NOTE 1A: GENERAL INFORMATION

Torrent Power Limited ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its equity shares are listed on BSE Ltd. and National Stock Exchange Ltd. 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 generation, transmission and distribution of Power and of manufacture and sale of Cables.

NOTE 1B: 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 include 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 2.12 for the accounting policy and note 57 for the impact on change in policy and related disclosures.

NOTE 1C: NEW STANDARDS OR INTERPRETATIONS ISSUED 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), 2019 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.

Other amendments

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) notified certain other amendments to Indian Accounting Standards (Ind AS), as below, as part of the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. These other amendments come into force on 1st April, 2019.

Ind AS - 12 "Income taxes", Appendix C - Uncertainty over income tax treatments

The appendix explains how to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Ind AS - 12 "Income taxes"

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Ind AS – 19 "Employee benefits", Plan amendment, curtailment or settlement

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Ind AS - 23 "Borrowing costs"

The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The effective date for adoption of amendments as per Companies (Indian Accounting Standards) Second Amendment Rules, 2019 is annual periods beginning on or after 1st April, 2019. The Company will adopt the standard on 1st April, 2019 and is in the process of evaluating the impact on account of above amendment on its financial statements and will accordingly consider the same from period beginning 1st April, 2019.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation:

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.

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;

- Derivative instruments
- 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.

2.2 Business combinations and Goodwill:

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Business combination – common control transaction

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Business combination-related costs are generally recognised in statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries, associates and joint ventures is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to such entity.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

2.3 Investments in subsidiaries, joint ventures and associates:

Investments in associates, joint ventures and subsidiaries are measured at cost less provision for impairment, if any.

2.4 Government grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to purchase of property, plant and equipment whose primary condition is that the Company should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

2.5 Property, plant and equipment:

Tangible fixed assets

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, 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 directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use.

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

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

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation on tangible assets which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line basis (other than Agra Franchisee Business for which it is provided on written down value basis) using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other tangible assets in non-regulated business, depreciation is provided on a straight line basis over the estimated useful lives.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period in respect of tangible assets of non-regulated business. The effect of any such change in estimate in this regard is accounted for on a prospective basis.

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

Class of assets	Rate of depreciation		
	Regulated business	Franchisee business@	Other business
Buildings	1.80% to 6.00%	3.02% to 7.84%	1.18% to 31.67%
Railway siding	1.80% to 5.28%	-	-
Plant and machinery	1.80% to 18.00%	5.27% to 33.40%	12.66%
Electrical fittings and apparatus	3.60% to 6.33%	6.33% to 12.77%	9.50%
Furniture and fixtures	5.28% to 6.33%	6.33% to 12.77%	9.50%
Vehicles	6.00% to 18.00%	9.50% to 33.40%	9.50% to 11.88%
Office equipment	5.28% to 15.00%	6.33% to 33.40%	6.33% to 31.67%

@ governed by the applicable regulations of U. P. Electricity Regulatory Commission (UPERC)/ Maharashtra Electricity Regulatory Commission (MERC) for this purpose.

2.6 Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from its current use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment properties, other than free hold land, are depreciated using straight line method over their estimated useful lives.

2.7 Intangible assets – acquired:

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over its estimated useful life of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate being accounted for on a prospective basis.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.8 Impairment of tangible and intangible assets other than goodwill:

Tangible and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

2.9 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.

2.10 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cheques / drafts on hand, current account 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.

2.11 Inventories:

Raw materials, fuel, stores and spares, packing materials, loose tools, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of inventories includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the weighted average basis except inventory of Regasified Liquefied Natural Gas (RLNG) which is valued on FIFO basis and using specific identification method considering its procurement for beneficiary usage or others. 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.

2.12 Revenue recognition:

Revenue is recognized, when the control of the goods or services has been transferred to consumers. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and other similar allowances.

(i) Revenue from power supply is accounted for in accordance with the principles laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulator. Revenue recognised includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff and adjustments in respect of unbilled amounts towards revenue gaps / unapproved FPPPA which are recognised considering applicable tariff regulations / tariff orders, past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

These adjustments / accruals are carried forward as 'Unbilled revenue' under "Other current financial assets" in Note 18, which would be adjusted through future billing based on tariff determination by the regulator in accordance with the electricity regulations.

(ii) Sales of cables and trading of RLNG are recognised, net of returns and rebates, on transfer of control of ownership to the buyer. Sales exclude Goods and service tax.

(iii) Gross proceeds from sale of Certified Emission Reduction certificates (CERs) are recognized when all the control of CERs have been passed to the buyer, usually on delivery of the CERs.

(iv) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.

(v) Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

2.13 Foreign currency translation:

Functional and presentation currency

The financial statements are prepared in Indian rupee (INR) which is functional as well as presentation currency of the Company.

Transactions and balances

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of profit and loss, within finance costs. All other foreign 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 recognized as income or expense in the financial year in which they arise.

The exchange differences relating to long term foreign currency monetary items, recognised in the financial statement upto 31st March, 2016, in so far as they relate to acquisition of depreciable capital assets is adjusted to the cost of such capital asset and depreciated over the balance useful life of such asset.

2.14 Employee benefits:

Defined contribution plans

Contributions to retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations 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 the retirement benefit plan 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 an 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 approximating 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 and consequently recognised 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 and sick leave are 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.

2.15 Taxation:

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

Current tax

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

Advance taxes and provisions for current income taxes are offset with each other when there is a legally enforceable right to offset and balances arise with the 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.

2.16 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) 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.

2.17 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.

2.18 Financial instruments:

Financial assets

i) Classification of financial assets (including debt instruments)

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

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

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

ii) Initial measurement

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

iii) Subsequent measurement

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

- **Amortised cost**

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

- **Fair value through other comprehensive income (FVOCI)**

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

- **Fair value through profit or loss (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.

iv) 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.

v) Derecognition of financial assets

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

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

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

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

vi) Income recognition

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

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.

Interest on overdue receivables of energy bills and claims including insurance claims, coal cost variation and other claims etc. are accounted as and when recovered.

Financial liabilities

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

i) Classification

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

ii) Initial measurement

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

iii) Subsequent measurement

Financial liabilities are 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.

iv) Derecognition of financial liabilities

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

2.19 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.

2.20 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.

2.21 Amount presented and rounding off:

All amounts in the financial statements and notes have been presented in ₹ Crore (except for share data) rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Figures below ₹50,000 are denoted by '*'.

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the course of applying the policies outlined in all notes under note 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3.1 Revenue recognition:

The Company has recognised revenue (including the adjustment in respect of unapproved FPPPA claims and other true up adjustment claims) as per the applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval. The company has not recognized those truing up adjustment claims which are subject of dispute and for which the company is in appeal with regulatory authorities.

3.2 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 distribution and transmission assets portfolio. In assessing the applicability, the Company has exercised judgment in relation to the provisions of the Electricity Act, 2003, transmission / distribution license and / or agreements. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable.

(ii) Impairment of property, plant and equipment

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

Recoverable amount of property, plant and equipment is the higher of its fair value less costs of disposal and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated PLF, fuel availability at economical rates, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets. [Refer note 41(1)]

3.3 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 56.

(ii) Impairment of investments

At the end of each reporting period, the Company reviews the carrying amounts of its investments when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. [Refer note 41(2)]

3.4 Taxation:

(i) Current tax

The Company has treated certain expenditure as being deductible for tax purposes. However, the tax legislation in relation to such expenditure is not clear and the Company has applied their judgement and interpretation for the purpose of taking their tax position.

(ii) 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 42]

3.5 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.

3.6 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.

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

As at 31st March, 2019

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss				Net carrying amount
	As at 1st April, 2018	Additions during the year	Deductions during the year	Adjustments	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
Freehold land	380.99	110.76	88.65	-	403.10	-	-	-	-	403.10
Buildings	1,426.22	79.13	0.37	0.70	1,505.68	135.82	51.68	0.04	187.46	1,318.22
Railway siding	1.86	-	-	-	1.86	0.15	0.05	-	0.20	1.66
Plant and machinery	17,776.99	1,229.67	31.74	6.13	18,981.05	2,796.24	1,088.72	11.32	3,873.64	15,107.41
Electrical fittings and apparatus	37.93	2.29	0.01	0.05	40.26	9.02	3.26	0.01	12.27	27.99
Furniture and fixtures	41.32	3.74	0.03	0.08	45.11	7.78	3.14	-	10.92	34.19
Vehicles	22.30	1.70	0.73	0.15	23.42	5.64	2.48	0.26	7.86	15.56
Office equipment	84.68	36.69	0.70	0.39	121.06	25.08	9.21	0.23	34.06	87.00
Total	19,772.29	1,463.98	122.23	7.50	21,121.54	2,979.73	1,158.54	11.86	4,126.41	16,995.13

As at 31st March, 2018

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss				Net carrying amount
	As at 1st April, 2017	Additions during the year	Deductions during the year	Adjustments	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
Freehold land	368.95	12.04	-	-	380.99	-	-	-	-	380.99
Buildings	1,357.56	67.92	0.24	0.98	1,426.22	86.50	49.32	*	135.82	1,290.40
Railway siding	1.86	-	-	-	1.86	0.10	0.05	-	0.15	1.71
Plant and machinery	16,579.90	1,247.82	34.96	(15.77)	17,776.99	1,760.93	1,044.78	9.47	2,796.24	14,980.75
Electrical fittings and apparatus	34.16	3.85	0.10	0.02	37.93	6.02	3.05	0.05	9.02	28.91
Furniture and fixtures	37.33	4.28	0.29	-	41.32	4.84	3.09	0.15	7.78	33.54
Vehicles	19.33	4.31	1.35	0.01	22.30	3.82	2.23	0.41	5.64	16.66
Office equipment	71.79	13.45	0.61	0.05	84.68	17.60	7.70	0.22	25.08	59.60
Total	18,470.88	1,353.67	37.55	(14.71)	19,772.29	1,879.81	1,110.22	10.30	2,979.73	16,792.56

^ Includes impairement loss amounting to ₹ 14.07 Crore

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT (Contd.)

Footnotes:

1 Assets pledged as security:

Entire movable and immovable properties (including capital work-in-progress) with the net carrying amount of ₹17,353.90 Crore (31st March, 2018 - ₹17,183.03 Crore) have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 22].

2 Capital commitment:

Refer note 44(c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3 Adjustments during the year include capitalisation of borrowing costs of ₹7.28 Crore (Previous year - ₹5.77 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs".

4 Capital work-in-progress include borrowing costs of ₹2.67 Crore (31st March, 2018 - ₹0.71 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs".

5 The weighted average rate for capitalisation of borrowing cost relating to general borrowing is 8.68% (Previous year 8.55%).

6 Additions to plant and machinery includes capitalisation of directly attributable costs incurred by the Company under various headings.

7 Refer note 41(1) for impairment assessment of DGEN power plant.

8 Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a fellow subsidiary are as under:

(₹ in Crore)

Particulars	Proportion of holding	As at 31st March, 2019	As at 31st March, 2018
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	2.52	1.36

NOTE 5 : INVESTMENT PROPERTY

As at 31st March, 2019 (₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at 1st April, 2018	Additions during the year	Deductions during the year	Adjustments	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
Freehold land	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

As at 31st March, 2018 (₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at 1st April, 2017	Additions during the year	Deductions during the year	Adjustments	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
Freehold land	0.53	-	0.53	-	-	-	-	-	-	-
Total	0.53	-	0.53	-	-	-	-	-	-	-

Footnote:

1. Amount recognised in statement of profit and loss for investment property [Refer note 34] :

(₹ in Crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rental income derived from investment property	-	1.05
Direct operating expenses arising from investment property	-	-

NOTE 6 : INTANGIBLE ASSETS

As at 31st March, 2019

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated amortization				Net carrying amount
	As at 1st April, 2018	Additions during the year	Deductions during the year	Adjustments	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
Computer software	26.53	10.43	-	-	36.96	13.30	6.35	-	19.65	17.31
Total	26.53	10.43	-	-	36.96	13.30	6.35	-	19.65	17.31

As at 31st March, 2018

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated amortization				Net carrying amount
	As at 1st April, 2017	Additions during the year	Deductions during the year	Adjustments	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
Computer software	17.26	9.27	-	-	26.53	9.86	3.44	-	13.30	13.23
Total	17.26	9.27	-	-	26.53	9.86	3.44	-	13.30	13.23

Footnote:

1. The above computer software has been mortgaged and hypothecated to secure borrowings of the Company [Refer note 22].

NOTE 7 : NON-CURRENT INVESTMENTS

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Investment in equity instruments (unquoted)		
Subsidiaries (at cost)		
Torrent Power Grid Limited		
Equity shares of ₹10 each fully paid up	66.60	66.60
(No. of shares - 31st March, 2019: 6,66,00,000, 31st March, 2018: 6,66,00,000)		
[2,70,00,000 (31st March, 2018 - 2,70,00,000) equity shares pledged as security in respect of the term loan provided to Torrent Power Grid Limited]		
Torrent Pipavav Generation Limited [Refer note 41(2)]		
Equity shares of ₹10 each fully paid up	47.50	47.50
(No. of shares - 31st March, 2019: 4,75,00,000, 31st March, 2018: 4,75,00,000)		
Less: Impairment in value of investment	(12.80)	(11.45)
Torrent Solargen Limited		
Equity shares of ₹10 each fully paid up	80.07	80.07
(No. of shares - 31st March, 2019: 8,00,50,000, 31st March, 2018: 8,00,50,000)		
Jodhpur Wind Farms Private Limited		
Equity shares of ₹10 each fully paid up	111.00	*
(No. of shares - 31st March, 2019: 11,10,00,000, 31st March, 2018: 1,000)		
[5,66,10,000 (31st March, 2018 - Nil) equity shares pledged as security in respect of the term loan and working capital facility provided to Jodhpur Wind Farms Private Limited]		
Latur Renewable Private Limited		
Equity shares of ₹10 each fully paid up	110.00	*
(No. of shares - 31st March, 2019: 11,00,00,000, 31st March, 2018: 1,000)		
[5,61,00,000 (31st March, 2018 - Nil) equity shares pledged as security in respect of the term loan and working capital facility provided to Latur Renewable Private Limited]		
	402.37	182.72
Others (at fair value through profit or loss)		
AEC Cements & Constructions Limited		
Equity shares of ₹10 each fully paid up	0.61	0.61
(No. of shares - 31st March, 2019: 9,61,500, 31st March, 2018: 9,61,500)		
Less: Impairment in value of investment	(0.61)	(0.61)
Tidong Hydro Power Limited		
Equity shares of ₹10 each fully paid up	0.02	0.02
(No. of shares - 31st March, 2019: 24,500, 31st March, 2018: 24,500)		
Less: Impairment in value of investment	(0.02)	(0.02)
Tornascent Care Institute @		
Equity shares of ₹10 each fully paid up	0.03	0.03
(No. of shares - 31st March, 2019: 25,000, 31st March, 2018: 25,000)		
UNM Foundation @		
Equity shares of ₹10 each fully paid up	0.03	0.03
(No. of shares - 31st March, 2019: 25,000, 31st March, 2018: 25,000)		
	0.06	0.06
	402.43	182.78

@ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 companies, i.e Tornascent Care Institute and UNM Foundation, under the Companies Act, 2013 for the purpose of carrying out charitable activities.

NOTE 7 : NON-CURRENT INVESTMENTS (Contd.)

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Investment in non-convertible debentures (unquoted) (at amortised cost)		
Wind Two Renergy Private Limited		
Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each	97.21	73.29
(No. of debentures - 31st March, 2019: 9,070, 31st March, 2018: 7,276)		
Wind Four Renergy Private Limited		
Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each	91.23	55.35
(No. of debentures - 31st March, 2019: 8,600, 31st March, 2018: 5,482)		
Wind Five Renergy Private Limited		
Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each	88.87	55.33
(No. of debentures - 31st March, 2019: 8,400, 31st March, 2018: 5,482)		
	277.31	183.97
Contingency reserve investments - statutory (quoted) (at amortised cost) $		
8.28% GOI Bond - 2032	0.99	0.99
8.32% GOI Bond - 2032	0.32	0.32
8.97% GOI Bond - 2030	1.01	1.01
8.28% GOI Bond - 2027	1.30	1.30
7.35% GOI Bond - 2024	1.32	1.32
8.40% GOI Bond - 2024	1.63	1.63
6.68% GOI Bond - 2031	1.69	1.69
7.37% GOI Bond - 2023	1.93	-
	10.19	8.26
	689.93	375.01
Aggregate amount of quoted investments	10.19	8.26
Aggregate amount of unquoted investments	679.74	366.75
	689.93	375.01
Aggregate amount of impairment in value of investments	13.43	12.08
Aggregate amount of market value of quoted investments	10.54	8.42

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 21- Contingency reserve]

NOTE 8 : NON-CURRENT LOANS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Loans to related parties (including interest accrued) [Refer note 55(d)]	128.44	-
Security deposits	16.71	16.73
	145.15	16.73

NOTE 9 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Inter-corporate deposits #	230.00	-
Bank fixed deposits	0.48	0.61
Other advances	0.13	0.15
	230.61	0.76

include ₹80.00 Crore (31st March, 2018 - ₹ Nil) on which a lien has been created in favour of lenders

NOTE 10 : NON- CURRENT TAX ASSETS

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Advance income tax (net)	26.69	26.85
	26.69	26.85

NOTE 11 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Capital advances	474.20	269.49
Advances for goods and services	213.02	230.29
Balances with government authorities	2.94	2.94
Prepaid expenses	2.13	2.41
Unamortised premium for leasehold land	155.84	153.57
	848.13	658.70

NOTE 12 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Stores and spares	279.20	284.87
Fuel	292.47	135.35
Raw materials	21.21	19.74
Work-in-progress	8.75	5.93
Finished goods	23.31	6.44
Packing materials	0.49	0.54
Loose tools	1.24	1.51
	626.67	454.38

Footnotes:

1. The cost of stores and spares inventories recognised as an expense includes ₹1.97 Crore (Previous year - ₹5.65 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.
2. The above carrying amount of inventories has been mortgaged and hypothecated to secure borrowings of the Company.
3. The above carrying amount of fuel includes goods in transit of ₹4.48 Crore (31st March, 2018 - ₹6.05 Crore).

NOTE 13 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Investment in mutual funds (unquoted)		
Axis Liquid Fund- Growth (No. of units - 31st March, 2019: 4,46,035, 31st March, 2018: Nil)	92.11	-
Baroda Pioneer Liquid Fund-Growth (No. of units - 31st March, 2019: Nil, 31st March, 2018: 4,28,694)	-	85.28
DSPBR Liquidity Fund (No. of units - 31st March, 2019: Nil, 31st March, 2018: 1,36,631)	-	33.80
ICICI Liquid Plan - Regular - Growth (No. of units - 31st March, 2019: 69,05,766, 31st March, 2018: Nil)	190.20	-
Invesco India Liquid Fund - Growth (No. of units - 31st March, 2019: Nil, 31st March, 2018: 4,59,617)	-	109.56
SBI PLF - Regular Plan Growth # (No. of units - 31st March, 2019: Nil, 31st March, 2018: 7,80,363)	-	211.92
Tata Money Market Fund (No. of units - 31st March, 2019: 6,48,844, 31st March, 2018: 4,86,299)	190.15	132.61
UTI Liquid Cash Plan - Growth (No. of units - 31st March, 2019: Nil, 31st March, 2018: 1,44,348)	-	40.95
	472.46	614.12
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	472.46	614.12
	472.46	614.12
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-
	-	-

include ₹ Nil (31st March, 2018 - ₹89.14 Crore) on which a lien has been created in favour of lenders

NOTE 14 : TRADE RECEIVABLES

(₹ in Crore)

			As at 31st March, 2019	As at 31st March, 2018
Trade receivables				
Secured	-	Considered good	488.34	453.95
Unsecured	-	Considered good	682.19	670.53
	-	Credit impaired	151.81	135.93
			1,322.34	1,260.41
Less: Allowance for bad and doubtful debts			151.81	135.93
			1,170.53	1,124.48

Footnotes:

1. Refer note 56 for credit risk related disclosures.
2. Refer note 22 for charge on current assets including trade receivables.

NOTE 15 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Balances with banks		
Balance in current accounts	106.86	132.00
Balance in fixed deposit accounts (original maturity of less than three months)	0.03	0.03
	106.89	132.03
Cheques, drafts on hand	6.02	1.61
Cash on hand	1.42	0.59
	114.33	134.23

NOTE 16 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Unpaid dividend accounts	7.44	8.11
Unpaid fractional coupon accounts	0.35	0.34
Balance in fixed deposit accounts # (maturity of more than three months but less than twelve months)	204.13	127.05
	211.92	135.50

include ₹69.00 Crore (31st March, 2018 - ₹ Nil) on which a lien has been created in favour of lenders

NOTE 17 : CURRENT LOANS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Loans to related parties (including interest accrued) [Refer note 55(d)]	188.97	618.19
Security deposits	15.05	16.30
	204.02	634.49

NOTE 18 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Inter-corporate deposits #	75.00	155.00
Interest accrued on non-current investments	0.17	0.10
Interest accrued on deposits	12.27	9.25
Unbilled revenue (including revenue gap / surplus) [Refer note 57]	1,490.44	480.63
	1,577.88	644.98
Other advances / receivables		
Considered good	3.42	5.31
Considered credit impaired	6.06	6.06
	9.48	11.37
Less : Allowance for doubtful advances	6.06	6.06
	3.42	5.31
	1,581.30	650.29

on which a lien has been created in favour of lenders

NOTE 19 : OTHER CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Advances for goods and services	52.84	63.05
Balances with government authorities	53.82	0.12
Prepaid expenses	19.20	9.67
Unamortised premium for leasehold land	5.85	5.73
	131.71	78.57

NOTE 20 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at 31st March, 2018) equity shares of ₹10 each	4,370.00	4,370.00
	4,370.00	4,370.00
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at 31st March, 2018) equity shares of ₹10 each	480.62	480.62
	480.62	480.62

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	48,06,16,784	48,06,16,784
Issued during the year	-	-
Outstanding at the end of the year	48,06,16,784	48,06,16,784

2. 25,74,22,311 equity shares (25,74,22,311 equity shares as at 31st March, 2018) of ₹10 each fully paid up are held by the Parent Company - Torrent Private 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 Private Limited	25,74,22,311	53.56%	25,74,22,311	53.56%
Gujarat State Financial Services Limited	4,68,71,621	9.75%	-	-
Axis Mutual Fund Trustee Limited	3,07,44,585	6.40%	2,26,39,291	@
Gujarat State Investment Limited	-	-	4,68,71,621	9.75%
Life Insurance Corporation of India	1,49,68,387	@	2,83,83,394	5.91%

@ less than 5%

5. Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash :

   During financial year 2015-16, the Company allotted 81,68,476 equity shares of ₹10 each at par to the shareholders of Torrent Cables Limited pursuant to the scheme of amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited as approved by the Hon'ble Gujarat High Court vide its order dated 13th August, 2015.

6. Distributions made and proposed:

   The amount of per share dividend distributed to equity shareholders during the year ended 31st March, 2019 was ₹5.00 (Previous year- ₹2.20) per equity share, being the final dividend declared for the year ended 31st March, 2018.

   The Board of Directors at its meeting held on 15th May, 2019 has recommended a dividend of 50.00% (₹5.00 per equity share of par value ₹10 each).The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately ₹289.71 Crore (inclusive of dividend distribution tax of ₹49.40 Crore).

NOTE 21 : OTHER EQUITY

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	197.90	163.68
Contingency reserve	9.76	7.95
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	4,586.53	3,378.45
	8,456.18	7,212.07

Footnotes:

1. Securities premium:

   Securities premium reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a “securities premium account” as per the provisions of the Companies Act, 2013. The reserve can be utilised in accordance with the provisions of the Act.

2. Debenture redemption reserve:

   The Company has issued redeemable non-convertible debentures. Consequently, the Company is required under the Companies (Share capital and Debentures) Rules, 2014 (as amended), to create Debenture redemption reserve (DRR), equal to 25% of the value of debentures, out of profits of the Company available for payment of dividend. The Company creates DRR, for the required amount, over the tenure of the debentures, before redemption begins.

3. Contingency reserve:

   As per the provisions of GERC MYT Regulations read with Tariff orders passed by GERC, the Company being a Distribution Licensee makes an appropriation to the contingency reserve to meet with certain exigencies. Investments in Bonds issued by Government of India have been made against such reserve.

4. Special reserve:

   As per MYT Regulations (2007), the Company has created a reserve in FY 2011-12 and FY 2012-13, which represents one third amount of controllable gain shall be retained in a special reserve by the Generating Company or Licensee for the purpose of absorbing the impact of any future losses on account of controllable factors.

5. General reserve:

   General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

6. 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 22 : NON-CURRENT BORROWINGS

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	550.00	550.00
10.35% Series 2A, 2B & 2C	300.00	300.00
8.95% Series 3A, 3B & 3C	245.00	245.00
	1,095.00	1,095.00
Term loans @		
From banks	6,917.74	7,382.94
	6,917.74	7,382.94
	8,012.74	8,477.94
Unsecured loans - at amortised cost		
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	20.64	24.46
	20.64	24.46
	8,033.38	8,502.40
@ After considering unamortised expense of ₹30.13 Crore as at 31st March, 2019 and ₹34.31 Crore as at 31st March, 2018.		
Current maturities		
Secured loans - at amortised cost		
Term loans $		
From banks	778.78	710.21
	778.78	710.21
Unsecured loans - at amortised cost		
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	3.82	3.82
	782.60	714.03
Amount disclosed under the head 'Other current financial liabilities' [Refer note 29]	(782.60)	(714.03)
	-	-

$ After considering unamortised expense of ₹4.68 Crore as at 31st March, 2019 and ₹4.78 Crore as at 31st March, 2018.

NOTE 22 : NON-CURRENT BORROWINGS (Contd.)

Footnotes:

1. Nature of security

   The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹7,731.33 Crore and non convertible debentures of ₹1,095.00 Crore.

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

(₹ in Crore)

Financial year	Term loans	Non convertible debentures	Financial year	Term loans	Non convertible debentures
2019-2020	787.28	-	2026-2027	653.98	-
2020-2021	517.32	283.32	2027-2028	634.66	-
2021-2022	607.30	363.32	2028-2029	562.15	-
2022-2023	375.22	368.36	2029-2030	562.15	-
2023-2024	427.92	80.00	2030-2031	562.15	-
2024-2025	568.45	-	2031-2032	491.88	-
2025-2026	654.01	-	2032-2033	351.32	-

3. Undrawn term loans from banks, based on approved facilities, were ₹1,720.41 Crore.

NOTE 23 : NON-CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	109.34	94.64
	109.34	94.64

NOTE 24 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Security deposits from consumers	1,054.79	955.95
Payables for purchase of property, plant and equipment	0.24	0.42
Sundry payables	-	0.07
	1,055.03	956.44

NOTE 25 : NON-CURRENT PROVISIONS

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
Provision for compensated absences	83.15	78.96
	83.15	78.96

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Deferred revenue [Refer note 43]		
Contribution received from consumers	950.04	853.84
Capital grant from government	21.58	24.31
	971.62	878.15

NOTE 27 : CURRENT BORROWINGS

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Secured loans		
Cash credit from banks	300.05	-
	300.05	-

Footnotes:

1 The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for working capital facilities and by way of second pari passu charge in favour of lenders for hedge facility.

2 Undrawn cash credit from banks, based on approved facilities, were ₹550.00 Crore.

Net debt reconciliation :

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents	114.33	134.23
Current investments	472.46	614.12
Current borrowings	(300.05)	-
Non-current borrowings (including current maturities and interest accrued but not due)	(8,875.42)	(9,279.08)
	(8,588.68)	(8,530.73)

	Other assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	
Net balance as at 1st April, 2017	102.41	552.92	(76.62)	(8,633.04)	(8,054.33)
Cash flows	31.82	13.44	76.62	(624.62)	(502.74)
Interest expense	-	-	(0.06)	(768.02)	(768.08)
Interest paid	-	-	0.06	746.60	746.66
Gain on sale of current investments	-	42.19	-	-	42.19
Fair value adjustment	-	5.57	-	-	5.57
Net balance as at 31st March, 2018	134.23	614.12	-	(9,279.08)	(8,530.73)
Cash flows	(19.90)	(175.83)	(300.05)	404.73	(91.05)
Interest expense	-	-	(12.23)	(809.46)	(821.69)
Interest paid	-	-	12.23	808.39	820.62
Gain on sale of current investments	-	40.33	-	-	40.33
Fair value adjustment	-	(6.16)	-	-	(6.16)
Net balance as at 31st March, 2019	114.33	472.46	(300.05)	(8,875.42)	(8,588.68)

NOTE 28 : CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises [Refer note 46]	27.10	18.34
Total outstanding dues other than micro and small enterprises	758.03	638.94
	785.13	657.28

NOTE 29 : OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long-term debt [Refer note 22]	782.60	714.03
Interest accrued but not due on loans and security deposits	24.63	23.56
Investor education and protection fund #		
Unpaid / Unclaimed dividend	7.44	8.11
Unclaimed fractional coupons	0.35	0.34
Book overdraft	25.32	34.01
Security deposits from consumers	26.45	25.39
Other deposits	3.97	3.69
Payables for purchase of property, plant and equipment^	248.82	189.91
Sundry payables (including for employees related payables)	154.38	157.21
	1,273.96	1,156.25

There is no amount due and outstanding to be credited to investor education and protection fund as at 31st March, 2019.
^ including dues to micro and small enterprises for ₹2.29 Crore (31st March, 2018 - ₹Nil) [Refer note 46].

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Credit balances of consumers	66.82	59.46
Service line deposits from consumers	258.73	239.88
Deferred revenue [Refer note 43]		
Contribution received from consumers	67.20	58.34
Capital grant from government	2.72	2.71
Statutory dues	32.88	26.36
Sundry payables (including for electricity duty payable)	232.94	170.99
	661.29	557.74

NOTE 31 : CURRENT PROVISIONS

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
Provision for gratuity [Refer note 48.2(d)]	18.34	11.04
Provision for compensated absences	23.88	20.59
	42.22	31.63
Other provisions		
Provision for indirect taxes	0.07	0.18
	42.29	31.81
Movement in provision for indirect taxes :		
Opening balance as on 1st April	0.18	0.23
Additional provision recognised	0.06	-
Reduction arising from payments	(0.17)	(0.05)
Closing balance as on 31st March	0.07	0.18

NOTE 32 : CURRENT TAX LIABILITIES

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Provision for taxation (net of advance tax and tax deducted at source)	16.36	26.31
	16.36	26.31

NOTE 33 : REVENUE FROM OPERATIONS

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from contracts with customers		
Revenue from power supply [Refer note 57]	12,266.97	10,899.23
Revenue from sale of cable products (including excise duty)		
Manufactured goods	297.22	286.82
Traded goods	-	0.07
Revenue from trading of RLNG	237.22	55.99
	12,801.41	11,242.11
Less: Discount for prompt payment of bills	17.89	15.35
	12,783.52	11,226.76
Other operating income		
Hire of meters	1.41	52.26
Provisions of earlier years written back	26.98	8.04
Insurance claim receipt	0.07	1.35
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 43(a)(2)]	60.94	53.84
Capital grant from government [Refer note 43(b)(2)]	2.72	2.71
Income from Certified Emission Reduction (CERs)	6.62	3.40
Income from Generation Based Incentive	32.10	31.73
Miscellaneous income	63.16	68.77
	194.00	222.10
	12,977.52	11,448.86

NOTE 34 : OTHER INCOME

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest income from financial assets at amortised cost		
Deposits	24.09	25.49
Consumers	28.23	21.21
Contingency reserve investments	0.73	0.60
Loans to related parties [Refer note 55(b)]	73.96	6.53
Others	20.90	19.62
	147.91	73.45
Dividend income from non-current investments carried at cost	6.66	6.66
Rent income from investment property [Refer note 5]	-	1.05
Gain on disposal of property, plant and equipment / investment property	8.40	54.97
Gain on sale of current investments in mutual funds	40.33	42.19
Net gain arising on financial assets / liabilities measured at amortised cost	24.45	14.39
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	(6.16)	5.57
Net gain on foreign currency transactions	4.70	0.76
Miscellaneous income	35.26	68.88
	261.55	267.92

NOTE 35 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Cost of materials consumed	311.02	323.79
Less: Allocated to capital works	51.16	90.35
	259.86	233.44

NOTE 36 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Inventory of finished goods		
Opening stock	6.44	7.44
Less: Closing stock	23.31	6.44
	(16.87)	1.00
Less: Increase / (decrease) in excise duty on movement of finished goods inventory	-	0.32
	(16.87)	0.68
Inventory of work-in-progress		
Opening stock	5.93	6.50
Less: Closing stock	8.75	5.93
	(2.82)	0.57
Less: Allocated to capital works	(0.11)	-
	(19.58)	1.25

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages and bonus	586.28	554.68
Contribution to provident and other funds [Refer note 48.1]	35.77	33.48
Employees welfare expenses	22.05	20.83
Compensated absences	20.62	4.91
Gratuity [Refer note 48.2(e)(3)]	12.35	32.20
	677.07	646.10
Less: Allocated to capital works, repairs and other relevant revenue accounts	192.86	180.78
	484.21	465.32

NOTE 38 : FINANCE COSTS

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest expense for financial liabilities not classified as fair value through profit or loss		
Term loans	699.56	658.12
Non convertible debentures	109.90	109.90
Working capital loans	12.23	0.06
Security deposits from consumers	61.49	59.51
Others	3.58	3.04
Other borrowing costs	9.75	8.47
Amortisation of borrowing costs	4.87	4.65
	901.38	843.75
Less: Allocated to capital works	9.23	4.06
	892.15	839.69

NOTE 39 : DEPRECIATION AND AMORTIZATION EXPENSE AND IMPAIRMENT LOSS

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation expense and impairment loss on property, plant and equipment	1,158.54	1,110.22
Amortization expense on intangible assets	6.35	3.44
	1,164.89	1,113.66
Less: Transfer from others	0.10	0.09
Less: Allocated to capital works	1.74	2.43
	1,163.05	1,111.14

NOTE 40 : OTHER EXPENSES

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Consumption of stores and spares	165.03	171.50
Rent and hire charges	25.01	19.23
Repairs to		
Buildings	11.53	12.28
Plant and machinery	313.69	312.94
Others	14.47	16.40
	339.69	341.62
Insurance	17.21	19.81
Rates and taxes	10.92	9.78
Excise duty	-	9.92
Vehicle running expenses	29.53	30.53
Electricity expenses	26.38	27.13
Security expenses	35.01	37.64
Water charges	16.41	16.66
Corporate social responsibility expenses [Refer note 50]	19.64	14.95
Loss on sale / discarding of property, plant and equipment	17.97	21.96
Commission to non-executive directors [Refer note 55(b)]	6.11	1.29
Directors sitting fees [Refer note 55(b)]	0.78	0.82
Auditors remuneration [Refer note 49]	1.61	0.89
Legal, professional and consultancy fees	39.65	35.00
Donations [Refer note 51]	34.20	17.68
Net loss on foreign currency transactions	-	31.99
Allowance / impairment for non-current investments	1.35	11.47
Bad debts written off (net of recovery)	3.96	3.32
Allowance for doubtful debts (net)	15.88	6.45
Miscellaneous expenses	103.97	117.37
	910.31	947.01
Less: Allocated to capital works, repairs and other relevant revenue accounts	64.71	78.74
	845.60	868.27

NOTE 41: IMPAIRMENT ASSESSMENT

1) DGEN Power Plant

Property, Plant & Equipment ("PPE") includes carrying amount of ₹4,365 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started commercial operations from November 2014 ("COD"). Due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power purchase agreements DGEN was not operated after COD, except for intermittent periods during FY 2015-16. During the periods of non-operation, DGEN was maintained in cold standby mode for immediate start-up, as and when required.

In view of above conditions, the Company carried out an assessment to test whether the carrying amount as at 31st March, 2019 of PPE of ₹4,365 Crore in respect of DGEN was required to be impaired in accordance with Indian Accounting Standard 36 ("Ind AS 36"). The assessment was carried out with the help of an external valuer ("expert"). The expert estimated value-in-use by adopting discounted cash flow method for the balance useful life of the DGEN project as at 31st March, 2019 under two scenarios i.e the management case and an alternate case by taking varied sets of assumptions reflective of likely future operating scenarios. The value in use in both the scenarios is higher than the carrying amount of the PPE pertaining to DGEN and accordingly no impairment provision is considered necessary as at 31st March, 2019.

The assessment of value-in-use involved several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and current electricity market scenario which the management considered reasonable based on past trends and the current and likely future state of the industry. Management intends to review such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any. Changes in such key assumptions in future may have a material adverse impact on the value-in-use.

2) Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company, had paid for acquisition of land in Amreli, Gujarat for the purpose of developing a coal based power plant of 1,000+ MW. Due to non-availability of fuel linkage, the Government of Gujarat vide its letter dated 6th December, 2017, has communicated that the said project may not be developed and accordingly, the joint venture between Torrent Power Limited and Gujarat Power Corporation Limited (GPCL) is intended to be dissolved. The cost of land would be reimbursed through disposal by state government. With reference to this, in the month of March 2019, GPCL has written a letter to Collector, Amreli stating that land is surrendered to the Government and requested Energy and Petroleum Department, Government of Gujarat to take further action in the matter. The management has made an impairment assessment of the land valuation by comparing the carrying value of such land in the books with the stamp value as prescribed by the Superintendent of Stamps, Gandhinagar, Gujarat, on the basis of which it has been concluded that there is no impairment. The recovery of the amount invested as equity and loan aggregating ₹105.12 Crore is dependent on the ability of the Government to find a buyer for the land.

NOTE 42: INCOME TAX EXPENSES

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

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Current tax		
Current tax on profits for the year	272.64	308.42
Adjustment for current tax of prior periods	(3.38)	(4.82)
	269.26	303.60
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(43.53)	(110.87)
(Decrease) / increase in deferred tax liabilities	133.39	261.06
	89.86	150.19
Income tax expense	359.12	453.79

(b) Reconciliation of income tax expense

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit before tax	1,248.36	1,375.53
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.608%)	436.23	476.04
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	24.60	22.30
Income not taxable under Income Tax Act	(2.33)	(2.30)
Tax incentives	(376.56)	0.47
Transition to Ind AS 115	63.53	-
Unabsorbed depreciation / tax credits and other items	217.03	(57.23)
Impact of enacted income tax rate on deferred tax balance	-	19.33
Total	362.50	458.61
Adjustment for current tax of prior periods	(3.38)	(4.82)
Total expense as per statement of profit and loss	359.12	453.79

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

(c) Income tax recognised in other comprehensive income

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	(9.55)	20.49
Income tax expense / (income) recognised in other comprehensive income	(3.34)	7.16

NOTE 42: INCOME TAX EXPENSES (Contd.)

(d) Deferred tax balances

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

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets	653.27	606.40
Deferred tax liabilities	(2,209.53)	(2,076.14)
	(1,556.26)	(1,469.74)

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

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

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,064.59)	(139.82)	-	(2,204.41)
Expense allowable for tax purposes when paid	58.29	(4.71)	3.34	56.92
Tax effect on fair value change in financial instruments and unamortised cost	(11.55)	6.43	-	(5.12)
Unabsorbed depreciation / Minimum Alternate Tax (MAT) credit entitlement and other items	548.11	48.24	-	596.35
	(1,469.74)	(89.86)	3.34	(1,556.26)

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

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(1,810.58)	(254.01)	-	(2,064.59)
Expense allowable for tax purposes when paid	58.27	7.18	(7.16)	58.29
Tax effect on fair value change in financial instruments and unamortised cost	(4.50)	(7.05)	-	(11.55)
Unabsorbed depreciation / Minimum Alternate Tax (MAT) credit entitlement and other items	444.42	103.69	-	548.11
	(1,312.39)	(150.19)	(7.16)	(1,469.74)

(3) Unrecognised deferred tax assets

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Unused tax losses	-	146.01
Unused tax credits	973.65	807.99
	973.65	954.00

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 including expected demand, future price of fuel, expected tariff rate for electricity, exchange rate and electricity market scenario, which the management considered reasonable based on past trends, applicable tariff regulations / agreements and current and likely future state of the industry.

NOTE 43: DEFERRED REVENUE

(a) Contribution received from consumers

(1) Nature of contribution received from consumers

Contributions received from consumers towards property, plant and equipment has been recognised as deferred revenue.

(2) Movement of contribution received from consumers

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Opening balance	912.18	845.50
Add: Contribution received during the year	166.00	120.52
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 33]	(60.94)	(53.84)
Closing balance	1,017.24	912.18
Non-current portion [Refer note 26]	950.04	853.84
Current portion [Refer note 30]	67.20	58.34
	1,017.24	912.18

(b) Government grant

(1) Nature of government grant

Ministry of Power, Government of India (GoI), had introduced the Accelerated Power Development & Reforms Programme (APDRP) to achieve reduction in AT&C losses, to strengthen the T&D network and to ensure reliable and quality power supply with adequate consumer satisfaction. The projects approved for financing under the programme are eligible for a grant and soft loan each equivalent to 25% of the project cost from the GoI. The Balance 50% was required to be funded by the Company. There are no unfulfilled conditions or other contingencies attached to these grants.

(2) Movement of government grant

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Opening balance	27.02	29.73
Add: Grants during the year	-	-
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 33]	(2.72)	(2.71)
Closing balance	24.30	27.02
Non-current portion [Refer note 26]	21.58	24.31
Current portion [Refer note 30]	2.72	2.71
	24.30	27.02

NOTE 44: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Disputed income tax matters	31.52	29.22
Disputed sales tax matters	4.29	4.29
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	2.45	2.45
Disputed stamp duty matters	0.35	0.35
Disputed value added tax matters	3.26	3.11
Disputed central sales tax matters	3.20	2.55
Claims against the Company not acknowledged as debt	34.51	28.30
Guarantees given to lenders of subsidiaries	274.13	-

The Company is in the process of evaluating the impact of the Supreme Court ("SC") judgement dated 28th February, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to non-inclusion of certain allowances within the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement and review petitions are pending before the SC in this matter. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements.

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

(b) Contingent assets

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Coal grade slippage claim	31.49	16.02
	31.49	16.02

(c) Capital commitments

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	3,280.51	2,219.98
ii) Other commitments		
Equity investment in subsidiaries	275.00	-
Investment in associates	-	350.10

iii) Novation agreement with lender for short term finance facilities obtained by associates :

During the year, the Company has entered into an agreement to novate with a lender in respect of two short term finance facilities obtained by two of its associates against which an aggregate amounts of ₹98.00 Crore is outstanding as on 31st March, 2019. As per the terms of the said agreement, in certain circumstances, the Company will be obligated to purchase the outstanding loan balances if the right is so exercised by the lender, as per the terms of the agreement.

NOTE 45: THE COMPANY HAS GIVEN LOANS TO ITS SUBSIDIARY COMPANIES AS UNDER:

Disclosure under Regulation 34(3) read with para A of Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ in Crore)

	Maximum amount outstanding during the year		Amount outstanding	
	Year ended 31st March, 2019	Year ended 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Subsidiary Companies				
Torrent Pipavav Generation Limited	57.62	56.12	57.62	56.12
Torrent Solargen Limited	131.35	-	131.35	-
Jodhpur Wind Farms Private Limited	443.44	283.43	72.87	283.43
Latur Renewables Private Limited	433.81	278.64	55.57	278.64
			317.41	618.19

1. Other than above, the Company has not given any loans or advances in the nature of loan to any of its subsidiaries and associates or firms / companies, in which Directors are interested.
2. The above loans were given to the subsidiaries for their normal business activities.

The Company is engaged in the business of providing infrastructural facilities as per Section 186 (11) of the Act. Accordingly, disclosure under Section 186 (4) of the Act, is not applicable to the Company.

NOTE 46: 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 Crore)

		As at 31st March, 2019	As at 31st March, 2018
(a)	Principal amount remaining unpaid [Refer notes 28 and 29]	29.01	18.34
(b)	Interest due thereon	0.02	0.03
(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		
	(i) Principal amounts paid to the suppliers beyond the appointed day during the year	5.24	2.78
	(ii) Interest paid under section 16 of the MSMED Act, to the suppliers, beyond the appointed day during the year	0.04	0.03
(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)	0.36	*
(e)	The amount of interest accrued and remaining unpaid [b+d]	0.38	0.03
(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.	-	-

NOTE 47: OPERATING LEASE

The Company's significant leasing arrangements, other than land, are in respect of residential flats, office premises, plant and machinery and equipment 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.

Leasing arrangements with respect to land range between 25 years to 99 years.

NOTE 48: EMLOYEE BENEFIT PLANS

48.1 Defined contribution plan:

The Company has defined contribution retirement benefit plans for its employees.

The Company's contributions to provident fund, pension scheme and employee state insurance scheme are made to the relevant government authorities as per the prescribed rules and regulations. The Company's superannuation scheme for qualifying employees is administered through its various superannuation trust funds. The Company's contributions to the above defined contribution plans are recognised as employee benefit expenses in the statement of profit and loss for the year in which they are due. The Company has no further obligation in respect of such plans beyond the contributions made.

The Company's contribution to provident, pension and superannuation funds aggregating to ₹35.77 Crore and to employees state insurance scheme of ₹1.29 Crore (Previous year - ₹33.48 Crore & ₹1.33 Crore respectively) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 37].

48.2 Defined benefit plans:

(a) **Gratuity**

The Company operates a gratuity plan covering all its 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 tenure of 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 schemes administered by the Life Insurance Corporation of India through its various Gratuity Trust Funds. 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.

NOTE 48: EMLOYEE BENEFIT PLANS (Contd.)

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 was 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%

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

Balances of defined benefit plan

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Present value of funded defined benefit obligation	243.64	239.17
Fair value of plan assets	225.30	228.13
Net (asset) / liability [Refer note 31]	18.34	11.04

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

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

(₹ in Crore)

		Funded plan - Gratuity	
		As at 31st March, 2019	As at 31st March, 2018
(1)	**Movements in the present value of the defined benefit obligation:**		
	Obligation at the beginning of the year	239.17	236.58
	Current service cost	11.48	12.22
	Interest cost	18.61	17.02
	Past service cost	-	17.81
	Actuarial (gains) / losses from changes in demographic assumptions	-	(4.33)
	Actuarial (gains) / losses arising changes in financial assumptions	(2.00)	(8.07)
	Actuarial (gains) / losses from experience adjustments	9.70	(5.73)
	Liability transferred in	-	0.01
	Liability transferred out	(0.84)	(0.08)
	Benefits paid directly by employer	(2.80)	(1.42)
	Benefits paid	(29.68)	(24.84)
	Obligation at the end of the year	243.64	239.17

NOTE 48: EMLOYEE BENEFIT PLANS (Contd.)

(₹ in Crore)

		Funded plan - Gratuity	
		As at 31st March, 2019	As at 31st March, 2018
(2)	**Movements in the fair value of the plan assets:**		
	Plan assets at the beginning of the year, at fair value	228.13	206.31
	Interest income	17.74	14.85
	Return on plan assets (excluding interest income)	(1.85)	2.36
	Contributions received	10.96	29.45
	Benefits paid	(29.68)	(24.84)
	Plan assets at the end of the year, at fair value	225.30	228.13
(3)	**Gratuity cost recognized in the statement of profit and loss**		
	Current service cost	11.48	12.22
	Interest cost, net	0.87	2.17
	Past service cost	-	17.81
	Net gratuity cost recognized in the statement of profit and loss [Refer note 37]	12.35	32.20
(4)	**Gratuity cost recognized in the other comprehensive income (OCI)**		
	Return on plan assets (excluding interest income)	1.85	(2.36)
	Actuarial (gains) / losses	7.70	(18.13)
	Net (income) / expense for the period recognized in OCI	9.55	(20.49)

(f) **Category wise plan assets**

Contributions to fund the obligations under the gratuity plan are made to the Life Insurance Corporation of India.

(g) **Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis given 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.

(₹ in Crore)

Change in assumptions	As at 31st March, 2019	As at 31st March, 2018
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(6.86)	(6.62)
50 basis points decrease in discount rate	7.33	7.09
50 basis points increase in salary escalation rate	2.51	6.42
50 basis points decrease in salary escalation rate	(11.45)	(7.16)

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 13 years (Previous year - 13 years).

NOTE 48: EMLOYEE BENEFIT PLANS (Contd.)

(i) Expected contribution to the plan for the next annual reporting period is ₹18.34 Crore (Previous year - ₹11.04 Crore).

(j) **Cash flow projection from the fund**

Projected benefits payable in future years from the date of reporting

(₹ in Crore)

	Funded Plan - Gratuity	
	As at 31st March, 2019	As at 31st March, 2018
1st following year	35.92	37.72
2nd following year	20.64	21.57
3rd following year	36.12	30.24
4th following year	31.75	32.74
5th following year	26.96	28.69
sum of years 6 to 10th	94.96	96.37

48.3 Other long-term employee benefit obligations :

The leave obligation covers the Company's liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement or resignation; at the rate of daily last drawn salary, multiplied by leave days accumulated as at the end of relevant period. Refer notes 25, 31 and 37 for the leave encashment provision / change in the balance sheet and statement of profit and loss.

NOTE 49: AUDITORS REMUNERATION (INCLUDING TAXES)

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
As auditor		
Audit fees	1.07	0.73
Other services- certificates etc.	0.29	0.07
Reimbursement of expenses	0.25	0.09
	1.61	0.89

NOTE 50: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Gross amount required to be spent by the Company	19.51	15.02
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above [Refer note 40]	19.64	15.11
	19.64	15.11
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornascent Care Institute	1.86	7.92
(ii) UNM Foundation	4.75	2.87
	6.61	10.79

NOTE 51: DONATIONS INCLUDE POLITICAL CONTRIBUTIONS AS UNDER

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Electoral Bonds	25.00	-
Prudent Electoral Trust	-	10.00
	25.00	10.00

NOTE 52: EARNINGS PER SHARE

	Year ended 31st March, 2019	Year ended 31st March, 2018
Basic earnings per share (₹)	18.50	19.18
Diluted earnings per share (₹)	18.50	19.18

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	Year ended 31st March, 2018
Profit for the year attributable to the Company used in calculation of basic earning per share (₹ in Crore)	889.24	921.74
Weighted average number of equity shares	48,06,16,784	48,06,16,784

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

NOTE 53: OPERATING SEGMENT

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz. "Generation, Transmission and Distribution of Power" as an integrated utility. Further, the Company's cable business is not a reportable segment in terms of revenue, profit, assets and liabilities. Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

NOTE 54: CERTIFIED EMISSION REDUCTION (CERs)

	As at 31st March, 2019	As at 31st March, 2018
No. of CERs inventory	9,93,052	-
No. of CERs under certification	-	42,78,624
Inventories of CERs are valued at cost or market price whichever is lower.		

NOTE 55: RELATED PARTY DISCLOSURES

(a) Names of related parties and description of relationship

1.	Parent Company	Torrent Private Limited
2.	Subsidiaries	Torrent Power Grid Limited, Torrent Pipavav Generation Limited, Torrent Solargen Limited, Jodhpur Wind Farms Private Limited (w.e.f. 29th January, 2018), Latur Renewables Private Limited (w.e.f. 29th January, 2018)
3.	Associates	Wind Two Renergy Private Limited (w.e.f. 12th December, 2017), Wind Four Renergy Private Limited (w.e.f. 12th December, 2017), Wind Five Renergy Private Limited (w.e.f. 12th December, 2017), Nani Virani Wind Energy Private Limited (w.e.f. 9th March, 2018 to 15th December, 2018), Ravapar Wind Energy Private Limited (w.e.f. 9th March, 2018 to 15th December, 2018), Khatiyu Wind Energy Private Limited (w.e.f. 9th March, 2018 to 15th December, 2018)
4.	Employee benefits plans*	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPL (DGEN) Gratuity Trust, TPL (DGEN) Superannuation Fund
5.	Key management personnel	Sudhir Mehta (upto 31st March, 2018) Samir Mehta Markand Bhatt (upto 30th September, 2018) Jinal Mehta
6.	Non-executive directors	Sudhir Mehta (w.e.f 1st April, 2018) Pankaj Patel Samir Barua Kiran Karnik (upto 31st March, 2019) Keki Mistry R. Ravichandran (upto 1st August, 2017) Bhavna Doshi Dharmishta Raval P. K. Taneja (upto 23rd May, 2017) Pankaj Joshi (w.e.f. 23rd May, 2017)
7.	Relatives of key management personnel*	Varun Mehta, Aman Mehta
8.	Enterprise controlled by relatives of key management personnel*	Munjal Bhatt Architects (upto 30th September, 2018)
9.	Other entities where the Company has 50% voting right / enterprises controlled by the Parent Company*	Tornascent Care Institute, UNM Foundation, Torrent Pharmaceuticals Limited, Torrent Power Services Private Limited, Mahesh Gas Limited, Torrent Gas Private Limited

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

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right / enterprises controlled by the Parent Company / Parent Company		Total	
	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18
Nature of transactions												
Sale of cables	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.46**	**0.14**	**2.46**	**0.14**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	2.43	0.14	2.43	0.14
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.03	-	0.03	-
Sale of land	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**91.00**	**-**	**91.00**	**-**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	91.00	-	91.00	-
Sale of investment property	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**45.00**	**-**	**45.00**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	-	45.00	-	45.00
Sale of electricity	**-**	**-**	**-**	**-**	**-**	**-**	**0.28**	**0.20**	**9.97**	**9.07**	**10.25**	**9.27**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	9.93	9.05	9.93	9.05
Executive and non-executive directors	-	-	-	-	-	-	0.28	0.20	-	-	0.28	0.20
UNM Foundation	-	-	-	-	-	-	-	-	0.04	0.01	0.04	0.01
Munjal Bhatt Architects	-	-	-	-	-	-	-	-	*	0.01	*	0.01
Dividend income	**6.66**	**6.66**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6.66**	**6.66**
Torrent Power Grid Ltd.	6.66	6.66	-	-	-	-	-	-	-	-	6.66	6.66
Interest income	**73.96**	**6.53**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**73.96**	**6.53**
Torrent Solargen Ltd.	3.72	-	-	-	-	-	-	-	-	-	3.72	-
Latur Renewable Private Ltd.	34.69	3.19	-	-	-	-	-	-	-	-	34.69	3.19
Jodhpur Wind Farms Private Ltd.	35.55	3.34	-	-	-	-	-	-	-	-	35.55	3.34
Services provided (rent income including tax)	**0.03**	**0.03**	**-**	**-**	**-**	**-**	**-**	**-**	**0.07**	**1.26**	**0.10**	**1.29**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	-	1.23	-	1.23
UNM Foundation	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Torrent Power Grid Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Torrent Pipavav Generation Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Torrent Solargen Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Torrent Power Services Private Ltd.	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	0.04	-	0.04	-
Services received / remuneration paid	**-**	**1.01**	**-**	**-**	**-**	**-**	**-**	**-**	**0.94**	**1.09**	**0.94**	**2.10**
Munjal Bhatt Architects	-	-	-	-	-	-	-	-	0.47	0.62	0.47	0.62
Torrent Power Grid Ltd.	-	1.01	-	-	-	-	-	-	-	-	-	1.01
Aman Mehta	-	-	-	-	-	-	-	-	-	*	-	*
Varun Mehta	-	-	-	-	-	-	-	-	0.47	0.47	0.47	0.47
Shared expenditure charged to	**0.56**	**0.37**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.56**	**0.37**
Torrent Pipavav Generation Ltd.	0.22	0.18	-	-	-	-	-	-	-	-	0.22	0.18
Torrent Solargen Ltd.	0.24	0.19	-	-	-	-	-	-	-	-	0.24	0.19
Latur Renewable Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Jodhpur Wind Farms Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right / enterprises controlled by the Parent Company / Parent Company		Total	
	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18
Transfer of gratuity/leave liability to / (from)	**0.40**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.68**	**0.13**	**1.08**	**0.13**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	-	0.05	-	0.05
Torrent Power Grid Ltd.	0.40	-	-	-	-	-	-	-	-	-	0.40	-
UNM Foundation	-	-	-	-	-	-	-	-	-	*	-	*
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.10	0.08	0.10	0.08
Mahesh Gas Ltd.	-	-	-	-	-	-	-	-	0.25	-	0.25	-
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	0.33	-	0.33	-
Managerial remuneration@	**-**	**-**	**-**	**-**	**-**	**-**	**41.61**	**66.59**	**-**	**-**	**41.61**	**66.59**
Sudhir Mehta	-	-	-	-	-	-	-	10.00	-	-	-	10.00
Samir Mehta	-	-	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Markand Bhatt	-	-	-	-	-	-	21.84	39.00	-	-	21.84	39.00
Jinal Mehta	-	-	-	-	-	-	9.77	7.59	-	-	9.77	7.59
Commission to non-executive directors^	**-**	**-**	**-**	**-**	**-**	**-**	**5.91**	**1.11**	**-**	**-**	**5.91**	**1.11**
Sudhir Mehta	-	-	-	-	-	-	5.00	-	-	-	5.00	-
Samir Barua	-	-	-	-	-	-	0.16	0.19	-	-	0.16	0.19
Kiran Karnik	-	-	-	-	-	-	0.16	0.16	-	-	0.16	0.16
Keki Mistry	-	-	-	-	-	-	0.12	0.12	-	-	0.12	0.12
R. Ravichandran	-	-	-	-	-	-	-	0.06	-	-	-	0.06
Pankaj Patel	-	-	-	-	-	-	0.09	0.15	-	-	0.09	0.15
Bhavna Doshi	-	-	-	-	-	-	0.16	0.16	-	-	0.16	0.16
Pankaj Joshi#	-	-	-	-	-	-	0.06	0.12	-	-	0.06	0.12
Dharmishta Raval	-	-	-	-	-	-	0.16	0.15	-	-	0.16	0.15
Sitting Fees to non-executive directors^	**-**	**-**	**-**	**-**	**-**	**-**	**0.66**	**0.70**	**-**	**-**	**0.66**	**0.70**
Samir Barua	-	-	-	-	-	-	0.12	0.13	-	-	0.12	0.13
Kiran Karnik	-	-	-	-	-	-	0.12	0.11	-	-	0.12	0.11
Keki Mistry	-	-	-	-	-	-	0.06	0.07	-	-	0.06	0.07
R. Ravichandran	-	-	-	-	-	-	-	0.02	-	-	-	0.02
Pankaj Patel	-	-	-	-	-	-	0.10	0.12	-	-	0.10	0.12
Bhavna Doshi	-	-	-	-	-	-	0.12	0.12	-	-	0.12	0.12
Dharmishta Raval	-	-	-	-	-	-	0.12	0.09	-	-	0.12	0.09
Pankaj Joshi#	-	-	-	-	-	-	0.02	0.04	-	-	0.02	0.04
Contribution towards CSR	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6.61**	**10.79**	**6.61**	**10.79**
Tornascent Care Institute	-	-	-	-	-	-	-	-	1.86	7.92	1.86	7.92
UNM Foundation	-	-	-	-	-	-	-	-	4.75	2.87	4.75	2.87
Contribution to employee benefit plans (net)	**-**	**-**	**-**	**-**	**18.12**	**34.41**	**-**	**-**	**-**	**-**	**18.12**	**34.41**
TPL (Ahmedabad) Gratuity Trust	-	-	-	-	10.27	21.48	-	-	-	-	10.27	21.48
TPL (Ahmedabad) Superannuation Fund	-	-	-	-	5.28	4.29	-	-	-	-	5.28	4.29
TPL (Surat) Gratuity Trust	-	-	-	-	0.34	4.70	-	-	-	-	0.34	4.70
TPL (Surat) Superannuation Fund	-	-	-	-	1.11	0.97	-	-	-	-	1.11	0.97
TPL (SUGEN) Gratuity Trust	-	-	-	-	0.21	1.40	-	-	-	-	0.21	1.40

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right / enterprises controlled by the Parent Company / Parent Company		Total	
	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18
TPL (SUGEN) Superannuation Fund	-	-	-	-	0.47	0.38	-	-	-	-	0.47	0.38
TPL (DGEN) Gratutity Trust	-	-	-	-	0.04	0.86	-	-	-	-	0.04	0.86
TPL (DGEN) Superannuation Fund	-	-	-	-	0.40	0.33	-	-	-	-	0.40	0.33
Equity contribution	**221.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**221.00**	**-**
Jodhpur Wind Farms Private Ltd.	111.00	-	-	-	-	-	-	-	-	-	111.00	-
Latur Renewable Private Ltd.	110.00	-	-	-	-	-	-	-	-	-	110.00	-
Investment in non-convertible debentures	**-**	**-**	**78.30**	**182.40**	**-**	**-**	**-**	**-**	**-**	**-**	**78.30**	**182.40**
Wind Two Renergy Private Ltd.	-	-	17.94	72.76	-	-	-	-	-	-	17.94	72.76
Wind Four Renergy Private Ltd.	-	-	31.18	54.82	-	-	-	-	-	-	31.18	54.82
Wind Five Renergy Private Ltd.	-	-	29.18	54.82	-	-	-	-	-	-	29.18	54.82
Loans given	**532.00**	**557.24**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**532.00**	**557.24**
Latur Renewable Private Ltd.	194.80	275.77	-	-	-	-	-	-	-	-	194.80	275.77
Jodhpur Wind Farms Private Ltd.	207.70	280.42	-	-	-	-	-	-	-	-	207.70	280.42
Torrent Pipavav Generation Ltd.	1.50	1.05	-	-	-	-	-	-	-	-	1.50	1.05
Torrent Solargen Ltd.	128.00	-	-	-	-	-	-	-	-	-	128.00	-
Loans received back	**856.59**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**856.59**	**-**
Latur Renewable Private Ltd.	427.46	-	-	-	-	-	-	-	-	-	427.46	-
Jodhpur Wind Farms Private Ltd.	429.13	-	-	-	-	-	-	-	-	-	429.13	-
Deposits given for nomination of directors	**-**	**0.01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.01**
Torrent Power Grid Ltd.	-	0.01	-	-	-	-	-	-	-	-	-	0.01
Deposits received back on appointment of directors	**-**	**0.01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.01**
Torrent Power Grid Ltd.	-	0.01	-	-	-	-	-	-	-	-	-	0.01
Guarantees given to lenders of subsidiaries	**274.13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**274.13**	**-**
Jodhpur Wind Farms Private Ltd.	274.13	-	-	-	-	-	-	-	-	-	274.13	-

@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.

Sitting fees and Commission of Shri Pankaj Joshi (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

^ Excluding service tax / Goods and Service Tax.

Footnote:

Refer note 44 (c) (iii) for novation agreement with lender for short term finance facilities obtained by associates.

(c) Key management personnel compensation

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Short-term employee benefits	38.78	63.59
Long-term employee benefits	2.83	3.00
	41.61	66.59

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right / enterprises controlled by the Parent Company / Parent Company		Total	
	As at 31.03.19	As at 31.03.18	As at 31.03.19	As at 31.03.18	As at 31.03.19	As at 31.03.18	As at 31.03.19	As at 31.03.18	As at 31.03.19	As at 31.03.18	As at 31.03.19	As at 31.03.18
Balances at the end of the year												
Current liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**31.41**	**47.61**	**-**	**0.13**	**31.41**	**47.74**
Torrent Power Grid Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Torrent Solargen Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Torrent Pipavav Generation Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Torrent Power Services Private Ltd.	-	-	-	-		-	-	-	*	*	*	*
UNM Foundation	-	-	-	-	-	-	-	-	*	*	*	*
Tornascent Care Institute	-	-	-	-	-	-	-	-	-	0.08	-	0.08
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	-	0.05	-	0.05
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Sudhir Mehta	-	-	-	-	-	-	5.00	10.00	-	-	5.00	10.00
Samir Mehta	-	-	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Markand Bhatt	-	-	-	-	-	-	13.00	24.00	-	-	13.00	24.00
Jinal Mehta	-	-	-	-	-	-	2.50	2.50	-	-	2.50	2.50
Samir Barua	-	-	-	-	-	-	0.16	0.19	-	-	0.16	0.19
Kiran Karnik	-	-	-	-	-	-	0.16	0.16	-	-	0.16	0.16
Keki Mistry	-	-	-	-	-	-	0.12	0.12	-	-	0.12	0.12
R. Ravichandran	-	-	-	-	-	-	-	0.06	-	-	-	0.06
Pankaj Patel	-	-	-	-	-	-	0.09	0.15	-	-	0.09	0.15
Bhavna Doshi	-	-	-	-	-	-	0.16	0.16	-	-	0.16	0.16
Pankaj Joshi#	-	-	-	-	-	-	0.06	0.12	-	-	0.06	0.12
Dharmishta Raval	-	-	-	-	-	-	0.16	0.15	-	-	0.16	0.15
Investment in equities	**415.17**	**194.17**	**-**	**-**	**-**	**-**	**-**	**-**	**0.06**	**0.06**	**415.23**	**194.23**
Torrent Power Grid Ltd.	66.60	66.60	-	-	-	-	-	-	-	-	66.60	66.60
Torrent Pipavav Generation Ltd.	47.50	47.50	-	-	-	-	-	-	-	-	47.50	47.50
Torrent Solargen Ltd.	80.07	80.07	-	-	-	-	-	-	-	-	80.07	80.07
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.03	0.03	0.03	0.03
UNM Foundation	-	-	-	-	-	-	-	-	0.03	0.03	0.03	0.03
Latur Renewable Private Ltd.	110.00	*	-	-	-	-	-	-	-	-	110.00	*
Jodhpur Wind Farms Private Ltd.	111.00	*	-	-	-	-	-	-	-	-	111.00	*
Investment in non-convertible debentures	**-**	**-**	**277.31**	**183.97**	**-**	**-**	**-**	**-**	**-**	**-**	**277.31**	**183.97**
Wind Two Renergy Private Ltd.	-	-	97.21	73.29	-	-	-	-	-	-	97.21	73.29
Wind Four Renergy Private Ltd.	-	-	91.23	55.35	-	-	-	-	-	-	91.23	55.35

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right / enterprises controlled by the Parent Company / Parent Company		Total	
	As at 31.03.19	As at 31.03.18	As at 31.03.19	As at 31.03.18	As at 31.03.19	As at 31.03.18	As at 31.03.19	As at 31.03.18	As at 31.03.19	As at 31.03.18	As at 31.03.19	As at 31.03.18
Wind Five Renergy Private Ltd.	-	-	88.87	55.33	-	-	-	-	-	-	88.87	55.33
Loans (current)	**188.97**	**618.19**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**188.97**	**618.19**
Torrent Pipavav Generation Ltd.	57.62	56.12	-	-	-	-	-	-	-	-	57.62	56.12
Torrent Solargen Ltd.	131.35	-	-	-	-	-	-	-	-	-	131.35	-
Latur Renewable Private Ltd.	-	278.64	-	-	-	-	-	-	-	-	-	278.64
Jodhpur Wind Farms Private Ltd.	-	283.43	-	-	-	-	-	-	-	-	-	283.43
Loans (non-current)	**128.44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**128.44**	**-**
Latur Renewable Private Ltd.	55.57	-	-	-	-	-	-	-	-	-	55.57	-
Jodhpur Wind Farms Private Ltd.	72.87	-	-	-	-	-	-	-	-	-	72.87	-
Trade receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.77**	**0.90**	**0.77**	**0.90**
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.03	-	0.03	-
Torrent Pharmacueticals Ltd.	-	-	-	-	-	-	-	-	0.74	0.90	0.74	0.90
Guarantees given to lenders of subsidiaries	**274.13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**274.13**	**-**
Jodhpur Wind Farms Private Ltd.	274.13	-	-	-	-	-	-	-	-	-	274.13	-

Sitting fees and Commission of Shri Pankaj Joshi (nominee of the Government of Gujarat) is payable to the Government of Gujarat.

(e) Terms and conditions of outstanding balances

The transactions with related parties are made in the normal course of business on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured.

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW

(a) Capital management

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

The Company's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 20, 21) and debt (borrowings as detailed in note 22).

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 well within the limit of 2:1.

Gearing ratio

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

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Debt	9,124.92	9,255.52
Total equity	10,475.75	9,147.16
Debt to equity ratio	0.87	1.01

Footnotes :

1. 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.
2. Total equity is defined as Equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – intangible assets – Intangible assets under development.

Loan covenants

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

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(b) Categories of financial instruments

(₹ in Crore)

	As at 31st March, 2019		As at 31st March, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	114.33	114.33	134.23	134.23
Bank balance other than cash and cash equivalents	211.92	211.92	135.50	135.50
Investment in bonds and debentures	287.50	287.50	192.23	192.23
Trade receivables	1,170.53	1,170.53	1,124.48	1,124.48
Loans	349.17	349.17	651.22	651.22
Other financial assets	1,811.91	1,811.91	651.05	651.05
	3,945.36	3,945.36	2,888.71	2,888.71
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	472.46	472.46	614.12	614.12
Investment in equity instruments#	0.06	0.06	0.06	0.06
	472.52	472.52	614.18	614.18
Financial liabilities				
Measured at amortised cost				
Borrowings	8,333.43	8,364.42	8,502.40	8,555.39
Trade payables	894.47	894.47	751.92	751.92
Other financial liabilities	2,328.99	2,328.99	2,112.69	2,112.69
	11,556.89	11,587.88	11,367.01	11,420.00

Other than equity instruments in subsidiaries & associates recognised at cost.

(c) Fair value measurement

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

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

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

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

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

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) :

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

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31st March, 2019	As at 31st March, 2018		
Investment in mutual fund units	472.46	614.12	Level 1	Quoted bid prices in an active market
	472.46	614.12		

(2) Financial liabilities at amortised cost

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31st March, 2019	As at 31st March, 2018		
Fixed rate borrowings (Non-convertible debentures)	1,125.99	1,147.99	Level 2	Inputs other than quoted prices that are observable
	1,125.99	1,147.99		

(d) Financial risk management objectives

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations, routine and projects capital expenditure. The Company's principal financial assets include loans, advances, 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 foreign currency risk, commodity price risk, interest rate risk, credit risk, liquidity risk etc. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Company.

Foreign currency risk

The Company is exposed to foreign currency risks arising from various currency exposures, primarily with respect to the USD and EURO. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

The Company's exposure with regards to foreign currency risk which are not hedged are given below. However, these risks are not significant to the company's operation and accordingly sensitivity analysis is not given.

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Unhedged foreign currency exposures

(in Crore)

Nature of transactions	Currency	As at 31st March, 2019	As at 31st March, 2018
Financial liabilities			
Trade payable	USD	0.93	-
Capital liability	USD	-	*
Trade payable	EURO	1.71	1.11
Capital liability	EURO	0.01	0.01
Trade payable	CHF	0.02	-

Commodity price risk

The commodity exposure is mainly on account of fuel, a substantial part of which is a pass through cost and hence the commodity price exposure is not likely to have a material financial impact on the Company.

The Company has exposure to USD / INR exchange rate arising principally on account of import of LNG and import of coal. The extant tariff regulations do not permit the cost of hedging such exposure as a cost to be passed through to the off-takers / beneficiaries. As a result, the Company does not follow a policy of hedging such exposures and actual rupee costs of import of fuel are substantially passed on to the off-takers / consumers, because of which such commodity price exposure is not likely to have a material financial impact on the Company.

Interest rate risk

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term credit lines besides internal accruals.

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

(₹ in Crore)

	As at 31st March, 2019	As at 31st March, 2018
Fixed rate borrowings	1,119.46	1,123.28
Floating rate borrowings^	8,031.38	8,132.24
	9,150.84	9,255.52

^ Gross amount including unamortised expense.

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting 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 .

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Impact on profit before tax - increase in 50 basis points	(40.16)	(40.66)
Impact on profit before tax - decrease in 50 basis points	40.16	40.66

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Credit risk

Trade receivables

(1) Exposures to credit risk:

The Company is exposed to the counterparty credit risk arising from the possibility that counterparties (primarily trade receivables, suppliers, contractors etc.) might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts and the cost of substituting products and services that are not provided.

(2) Credit risk management:

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Company has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the year ended 31st March, 2019 and 31st March, 2018. However, the Company is dependent on the domestic market for its business and revenues.

The Company's credit policies and practices with respect to distribution areas are designed to limit credit exposure by collecting security deposits prior to providing utility services or after utility service has commenced according to applicable regulatory requirements. In respect to generation business, Company generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements

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

(4) Age of receivables and expected credit loss

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.

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

As at 31st March, 2019

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,135.77	28.56
More than 6 months but less than or equal to 1 year	83.11	25.82
More than one year	103.46	97.43
	1,322.34	151.81

As at 31st March, 2018

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,106.32	33.63
More than 6 months but less than or equal to 1 year	52.90	22.01
More than one year	101.19	80.29
	1,260.41	135.93

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(5) Movement in the expected credit loss allowance

(₹ in Crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening balance	135.93	129.48
Movement in expected credit loss allowance on trade receivable, net	15.88	6.45
Closing balance [Refer note 14]	151.81	135.93

Other financial assets

The Company is having balances in cash and cash equivalents, term deposits with banks, investments in government securities 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 non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest (accrued upto 31st March, 2019) and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at 31st March, 2019

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings^	-	3,022.76	5,040.75	8,063.51
Trade payables^	-	64.99	76.68	141.67
Other financial liabilities	-	46.44	1,008.59	1,055.03
	-	3,134.19	6,126.02	9,260.21
Current financial liabilities				
Borrowings	300.05	-	-	300.05
Trade payables	785.13	-	-	785.13
Other financial liabilities^	1,278.64	-	-	1,278.64
	2,363.82	-	-	2,363.82
Total financial liabilities	2,363.82	3,134.19	6,126.02	11,624.03

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

As at 31st March, 2018

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings^	-	3,039.02	5,497.69	8,536.71
Trade payables^	-	114.99	4.40	119.39
Other financial liabilities	-	42.37	914.07	956.44
	-	3,196.38	6,416.16	9,612.54
Current financial liabilities				
Trade payables	657.28	-	-	657.28
Other financial liabilities^	1,161.03	-	-	1,161.03
	1,818.31	-	-	1,818.31
Total financial liabilities	1,818.31	3,196.38	6,416.16	11,430.85

^ Gross amount including unamortised expense.

NOTE 57: 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 recognized in the financial statements. Prior to adoption of Ind AS 115, the company had been recognising the Fuel and Power Purchase Price Adjustment ("FPPPA") claims as and when approved by the regulatory authorities and the truing up adjustment claims as and when these were billed to consumers 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 revenue on FPPPA claims and other true up adjustments, as per the applicable tariff regulations, management's probability estimate and the past trends of approval, by applying the guidance on variable consideration under Ind AS 115.

The Company has not recognized those truing up adjustment claims which are subject of dispute and for which the company is in appeal with regulatory authorities.

Due to the application of Ind AS 115, as at 1st April, 2018, retained earnings are higher by ₹649.42 Crore, unbilled revenue higher by ₹637.15 Crore and sundry payables lower by ₹12.27 Crore.

Consequent to adoption of Ind AS 115, revenue from operations and profit for the year ended 31st March, 2019, are higher by ₹320.00 Crore. Accordingly, as at 31st March, 2019, retained earnings are higher by ₹969.42 Crore, unbilled revenue higher by ₹955.71 Crore and sundry payables lower by ₹13.71 Crore.

NOTE 58:

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

NOTE 59: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on 15th May, 2019.

Signature to Note 1 to 59

In terms of our report attached

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

Pradip Kanakia
Partner
Membership No.: 039985

Ahmedabad, 15th May, 2019

For and on behalf of the Board of Directors

Samir Mehta
Chairman
DIN:00061903

Sanjay Dalal
Chief Financial Officer

Samir Shah
Company Secretary

Ahmedabad, 15th May, 2019