of this division has been made.

22. Basis of determining the value of inter-unit sales of power:

In respect of Ahmedabad Generation area, the transfer price for sale of power has been determined on the basis of the principles stated in the Multi-year tariff regulations as issued by the Gujarat Electricity Regulatory Commission (GERC) and further based on the orders approved by GERC in respect of the tariff petitions made by the Company.

In respect of the Company's other generating unit, the tariff for sale of power has been determined on basis of the principles stated in the tariff regulations as issued by the Central Electricity Regulatory Commission (CERC) and further based on the tariff order approved in respect of the said unit by CERC. Further, reference is invited to accounting policy no. 1.11 dealing in Revenue Recognition.

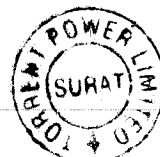
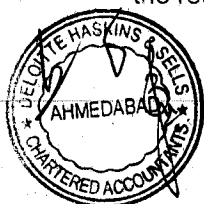
23. Basis of allocation of common expenditure:

The common expenditure incurred by the Company that is directly identifiable to a particular unit/area/circle is allocated to that particular unit/area/circle. The other common expenditure is allocated between the units/areas/circles in the ratio determined based on the respective sales of each unit/area/circle as a proportion to the total sales of the Company.

	(Rs. in Crore)	
	As at	As at
	31st March, 2015	31st March, 2014
24. Estimated amount of contracts remaining to be executed on Capital Accounts (Net of Advances)	24.18	10.15
25. Contingent Liabilities not provided for in respect of: Disputed Stamp Duty matters	0.35	0.35

In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute. No reimbursement is expected.

26. 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:



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TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

(Rs. in Crore)

	As at	As at
	31st March, 2015	31st March, 2014

(a) Principal amount remaining unpaid	0.54	-
(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;	-	-
(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)	-	-
(e) The amount of Interest accrued and remaining unpaid	-	-
(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.	-	-

27. The Company's significant leasing arrangements are in respect of residential flats, office premises, plant and machinery and equipments taken on lease. The arrangements range between 11 months and 10 years generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Company has not entered into any material financial lease. The Company does not have any non-cancellable lease.

28. Employee benefits

The liability on account of gratuity and leave is accounted as per AS 15 (revised) dealing with employee benefits.

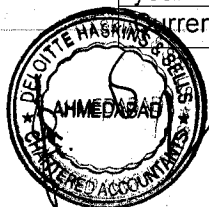
The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment.

On account of defined contribution plans, a sum of Rs. 3.18 Crore (Previous year - Rs. 2.55 Crore) has been charged to the statement of profit and loss.

Status of gratuity plan and leave encashment as required under AS 15 (revised):

(Rs. in Crore)

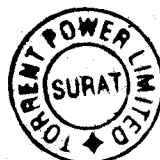
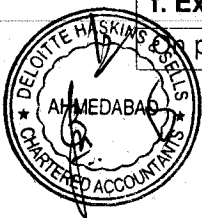
Particulars	As at			As at	
	31st March, 2015			31st March, 2014	
	Leave Encashment		Gratuity	Leave Encashment	Gratuity
a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:					
Obligations at the beginning of the year	7.81		21.85	8.05	22.98
Current Service cost	0.53		1.00	0.65	1.12



8

TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

Interest Cost	0.72	2.02	0.64	1.84
Actuarial (gain) / loss	4.04	2.46	(0.37)	(2.52)
Liability transferred in	0.17	0.59	-	-
Liability transferred out	(0.20)	(0.94)	-	-
Benefits paid directly by employer	(2.48)	-	(1.16)	(1.10)
Benefits paid	-	(1.78)	-	(0.47)
Obligations at the end of the year	10.59	25.20	7.81	21.85
b. Reconciliation of opening and closing balances of the fair value of plan assets:				
Plan assets at the beginning of the year, at fair value	-	24.88	-	21.33
Expected return on plan assets	-	2.37	-	1.86
Actuarial gain / (loss)	-	(0.25)	-	0.32
Contributions	-	0.02	-	1.85
Benefits paid	-	(1.78)	-	(0.48)
Plan assets at the end of the year, at fair value	-	25.24	-	24.88
c. Reconciliation of the present value of the defined benefit obligation and fair value of plan assets:				
Obligations at the end of the year	10.59	25.20	7.81	21.85
Plan assets at the end of the year, at fair value	-	25.24	-	24.88
Liability/(Asset) recognized in Balance sheet	10.59	(0.04)	7.81	(3.03)
d. Cost for the year:				
Current service cost	0.53	1.00	0.65	1.12
Discount cost	0.72	2.02	0.64	1.84
Expected return on plan assets	-	(2.37)	-	(1.86)
Net Actuarial gain / (loss)	4.04	2.71	(0.37)	(2.84)
Net Cost – included in Note-18 of the balance sheet	5.29	3.35	0.92	(1.74)
e. Assumptions:				
Discount rate	8.00%	8.00%	9.25%	9.25%
Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31st March, 2015)		9.00%		9.50%
Salary escalation rate	8.50%	8.50%	9.00%	9.00%
f. Experience adjustment				
Plan liability (gain) / Loss	3.36	1.01	0.47	(0.26)



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TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

On plan asset (loss) / gain	-	(0.25)	-	0.32
g. Actual return on plan assets		2.12		2.18
h. Expected contribution for next year		-		-
i. Note:				
The estimates of future salary increases considered in the actuarial valuation take account of inflation, promotion and other relevant factors, such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of Life Insurance Corporation of India.				

j. Current year and past four years data for defined benefit obligation and fair value of plan:

(Rs.in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Present value of defined benefit obligations at the end of the period (independent actuary)	27.00	28.95	31.03	29.66	35.79
Fair value of plan assets at the end of the year	14.75	17.77	21.33	24.88	25.24
Net asset / (liability) at the end of year	(12.25)	(11.18)	(9.70)	(4.78)	(10.55)

k. Investment details of plan assets:

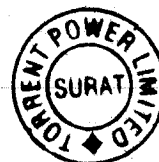
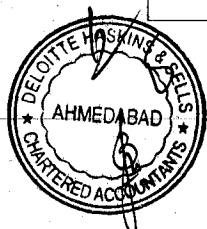
Contributions to fund the obligations under the gratuity plan are made to Life Insurance Corporation of India, who has invested the funds substantially as under:

	Year ended 31st March, 2015	Year ended 31st March, 2014
Government Securities	46.60%	41.21%
Debentures & Bonds	34.61%	39.32%
Equity Shares	4.56%	4.67%
Fixed Deposits	14.22%	14.20%
Others	0.01%	0.60%
Total	100.00%	100.00%

29. Statutory auditors remuneration:

(Rs.in Crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Audit Fees	0.07	0.06
Tax Audit Fees	0.01	0.01
Other services – certificates etc.	0.03	0.05
Reimbursement of expenses	0.01	0.01
For Service Tax	0.01	0.01
	0.13	0.14



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TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA

30. C.I.F. Value of Imports

(Rs.in Crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Components, stores, fuel and spare parts	0.05	-
Capital goods	-	-

31. Value of stores and spare parts consumed (including fuel)

(Rs. in Crore)

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Rs. in Crore	%	Rs. in Crore	%
Imported	0.05	0.52%	-	-
Indigenous	9.53	99.48%	8.69	100.00%
	9.58	100.00%	8.69	100.00%

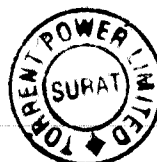
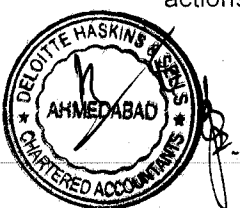
- 32.** The Company's primary business segment is Generation and Distribution of Electricity. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), this activity falls within a single primary business segment and accordingly the disclosure requirements of AS-17 in this regard are not applicable.

33. Amalgamation

The Board of Directors has approved on 12th May,2014 the draft composite scheme of Amalgamation of Torrent Energy Limited (TEL) and Torrent Cables Limited (TCL) with Torrent Power Limited (TPL) and their respective shareholders and creditors ("the Scheme") under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956. The Appointed Date of the scheme is 1st April,2014.

TPL has already obtained necessary approval of the Scheme from National Stock Exchange of India Limited and BSE Limited vide their letters dated 26th & 27th August,2014 respectively. Hon'ble Central Electricity Regulatory Commission (CERC) has also granted its approval to TEL under Section 17 (1)(b) of the Electricity Act,2003 for its amalgamation with TPL subject to certain procedural conditions vide its order dated 7th January,2015. TEL has also received the approval from Hon'ble Gujarat Electricity Regulatory Commission (GERC) under section 17 of Electricity Act,2003 for amalgamation with TPL vide its order dated 1st April,2015. Such approval is subject to the decision of Hon'ble High Court of Gujarat. As per the directions of the Hon'ble High Court of Gujarat, the meeting of the equity shareholders of TPL & TCL and unsecured creditors of TCL & TEL were held on 30th April,2015. Further, court convened meeting of the secured creditors of TCL & TEL were held on 1st May, 2015. In accordance with SEBI circular CIR/CFD/DIL/5/2013 dated 4th February,2013 and CIR/CFD/DIL/8/2013 dated 21st May,2013, the public shareholders have approved the said amalgamation.

Pending other requisite approvals, including approval of High Court of Gujarat / National Company Law Tribunal as applicable, fulfillment of conditions precedent as mentioned in the scheme and further actions, the effect of the Scheme has not been considered in the financial statements



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**TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA**

34. Related party disclosures

(Rs. in Crore)

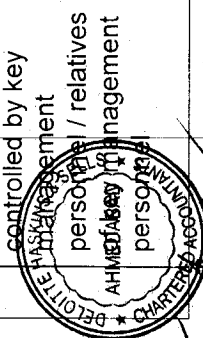
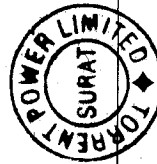
	Enterprises controlled by the Company		Holding Company/ Enterprises controlled by the Holding Company		Enterprises controlled by key management personnel / Relatives of key management personnel		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
A) Nature of Transactions								
Purchase of Materials	-	-	15.40	8.18	-	-	15.40	8.18
Torrent Cables Ltd.	-	-	15.40	8.18	-	-	15.40	8.18
Services Received	-	-	0.02	-	-	-	0.02	-
Torrent Cables Ltd.	-	-	0.02	-	-	-	0.02	-
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	(*)	-	(*)	-
Shared Expenditure	-	-	0.41	-	-	-	0.41	-
Torrent Energy Limited	-	-	0.41	-	-	-	0.41	-
Contribution to Funds (Net)	0.70	2.48	-	-	-	-	-	2.48
TPL(Surat) Gratuity Trust	0.02	1.85	-	-	-	-	-	1.85
TPL(Surat) Superannuation Fund	0.68	0.63	-	-	-	-	-	0.63
B) Balances at the end of the year								
Current Liability	-	-	0.25	1.70	-	-	0.25	1.70
Torrent Cables Ltd.	-	-	0.47	1.70	-	-	0.47	1.70
Torrent Energy Limited	-	-	(0.22)	-	-	-	(0.22)	-



**TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA**

Names of related parties and description of relationship:

1. Associates	AEC Cements & Constructions Limited (Associate), Tidong Hydro Power Limited(Associate), Tornascent Care Institute (Joint Venture)			
2. Subsidiaries	Torrent Power Grid Limited, Torrent Pipavav Generation Limited, Torrent Energy Limited, Torrent Solargen Limited (Formerly known as Torrent Power Bhiwandi Limited)			
3. Enterprises controlled by the Company	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund			
4. Holding Company / enterprises controlled by the holding Company	Torrent Private Limited (Holding Company), Torrent Pharmaceuticals Limited, Torrent Cables Limited, Gujarat Lease Financing Limited, Torrent Power Services Private Limited, HeumannPharma GmbH & Co. Generica KG, Torrent Do Brasil Ltda., Zao Torrent Pharma, Torrent Pharma GmbH., Torrent Pharma Inc., Torrent Pharma Philippines Inc., Torrent Australasia Pty Ltd., Laboratorios Torrent SA de CV, Torrent Pharma Canada Inc., Torrent Pharma (Thailand) Co. Ltd., Norispharm GmbH., HeunetPharma GmbH., Torrent Pharma (UK) Ltd., Torrent Pharma S.R.L., Laboratories Torrent (Malaysia) Sdn.Bhd., Torrent Financiers, Torrent Pharmaceuticals (Sikkim), Torrent Fincorp Pvt. Ltd., Torrent Pharma France S.A.S., Aptil Pharma Limited.			
5. Key management personnel	Sudhir Mehta Executive Chairman	Samir Mehta Executive Vice Chairman	Markand Bhatt Whole-time Director	Jinal Mehta Whole-time Director
6. Relatives of key management Personnel	Anita Mehta, Wife Shardaben Mehta, Mother Samir Mehta Brother Meena Modi, Sister Nayna Shah, Sister Jinal Mehta, Son Varun Mehta, Son	Sapna Mehta, Wife Shardaben Mehta, Mother Sudhir Mehta Brother Meena Modi, Sister Nayna Shah, Sister Aman Mehta, Son Shaan Mehta, Son	Nandini Bhatt, Wife Arvindbhai Bhatt, Brother AnjubenTrivedi, Sister VasudhabenPandya, Sister Munjai Bhatt, Son Gunjan Bhatt, Son	Nirja Mehta, Wife Sudhir Mehta, Father Anita Mehta, Mother Varun Mehta, Brother Saira Mehta, Daughter Rishaan Mehta, Son
7. Enterprises controlled by key management personnel / relatives	U. N. Mehta Charitable Trust, Shardaben Mehta Charitable Trust, Dushyant Shah Charitable Trust, D N Modi Charitable Trust, Tsunami Tours & Travels Private Limited, Torrel Cosmetics Private Limited, Zeal Pharmachem India Private Limited, Diamond Infrastructure Private Limited, U.N.Mehta Institute of Cardiology & Research Centre, Munjal Bhatt Architects, Shri Vadgam Mahal Kelavani Mandal, MemadpurKelvani Mandal			



**TORRENT POWER LIMITED
SURAT DISTRIBUTION AREA**

35. Previous year figures

Previous year's figures have been restated/recast, wherever necessary, to conform to the current year's classification. Figures are rounded off to nearest lakh. Figures below Rs. 50,000 are denoted by (*).

Signature to Note 1 to 35

As per our attached Certificate of even date

For **Deloitte Haskins & Sells**
Chartered Accountants



Hemendra L. Shah
Partner

Ahmedabad, 25th September, 2015

For Torrent Power Limited

A handwritten signature in black ink, appearing to be "D N Bhatia".

D N Bhatia
Authorized Signatory

Surat, 17th September, 2015

A handwritten signature in black ink, appearing to be "S. P.".