

Ref. No. AM/TN/T-2817-01/2023-240071

16th May 2023

To,
The Secretary,
Maharashtra Electricity Regulatory Commission
World Trade Centre, Centre No.1,
13th Floor, Cuffe Parade,
Mumbai – 400 005

Re: Case No. 3 of 2023 – Petition filed by Torrent Power Limited seeking grant of Distribution License over Nagpur Municipal Corporation (NMC) and surrounding areas in Nagpur District

Sub: Physical filing of Petition

Dear Sir,

1. We represent Torrent Power Limited (“TPL”/ “Petitioner”), in the captioned matter.
2. On 24.12.2022, the Petitioner has e-filed the subject Petition.
3. On 03.01.2023, the Petitioner e-filed the revised petition after curing the defects raised by the Hon’ble Commission.
4. As required, we are herewith filing the physical copy of the revised Petition.

BE PLEASED to take the same on record.

Thanking you,

Yours faithfully,



For, **J. Sagar Associates**
Advocates for the Petitioner

Encl: As above


18/5/2023
OFFICE OF THE
MAHARASHTRA ELECTRICITY
REGULATORY COMMISSION
WTC, CUFFE PARADE, MUMBAI - 400 005.

BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
WORLD TRADE CENTRE, CENTRE NO. 1
13TH FLOOR, CUFFE PARADE, MUMBAI - 400 005

FILE NO. OF 2022
CASE NO. OF 2022

IN THE MATTER OF:

Torrent Power Limited,

Samanvay, 600, Tapovan,

Ambawadi, Ahmedabad – 380015

... Petitioner

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Torrent Power Limited/ Petitioner

Through



J. Sagar Associates

Advocates for Petitioner

Vakils House, 18 Sprott Road, Ballard Estate,

Mumbai - 400 001

Place: Ahmedabad

Date:

BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
WORLD TRADE CENTRE, CENTRE NO. 1
13TH FLOOR, CUFFE PARADE, MUMBAI - 400 005

FILE NO. OF 2022

CASE NO. OF 2022

IN THE MATTER OF

Petition under Sections 14 and 15 of the Electricity Act, 2003 read with Maharashtra Electricity Regulatory Commission (General Conditions of Distribution License) Regulations, 2006 read with Distribution of Electricity License (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, as amended from time to time, for grant of Distribution License over the geographic area of Nagpur Municipal Corporation (NMC) and surrounding areas in Nagpur District, in the State of Maharashtra

AND

IN THE MATTER OF

Torrent Power Limited,
Samanvay, 600, Tapovan,
Ambawadi, Ahmedabad – 380015 ... Petitioner

P E T I T I O N

Torrent Power Limited ("**TPL**" / "**Petitioner**") most respectfully submits as under:

I. Introduction

1. TPL is filing the present petition for grant of Distribution License, as detailed in the present petition, under:
 - (a) Sections 14 and 15 of Electricity Act, 2003 ("**Electricity Act**") read with
 - (b) This Hon'ble Commission's General Conditions of Distribution License Regulations, 2006 ("**Distribution Licence Regulations**") and

- (c) Distribution of Electricity License (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, as amended from time to time ("**3C Rules**")

The License Application Form as required under the MERC (General Conditions of Distribution License) Regulations, 2006 is enclosed herewith at **Enclosure – I.**

2. TPL is a company incorporated under the Companies Act, 1956 and is one of the leading private sector companies in the Power Sector. TPL has a strong presence across the entire value chain of generation, transmission and distribution of electricity. In distribution, TPL is widely considered as a leading distribution licensee in the country with a proven track record.
3. In this regard, it is pertinent to note the following:
 - (a) TPL has demonstrated its operational and commercial expertise by bringing a turnaround in the performance of erstwhile distribution utilities of the Surat Electricity Company Ltd. (SEC) and the Ahmedabad Electricity Company Ltd. (AEC) in Gujarat. The Torrent Group took over the operations of SEC and AEC in the year 1996 and 1998, respectively, and pursuant thereto has brought in efficiency in the operations of these two utilities.
 - (b) Necessary investments made by TPL in the distribution network has ensured reliable and quality power supply to its consumers in Ahmedabad, Gandhinagar and Surat license areas.
 - (c) TPL has reduced the distribution losses in Ahmedabad, Gandhinagar and Surat license area through robust Metering & Billing Systems along with controlling pilferage of electricity.
 - (d) TPL has taken several initiatives in consumer interest, including proactive customer services i.e., introducing Comprehensive Consumer Portal and Mobile App, Concept of Plug Point, Creation of Key Account

Cell for High Value Consumers, etc. The excellence of TPL's operations has also been recognised by the Ministry of Power, Government of India.

- (e) TPL has created world class power distribution infrastructure in its areas of operation, including the creation of extensive underground network. This coupled with its operational excellence has achieved availability of above 99.9% and distribution losses of 3.93%, which are comparable to global benchmarks.
- 4. TPL has been appointed as a distribution franchisee in:
 - (a) Bhiwandi and Shil, Mumbra & Kalwa (SMK) areas of Maharashtra [where Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**") is the distribution licensee], and
 - (b) Agra, Uttar Pradesh [where Dakshinanchal Vidyut Vitran Nigam Ltd. Is a distribution licensee].

As a distribution franchisee TPL has made significant improvements in reducing commercial and distribution losses by improving billing and collection efficiency, revamping of the distribution network, improving metering system and other commercial measures such as establishment of state-of-the-art consumer call centres et al. It is submitted that, Bhiwandi Distribution Franchisee is a first of its kind model in the country, where a private sector power utility has been appointed as a distribution franchisee by a state owned and controlled distribution licensee.

- 5. TPL has also recently taken over the operations of the Union Territory of Daman and Diu and Dadra and Nagar Haveli. Further, TPL supplies about 17 billion units of electricity to more than 4 million consumers in Ahmedabad, Gandhinagar, Surat and Dahej SEZ in Gujarat and in Bhiwandi & SMK in Maharashtra and Agra in Uttar Pradesh. In Daman and Diu and Dadra and Nagar Haveli, TPL is having sales of about 10 billion units. This clearly demonstrates that TPL has considerable experience successfully operating as a distribution licensee.

6. Therefore, basis its past experience as a distribution licensee in Gujarat and as a distribution franchisee in parts of Maharashtra and Uttar Pradesh, TPL has the experience and necessary expertise of operating/ carrying out the functions of a distribution licensee in Maharashtra.

II. Details of Proposed Licence Area

7. TPL is seeking grant of Distribution License with respect to the geographic area of Nagpur Municipal Corporation (NMC) and surrounding areas in Nagpur District as delineated in the Map enclosed at Annexure 9. [collectively, “**Proposed Licence Area**”].

8. In this regard, the following details of the Proposed Licence Area is noteworthy:

- (a) Nagpur city is the winter capital of the state of Maharashtra with a population of 46,53,570. It was established by prince of Gond tribe “Bhakt Buland” in first half of 18th Century. Nagpur lies precisely at the centre of the country with the “Zero Mile Marker” indicating the geographical centre of India. It has 14 Talukas and 12 Assembly Segment Constituencies.
- (b) In addition to being the seat of annual winter session of Maharashtra state assembly “Vidhan Sabha”, Nagpur is also a major commercial and political centre of the Vidarbha region of Maharashtra. It has also recently been ranked as the cleanest city and the second greenest city of India. Nagpur is also famous throughout the country as “Orange City” for being a major trade centre of oranges that are cultivated in the region.

III. Submissions

9. It is submitted that TPL’s primary objective is to provide world class reliability and quality power supply to the consumers situated in the Proposed License Area. TPL’s existing presence in Maharashtra will help create better value proposition for the end consumers. Electricity shall be received from the

transmission licensee and TPL shall distribute it across 33kV, 11kV, and LT level voltages.

10. At present the Proposed Licence Area is being served by MSedCL. Therefore, TPL proposes to be the parallel distribution licensee and seeks to hold the Distribution License in terms of 6th Proviso to Section 14 of the Electricity Act.

11. The 6th Proviso of Section 14 of the Electricity Act empowers the Hon'ble Commission to grant license to two or more persons for distribution of electricity within the same area of supply. The relevant extract is as under:

"Section 14. (Grant of licence):

The Appropriate Commission may, on an application made to it under section 15, grant a licence to any person -

(a) to transmit electricity as a transmission licensee; or

(b) to distribute electricity as a distribution licensee; or

(c) to undertake trading in electricity as an electricity trader, in any area as may be specified in the licence:

...

Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements relating to the capital adequacy, creditworthiness, or code of conduct as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose:"

12. Based on the above, it is apparent that license can be issued to an entity, other than the incumbent licensee, in case the proposed licensee complies with the additional requirements prescribed by the Central Government in relation to capital adequacy, creditworthiness and code of conduct. In this regard, the Central Government has notified the 3C Rules, as amended from time to time,

which provides for additional requirements as regards capital adequacy, creditworthiness and code of conduct.

13. It is submitted that TPL duly satisfies the criteria laid down under Rule 3 of the 3C Rules, as amended from time to time. TPL has filed enclosed license application for the geographic area of Nagpur Municipal Corporation (NMC) and surrounding areas. Certificates of net worth and Internal Resource Generation of business and promoters in the preceding three years is placed as **Enclosure – II** and **III** respectively, to the present Petition. TPL's solvency certificate is annexed hereto and marked as **Annexure – 6**. Additionally, undertaking in compliance of Regulation 4 of the Grant of Distribution License Regulations is annexed hereto and marked as **Annexure – 6A**. The credit rating certificate of TPL is placed as **Enclosure – IV**.

14. Further, TPL has also enclosed herewith the undertaking in compliance with Rule 4 of the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 at **Enclosure – V**.

15. This Hon'ble Commission has defined the network rollout plan in the Distribution License Regulations. Accordingly, TPL has enclosed herewith the detailed network rollout plan at **Annexure – 8**. TPL's current network rollout plan ensures that laying of network will be done to ensure supply to all categories of consumers including the category of consumers with lowest consumption. TPL shall comply with the plan, as duly approved by this Hon'ble Commission.

16. TPL shall also comply with the Regulations, practice directions, orders, etc. of this Hon'ble Commission, as applicable to TPL, and submit the detailed project reports based on the approved network rollout plan.

17. In view of the detailed application form read with business plan furnished by TPL, it is evident that TPL is eligible for grant of distribution

license for the Proposed License Area in terms of 6th Proviso of Section 14 read with Section 15 of the Electricity Act, 2003 read with the 3C Rules notified by the Central Government.

18. TPL craves leave to furnish any further information/ data/ documents, if required, at a later stage, in the interest of justice. It is submitted that the present petition is bonafide and made in the interest of justice.

P R A Y E R S

19. In view of the above facts and circumstances, TPL most respectfully prays that this Hon'ble Commission may most graciously be pleased to:

- (a) Admit and allow the present Petition;
- (b) Grant license to TPL, in terms of Sections 14 and 15 of the Electricity Act, 2003, to establish its distribution network and supply electricity in the Proposed Licence Area(Annexure – 9);
- (c) Allow TPL to make additions/ alterations/ changes/ modification to the submissions, as required;
- (d) Condone any inadvertent omissions/ errors/ shortcomings;

- (e) Grant any other relief(s) as it deems fit and appropriate under the circumstances of the case and in the interest of justice.

Torrent Power Limited/ Petitioner

Through



J. Sagar Associates

Advocates for Petitioner

Vakils House, 18 Sprott Road, Ballard Estate,
Mumbai - 400 001

Place: Ahmedabad

Date:

BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

WORLD TRADE CENTRE, CENTRE NO. 1

13TH FLOOR, CUFFE PARADE, MUMBAI - 400 005

CASE NO.

OF 2022

Serial No. C-0151/2022

(PARESH G. BAROT)
NOTARY
GOVT. OF INDIA

29 DEC 2022

IN THE MATTER OF:

Petition under Sections 14 and 15 of Electricity Act, 2003 read with Maharashtra Electricity Regulatory Commission (General Conditions of Distribution License) Regulations, 2006 read with Distribution of Electricity License (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, as amended from time to time, for grant of Distribution License over the geographic area of Nagpur Municipal Corporation (NMC) and surrounding areas in Nagpur District, in the State of Maharashtra

AND

IN THE MATTER OF

Torrent Power Limited,
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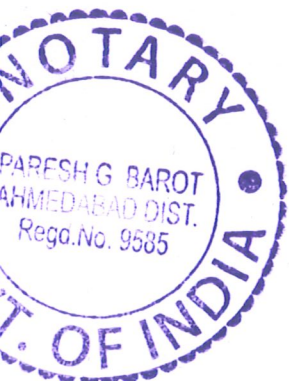
Ambawadi, Ahmedabad - 380015

... Petitioner

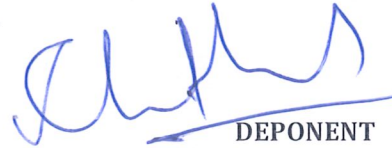
Affidavit verifying the Petition

I, Chetan Bundela, son of Mr. Manharlal Bundela, aged 51 years, residing at 98, The Meadows, Gokuldham, Sanathal, Ahmedabad- 382 210, do solemnly affirm and say as follows:

1. I am the Vice President and authorised representative of Torrent Power Limited, Petitioner in the above matter and am duly authorised and competent to make this affidavit.
2. The statements made in paragraphs 1 to 18 of the Petition are true to my knowledge and belief and statements made in paragraphs 1 to 18 are based on information and I believe them to be true.
3. I say that there are no proceedings pending in any court of law/ tribunal or arbitrator or any other authority, wherein the Petitioner is a party and where issues arising and/or reliefs sought are identical or similar to the issues arising in the matter pending before the Commission.



Solemnly affirm at _____ on this _____ day of December, 2022 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom.


DEPONENT



(_____)
Identified before me

Place: Ahmedabad.

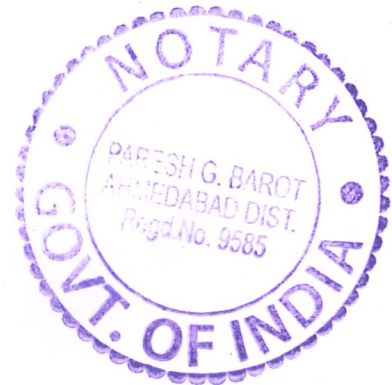
Dated: 29/12/2022

SOLEMNLY AFFIRMED
BEFORE ME



(PARESH G. BAROT)
NOTARY
GOVT. OF INDIA

29 DEC 2022



**APPLICATION FORM FOR DISTRIBUTION LICENCE
IN THE STATE OF MAHARASHTRA**

[Pursuant to Regulation 5.1 of MERC (General Conditions of Distribution Licence) Regulations, 2006, dated 27th November 2006.]

PART A: GENERAL INFORMATION

1.	Name of Distribution Licensee to appear on Licence	Torrent Power Limited
2.	Primary Contact:	
	a. Name	Chetan Bundela
	b. Designation	Vice President
	c. Contact Address	“Samanvay”, 600, Tapovan Ambawadi, Ahmedabad-380015
	d. Phone Number	079- 26628000 / 26628515
	Fax Number	079-2676 4159
	E-mail address	chetanbundela@torrentpower.com
3.	Full name of Applicant	Torrent Power Limited
4.	Registration number under applicable statute:	L31200GJ2004PLC044068
5.	Date of incorporation and registration:	29 th April, 2004
6.	Address of Registered office	“Samanvay”, 600, Tapovan Ambawadi, Ahmedabad-380015
7.	Details of Ownership	
	a. Company / Firm / Association of persons / Co-operative Society / Others (specify)	Company
	b. Company Incorporation / Registration	
	• Place of Incorporation / Registration	Ahmedabad, Gujarat, India
	• Year of Incorporation	2004
	• Registration Number	L31200GJ2004PLC044068
8.	Name and address of Directors / Principal Shareholders / Partners / Members, Names of promoters, along with their respective ownership pattern / shareholding pattern.	<ul style="list-style-type: none"> Name and address of Directors of Torrent Power Limited is enclosed at Annexure-1 Name of promoters along with shareholding pattern is enclosed at Annexure-2

PART B: CORPORATE, FINANCIAL AND TECHNICAL INFORMATION

Documents (attested copies) to be submitted along with the Licence application:

- 1. Memorandum and Articles of Association (in case of a company) as in force on the date of application / Deed of partnership (in case of a partnership firm) as in force on the date of application / similar organization Documents / deed or charter of incorporation, if any (in other case) as in force on the date of application.**

The applicant being a Company, the Memorandum and Articles of Association are enclosed at **Annexure-3**.

- 2. An organization chart detailing the management structure of the Applicant, which shall include information (in respect of operations, projects, commercial, finance, regulatory IT and HR functions):**

Proposed function wise organization chart pertaining to Torrent Power Limited (TPL) is enclosed as **Annexure-4**.

- a. Senior Executive Management (along with curriculum vitae)**

Details of Senior Executive Management in respect of Operations, Projects, Commercial, Finance, Regulatory, IT and HR function is enclosed as **Annexure-4**.

- b. Board of Directors**

Details of the Board of Directors for TPL (Applicant) are provided in **Annexure-4A**.

- c. Number of middle / lower management personnel:**

Depending upon requirement, TPL shall engage adequate skilled personnel at the middle and lower management for the proposed license. As per the existing practices followed by TPL at its present license and franchise locations, TPL shall also engage experienced and qualified vendors for smooth execution of various works in the proposed license area.

- d. Relationship (including intending relationship, where applicable between the Applicant and key service providers in terms of the management and running of the Electricity Distribution Business, including the details of all existing or intended management agreements or technical service agreements between key service providers, their associates and the Applicant. Copies of any such draft or executed agreements should be provided as an attachment to the application for grant of Licence.**

TPL has been operating in number of Distribution Areas and possesses requisite experience to manage and run the distribution business. TPL has furnished the technical, Commercial and Financial details for last 5 years in prescribed Format

in Part-C (1) of the Application Form. Given TPL's experience and available human resources, TPL shall engage necessary manpower as well as avail services of consultants, manufacturers and services providers as may be required.

3. Details of Income Tax PAN / TAN:

The details of PAN and TAN are enclosed at **Annexure-5**.

4. Details of import Licence, if any.

Not applicable

5. Bank references asserting that the Applicant is financially solvent.

Solvency certificate of TPL is attached as **Annexure-6**.

6. Annual Audited Reports for the past 3 years for the Applicant and for any Holding Company, Subsidiary or affiliated company (if any).

The Annual Reports of TPL for FY 2019-20 to FY 2021-22 is enclosed as **Annexure-7**.

7. Any other documentary evidence to substantiate the financial capabilities, technical competence and others.

Annual Reports attached with this application consist necessary financial details. The details for technical competence is also provided in **Annexure-7**.

8. Details of the actual or proposed location of the system of electric lines and electrical plant by means of which the applicant intends to enable distribution of electricity, indicating which plant and lines are to be constructed and which are existing plant and liens, and the area to which the application for Licence relates.

The proposed Business Plan prepared on the basis of various parameters is attached herewith at **Annexure-8**. The same includes details of network to be laid to enable distribution of electricity.

9. Detailed electrical distribution map or maps of the proposed geographical area of supply, on a scale of not less than 10 centimeters to a kilometer, or if no such maps are available, of not less than that of the largest scale of ordnance maps, available, depicting the proposed distribution system of the applicant (including information on substations and configuration of the system). The map shall clearly distinguish between the existing system and new facilities that shall be required for meeting the obligation under the licence and shall indicate:

Map of the proposed geographical area of supply is attached at **Annexure-9**.

- a. List of the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or any building or place in the occupation of the Government for defence purposes located within the proposed area of supply.

List of the whole or any cantonment, aerodrome, fortress, arsenal, dockyard or camp, etc. is attached at **Annexure-10**.

- b. Names of streets or parts of streets which are repairable by a person other than the Central Government, State Government or local authority and of railways, tramways, canals and waterways for which the applicant has obtained authorization to undertake works.

As of now, no such streets or part of streets are identified. However, TPL shall obtain necessary approval / authorization required to undertake works.

- c. A list of all local authorities vested with the administration of any portion of the area of distribution.

List of all local authorities vested with the administration of any portion of the area of distribution is attached at **Annexure-11**.

- d. An approximate Statement describing any lands, which the Applicant proposes to acquire under the provisions of Land Acquisition Act, 1894 (Act I of 1984) for the purpose of the Licence and the means of such acquisition.

Currently, no such acquisition is proposed. The required land shall be identified and acquired based on various parameters to ensure establishment of necessary distribution network to cater the requirement.

10. Data relating to the Applicant's Proposed Business:

- a. Business Plan (with 5 years projection) for the proposed business for which licence is sought (which should contain year wise load growth, year wise distribution loss reduction proposal along with specific action plan, metering plan, investment plan (including investment in Generating Stations or a Trading Company), treatment of previous losses, debt restructuring plan, program for rural electrification, cost reduction plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters).
- b. Five year annual forecasts of costs, sales, revenues, project financing and funding arrangements (clearly specifying assumptions involved).
- c. Indicative investment plan and Network rollout plan for the next five years, detailing year-wise and area-wise rollout of the distribution system.

The details as sought above are captured in the proposed Business Plan, attached at **Annexure-8**.

11. Copy of Receipt evidencing payment of licence application processing fee.

The copy of receipt evidencing payment is enclosed at **Annexure-12**.

12. Supporting information on compliance with the additional requirements prescribed by the Central Government, as may be applicable.

TPL has provided the requisite details at **Enclosure II, III, IV and V** of the Petition.

I / We certify that the particulars submitted herewith are true, complete and correct, to the best of my / our knowledge and belief at the time of submission and does not contain any untrue statement of a material fact or omits to state a material fact necessary to make the statement / particulars contained herein not misleading.

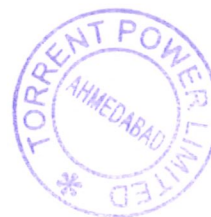
Place:

Sign:



Date:

Name and Designation Seal



Part C: FORMAT FOR ASSESSING COMPETENCE OF APPLICANT

(This form to be filled by an Applicant applying for a distribution Licence under Regulation 5.1 of MERC (General Conditions of Distribution Licence) Regulations, 2006, dated 28th November 2006)

1. Previous Experience (Past 5 years details for Related Business)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

<i>General Information</i>						
<i>Name and Address of the Distribution project(s) developed</i>		Details of sample distribution projects developed for Ahmedabad/ Gandhinagar and Surat Licensed Area for the period from FY 2017-18 to FY 2021-22 including brief description is enclosed at ANNEXURE-13				
<i>Brief description of projects developed</i>						
<i>Cost of the project developed – Rs. Lakhs.</i>		<p>The cost of the project developed for the Ahmedabad/Gandhinagar and Surat Licensed area in terms of capitalization is as follows:</p> <p>FY 17-18: Rs. 80,933.84 Lakhs FY 18-19: Rs. 81,884.00 Lakhs FY 19-20: Rs. 55,370.00 Lakhs FY 20-21: Rs. 76,375.81 Lakhs FY 21-22: Rs. 86,960.86 Lakhs</p>				
<i>Name & Address of the Client company for whom the project were developed</i>		The project were developed to cater the requirement of Consumers of Torrent Power Limited – Distribution in Ahmedabad & Surat license areas.				
<i>Name, Designation and Address of Reference person of Client Company</i>		Mr. Kashyap Desai Vice President Torrent Power Limited Mobile: +91-9227845892 Email id: kashyapdesai@torrentpower.com				
<i>Details of Distribution / Transmission project(s) managed in the last 5 years – Commercial Operations</i>		2017-18	2018-19	2019-20	2020-21	2021-22
<i>Assets</i>						
<i>Transformers (Nos.)</i>						
<i>630 KVA & above</i>		3,870	4,091	4,385	4,592	4,838
<i>500 kVA</i>		949	1,054	1,123	1,243	1,388

250 kVA	223	208	189	163	130
100 kVA	54	42	34	25	11
63 kVA	4	3	3	1	1
25 kVA	1	1	1	1	1
10 kVA	-	-	-	-	-
Others	5,721	5,816	5,902	5,830	5,745
<i>HT Line (Overhead) (Ckt. Kms)</i>					
220 kV (and above)	300.74	300.74	299.30	299.30	299.09
132 kV	375.82	367.13	359.19	358.82	358.90
110 kV	-	-	-	-	-
66 kV	95.12	86.41	86.41	86.42	53.62
33 kV	-	-	-	-	-
22kV	-	-	-	-	-
11 kV	14.49	10.95	5.32	2.21	1.53
<i>LT Line (Ckt. Kms)</i>					
440 Volts	2.24	1.80	1.80	-	-
<i>HT Cable (Underground) (Ckt. Kms)</i>					
220 kV (and above)	-	28.88	32.89	41.79	68.11
132 kV	107.68	149.29	143.93	149.20	197.50
110 kV	-	-	-	-	-
66 kV	129.73	129.72	134.60	137.35	145.77
33 kV	410.60	461.32	481.22	500.55	532.86
22kV	-	-	-	-	-
11 kV	7,191.38	7,608.84	7,892.71	8,172.32	8,460.89
<i>LT cable (Ckt. Kms)</i>					
440 Volts	33,991.31	35,886.69	38,328.24	40,569.21	43,074.42

<i>Number of Contracts with details</i>	NA	NA	NA	NA	NA
<i>Transmission</i>					
<i>Domestic</i>					
<i>International</i>					
<i>Distribution</i>					
<i>Domestic</i>					
<i>International</i>					

<i>Specific details of Projects (Top 5 Projects)</i>	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Projec
<i>Timeliness</i>	Details for timelines for projects developed for Torrent Power Limited – Distribution (Ahmedabad & Surat license areas) are covered in Annexure-13				
<i>Commencement of Construction</i>					
<i>Scheduled Date</i>					
<i>Actual Date</i>					
<i>Commissioning</i>					
<i>Scheduled Date</i>					
<i>Actual Date</i>					
<i>Commercial Operations</i>					
<i>Scheduled Date</i>					
<i>Actual Date</i>					
<i>Project Cost in Rs. Lakhs</i>					
<i>Estimated Cost</i>	52,462.00	48,023.00	1,03,297.00	1,05,978.00	99,933.00
<i>Actual Cost on Completion</i>	80,933.84	81,884.00	55,370.00	76,375.81	86,960.86
<i>Consumer Base (Nos.)</i>					
<i>EHT</i>	-	-	-	-	-
<i>HT Industrial</i>	1,317	1,334	1,410	1,481	1,494
<i>HT Others</i>	-	-	-	-	-
<i>LT Industrial</i>	1,15,090	1,16,899	1,18,571	1,18,999	1,19,699
<i>Commercial</i>	4,87,106	5,07,253	5,26,188	5,31,952	5,41,326
<i>Domestic</i>	18,93,794	19,19,162	19,45,329	19,69,395	19,94,414
<i>Agricultural</i>	582	568	555	548	517
<i>Others</i>	6,889	7,077	7,424	7,848	8,323
<i>Quantum of Energy Distributed</i>					
<i>Total (Million Units) Metered</i>	10,761.44	11,111.42	11,108.10	9,550.95	11,020.73
<i>Sales (%)</i>	100%	100%	100%	100%	100%

<i>Revenue Collection</i>					
<i>Amount (Rs. Lakhs)</i>	7,29,912	7,90,413	8,05,590	7,06,359	8,00,563
<i>Collection Efficiency (%)</i>					
<i>Ahmedabad license area</i>	99.24%	100.81%	100.27%	99.85%	99.85%
<i>Surat license area</i>	98.95%	99.87%	100.09%	98.77%	99.65%
<i>Financial Information (Rs. Lakhs) of Torrent Power Limited – Distribution (Ahmedabad & Surat license areas)</i>	<i>FY 2017-18</i>	<i>FY 2018-19</i>	<i>FY 2019-20</i>	<i>FY 2020-21</i>	<i>FY 2021-22</i>
<i>Fixed Assets</i>					
<i>Gross Fixed Assets</i>	6,98,452	7,76,739	8,29,291	9,03,092	9,83,261
<i>Accumulated Depreciation</i>	2,16,760	2,29,406	2,77,533	3,12,548	3,48,934
<i>Net Fixed Assets</i>	4,81,692	5,47,333	5,51,758	5,90,544	6,34,327

Note: To arrive at NFA adjustment for lease/right-of-use assets considered

<i>Regulated Equity of Torrent Power Limited – Distribution (Ahmedabad & Surat license areas)</i>	2,22,322	2,41,757	2,53,461	2,72,857	2,92,409
<i>Promoters’ Government / Financial</i>					
<i>Regulated Liabilities of Torrent Power Limited – Distribution (Ahmedabad & Surat license areas)</i>	1,49,789	1,69,011	1,68,071	1,84,672	2,00,853
<i>Long Term</i>					
<i>Short Term</i>					

<i>Regulated Income of Torrent Power Limited – Distribution (Ahmedabad & Surat license areas)</i>	7,29,912	7,90,413	8,05,590	7,06,359	8,00,563
<i>Sale of Power</i>					
<i>Others</i>					
<i>Regulated Expenses of Torrent Power Limited – Distribution (Ahmedabad & Surat license areas)</i>					
<i>Administration and General Expense</i>	12,168.53	12,063.38	12,230.30	11,873.32	14,414.52
<i>Repairs and Maintenance</i>	13,657.00	14,014.00	14,174.00	14,239.00	15,873.00
<i>Employee Cost</i>	17,266.00	18,570.00	23,566.00	21,203.00	18,788.00

<i>Depreciation</i>	22,749	26,126	28,250	30,544	33,920
<i>Interest and Financial Charges</i>					
<i>Long Term</i>	11,932	14,049	15,317	13,992	14,328
<i>Short Term</i>					
<i>Others</i>					
<i>Regulated Profits and Returns of Torrent Power Limited – Distribution (Ahmedabad & Surat license areas)</i>	29,684	32,485	34,665	36,842	39,569
<i>Net Profits</i>					
<i>Dividends Paid</i>	N.A	N.A	N.A	N.A	N.A

2. Details of Proposed Project (Business for which Licence is sought)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

(i) Is the applicant acquiring Existing Assets or Creating New Assets?

The applicant proposes to create new assets for the distribution business in the proposed area .

(ii) Acquiring of Existing Assets / Construction of New Assets

<i>Funding</i>	
<i>Proposed means of Finance</i>	The details are captured in Proposed Business Plan at Annexure-8. (Page No. 1446)
<i>Equity (Rs. Lakhs)</i>	
<i>Applicant</i>	
<i>Co-promoters</i>	
<i>Other (specify)</i>	
<i>Debt</i>	
<i>Domestic (Rs. Lakhs)</i>	
<i>Indian Financial Institutions</i>	
<i>Commercial Banks</i>	
<i>Others (specify)</i>	
<i>International (FC Million)</i>	
<i>Supplier's Credit</i>	
<i>Direct Borrowing</i>	
<i>Others (specify)</i>	
<i>Equivalent INR (with Exchange rate used)</i>	
<i>Others (specify)</i>	

<p><i>In case Asset Procurement / Project is proposed to be jointly funded by an External Agency</i></p> <p><i>Name and Address of the Agency, and contact details of the reference person of the Agency (name, address, telephone/fax numbers, email etc.,)</i></p> <p><i>Proposed Equity from the Agency (Rs. Lakhs)</i></p> <p><i>Agency's equity as a percentage of total equity (%)</i></p> <p><i>Nature of proposed tie-up between Applicant and the other agency.</i></p>	<p>No</p>
<p><i>Details of debt proposed for the Asset Procurement / Project</i></p> <p><i>Details of Lenders (name & address).</i></p> <p><i>Details of Loan packages indicating the loan amount, currency, Term of loan, interest rate, up-front fees, Commitment charges etc.</i></p> <p><i>Whether any guarantee is being sought for the loans from any agency.</i></p> <p><i>If Yes, provide details</i></p>	<p>The details are captured in Proposed Business Plan at Annexure-8. (Page No. 1446)</p>

(iii) For Applicants creating New Assets

<i>EPC</i>	
<i>Whether the Applicant is proposing to employ an EPC Contractor.</i> <i>If Yes, Name, Address and contact details of the same.</i> <i>Proposed Contract Value</i> <i>Foreign Currency</i> <i>Equivalent INR (with Exchange rate used)</i>	<i>No</i>

(iv) For Applicants employing other contractors

<i>Other Contracts</i>	
<i>Whether the Applicant is proposing to employ any Contractor for Operation and Maintenance work.</i> <i>If Yes, Name, Address & contact details of the same.</i> <i>Period of the Contract.</i> <i>Details of the experience of the O&M contractor in similar business</i>	<i>No</i>

Note :

Consent letters of the other Agency and Contractors to associate with the Applicant for the above project to be enclosed.

Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission.

3. Appropriate Expertise(Personnel)

[illegible]

Note : At least one full time professional, having experience in each of the following disciplines like Power Systems Operation, Finance should be part of the Core team.

The details of Personnel with Appropriate Expertise is enclosed at **Annexure-14**.

4. Revenue Potential (Business for which licence is sought)

General Information	
<p><i>In case of acquired assets</i></p> <p><i>Quantum energy distributed during previous financial year (MU)</i></p> <p><i>Expected life of assets acquired (in years)</i></p>	Not Applicable
<p><i>In case of construction of new Assets</i></p> <p><i>Quantum energy distributed during previous financial year on parallel network already existing (MU)</i></p>	The details are captured in Proposed Business Plan at Annexure-8.

<i>Consumer Base (Nos.) EHT</i> <i>HT Industrial LT</i> <i>Industrial</i> <i>Commercial</i> <i>Domestic</i> <i>Agricultural</i> <i>Others (specify)</i>	The details are captured in Proposed Business Plan at Annexure-8 .
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<i>Sale of Electricity</i> <i>Expected Quantum (MU)</i> <i>Anticipated growth in demand (%)</i>	The details are captured in Proposed Business Plan at Annexure-8. (Page No. 1437)
<i>Commercial Information</i>	
<i>Average Tariff (Rs. / Unit)</i> <i>EHT</i> <i>HT Industrial</i> <i>LT Industrial</i> <i>Commercial</i> <i>Domestic</i> <i>Agricultural</i> <i>Others (specify)</i>	TPL shall propose the tariff in line with the Electricity Act and relevant MERC regulations as per the MERC MYT once the licence is granted.
<i>Revenue</i> <i>Realization (Rs. Lakhs)</i> <i>Collection Efficiency (%)</i>	The details are captured in Proposed Business Plan at Annexure-8. (Page No. 1446)
<i>Financial Information</i>	
<i>Capital Base (Rs. Lakhs)</i> <i>Annual Expected Turnover (Rs. Lakhs)</i>	The details are captured in Proposed Business Plan at Annexure-8. (Page No. 1447)

5. Financial Soundness (other Subsidiary Business Units)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

The requisite financial details are provided in Annual Reports provided in Annexure-7.

<i>General Information</i>	
<i>Names of Subsidiary Business Units</i>	<i>Products Manufactured / Services</i>
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

(Details of subsidiary Companies is captured at Page No. 1313 as a part of Annexure 7)

<i>Financial Indicators</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
<i>Fixed Assets</i>					
<i>Gross Fixed Assets</i>					
<i>Accumulated Depreciation</i>					
<i>Net Fixed Assets</i>					
<i>Equity</i>					
<i>Promoters'</i>					
<i>Government / Financial</i>					
<i>Institutions</i>					
<i>Public</i>					
<i>Others</i>					
<i>Liabilities</i>					
<i>Long Term</i>					
<i>Short Term</i>					

<i>Income</i>					
<i>Sale of Power</i>					
<i>Others (specify)</i>					
<i>Expenses</i>					
<i>Administration and General Expense</i>					
<i>Repairs and Maintenance</i>					
<i>Employee Cost</i>					
<i>Depreciation</i>					
<i>Interest and Financial Charges</i>					
<i>Long Term</i>					
<i>Short Term</i>					
<i>Others (specify)</i>					
<i>Financial Indicators</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
<i>Overall Turnover (Rs. Lakhs)</i>					
<i>Profits and Returns (Rs. Lakhs)</i>					
<i>Net Profits</i>					
<i>Dividends Paid</i>					
<i>Operating Ratios</i>					
<i>Return on Equity</i>					
<i>Return on Capital Employed</i>					
<i>Return on Net Fixed Assets</i>					
<i>Liquidity Ratio</i>					
<i>Debt Service Coverage Ratio</i>					
<i>Current Ratio</i>					
<i>Quick Ratio</i>					

<i>Capital Adequacy and Credit worthiness</i>					
<i>Debt / Networth</i>					
<i>Debt / Equity</i>					
<i>Turnover Ratio</i>					
<i>Total Asset Turnover</i>					
<i>Fixed Asset Turnover</i>					

Details of Financial Indicators of TPL is captured at Page No. 622, 807, 880, 1070, 1310, and 1431 as a part of Annexure 7. Further, details of 5 years for Distribution Business of Ahmedabad and Surat is also furnished as a part of Part-C (1) of the Application Form.

6. Baseline Information (Business for which Licence is sought)

General Information	
<p><i>Assets</i></p> <p><i>Transformers (Nos.)</i></p> <p><i>630 KVA & above</i></p> <p><i>500 kVA</i></p> <p><i>250 kVA</i></p> <p><i>100 kVA</i></p> <p><i>63 kVA</i></p> <p><i>25 kVA</i></p> <p><i>10 kVA</i></p> <p><i>Others</i></p> <p><i>HT Line (Overhead) (Ckt. Kms)</i></p> <p><i>220 kV</i></p> <p><i>110 kV</i></p> <p><i>66 kV</i></p> <p><i>33 kV</i></p> <p><i>22kv</i></p> <p><i>11 kV</i></p> <p><i>LT Line (Ckt. Kms)</i></p> <p><i>440 Volts</i></p> <p><i>HT Cable (Underground)</i></p> <p><i>(Ckt. Kms)</i></p> <p><i>220 kV</i></p> <p><i>110 kV</i></p> <p><i>66 kV</i></p> <p><i>33 kV</i></p> <p><i>22kv</i></p> <p><i>11 kV</i></p> <p><i>LT cable (Ckt. Kms)</i></p> <p><i>440 Volts</i></p>	<p>The details are captured in Proposed Business Plan at Annexure-8.</p>

<i>Commercial Information</i>	
<i>Metering Status</i>	TPL will carry out distribution of electricity through 100% metering.
<i>Metered Consumers (as a % of total Consumers)</i>	
<i>Billing Status</i>	Not Applicable
<i>Billing (as a % of Total Input)</i>	
<i>Revenue Realization</i>	The details are captured in Proposed Business Plan at Annexure-8 .
<i>Revenue Realization per Unit Sale (Rs. /Unit)</i>	
<i>Collection Efficiency (%)</i>	
<i>Loss</i>	The details are captured in Proposed Business Plan at Annexure-8 .
<i>Technical Loss (%)</i>	
<i>Commercial Loss (%)</i>	

Note :

1. Certificates / documents in support of all the credentials detailed above, from the Owner / Client for whom the project were promoted should be submitted alongwith the application.
2. Wherever conversion factor is used (for currency conversion and others), mention the conversion factor used for this purpose.

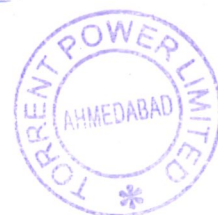
Place:

Sign:



Date:

Name and Designation Seal



ANNEXURE-1

Director's Details				
Name	Designation	DIN	PAN	Full Address
SUDHIR UTTAMLAL MEHTA	Director	00061871	AAPPM5977M	"Akalpaya", S G Road, Ahmedabad – 380058
SAMIR UTTAMLAL MEHTA	Chairman	00061903	AAWPM8237H	"Akalpaya", S G Road, Ahmedabad – 380058
KETAN ARVIND DALAL	Independent Director	00003236	AAAPD4399P	9A, Residences, 9th Floor, Bomanji Petit Road, Mumbai 400026
KEKI MINOO MISTRY	Independent Director	00008886	AAFPM0331B	3502 Raheja Artesia, Hind Cycle Marg, Hanuman Nagar, Worli, Mumbai – 400 030
PANKAJ RAMANBHAI PATEL	Independent Director	00131852	AFUPP4143C	Shri Udhyan, Near Iskon Temple, Bopal Road, Bopal Ahmedabad - 380015
MAMTA VERMA	Director	01854315	ABCPV1523E	Block No. K-2, Sector-19, Gandhinagar - 382021
RADHIKA VIJAY HARIBHAKTI	Independent Director	02409519	AAAPH8250M	51, Maker Tower B, Cuffe Parade, Mumbai, Maharashtra - 400005
USHA SANGWAN	Independent Director	02609263	AAKPS4806L	House no 294, Sector 33-A, Chandigarh - 160020
JINAL SUDHIR MEHTA	Managing Director	02685284	AFVPM9728F	"Akalpaya", S G Road, Ahmedabad – 380058
VARUN SUDHIR MEHTA	Whole Time Director	7862034	ALWPM7360A	"Akalpaya", S G Road, Ahmedabad – 380058

ANNEXURE-2

Shareholding pattern

S.No.	Name of Shareholder	No. of Equity shares of Rs. 10/- each	Total shareholding as % of total no. of equity shares
1	Torrent Investments Private Limited (Formerly known as Torrent Private Limited)	257,422,311	53.56%
2	Sudhir Mehta	6,882	0.00%
3	Samir Mehta	6,125	0.00%
4	Jinal Mehta	8,000	0.00%
5	Total Promoters	257,443,318	53.57%
6	Gujarat State Financial Services Limited	46,871,621	9.75%
7	Axis Mutual Fund Trustee Limited	41,460,264	8.63%
8	Others shareholders	134,841,581	28.06%
9	Total Shareholders	223,173,466	46.43%
10	Grand Total (Promoters+Shareholders)	480,616,784	100.00%

ANNEXURE-3



**MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION
OF
TORRENT POWER LIMITED**

CIN: L31200GJ2004PLC044068

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ANNEXURES TO THE MEMORANDUM OF ASSOCIATION

High Court Orders Sanctioning the following:

- (i) Scheme of Arrangement including Amalgamation of Torrent Power Limited with Torrent Power AEC Limited, Torrent Power SEC Limited and Torrent Power Generation Limited and reorganization of share capital of Torrent Power Limited..... 1
- (ii) Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited39
- (iii) Scheme of Arrangement between Torrent Solargen Limited and Torrent Power Limited.....98

CERTIFICATES



CO. NO. 04-44068
 Fresh Certificate of Incorporation Consequent on
C O N V E R S I O N
 IN THE OFFICE OF
 THE REGISTRAR OF COMPANIES,
 GUJARAT,
 DADRA AND NAGAR HAVELI
 [Under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF
TORRENT POWER PRIVATE LIMITED

I hereby certify that

TORRENT POWER PRIVATE LIMITED

which was originally incorporated on **29/04/2004** under the Companies Act, 1956
 and under the name

TORRENT POWER TRADING PRIVATE LIMITED

having duly passed the necessary Resolution on **01/02/2006** in terms of
 section 31/44 of the Companies Act, 1956, the name of the said Company is
 this day changed to

TORRENT POWER LIMITED

And the Certificate is issued pursuant to Section 23(1) of the Companies Act.

GIVEN UNDER MY HAND AT **AHMEDABAD**

DATED : 08/02/2006.



Sd/-
[N. K. BHOLA]
 Registrar of Companies, Gujarat
 Dadra & Nagar Haveli



Co. No. U31200GJ2004PTC44068
Fresh Certificate of Incorporation Consequent on
CHANGE OF NAME
 IN THE OFFICE OF
THE REGISTRAR OF COMPANIES,
GUJARAT, DADRA AND NAGAR HAVELI.
[Under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF

TORRENT POWER TRADING PRIVATE LIMITED

I certify that

TORRENT POWER TRADING PRIVATE LIMITED

which was originally incorporated on **29/04/2004** under the Companies Act, 1956 and under the name

TORRENT POWER TRADING PRIVATE LIMITED

having duly passed the necessary resolution on **21/01/2006** in terms of Section 21 of the Companies Act, 1956, and the approval of the Central Government signifies in writing having been accorded thereto by the Registrar of Companies, Gujarat, vide his letter dated **25/01/2006** in terms of Government of India, Ministry of Law, Justice & Company Affairs (Department of Company Affairs) Notification No. GSR 507(E) dated 24-06-1985 the name of the said Company is this day changed to

TORRENT POWER PRIVATE LIMITED

and this certificate is issued pursuant to Section 23(1) of the said Act.

Dated : 25/01/2006

Ahmedabad



Sd/-
[N. K. BHOLA]
 Registrar of Companies, Gujarat
 Dadra & Nagar Haveli



FORM I. R.

CERTIFICATE OF INCORPORATION

No. U31200GJ2004PTC44068

I hereby certify that ***TORRENT POWER TRADING PRIVATE LIMITED*** is this day incorporated under the Companies Act, 1956 (No.1 of 1956) and that the Company is Limited.

Given under my hand at **AHMEDABAD** this **TWENTYNINTH** day of **APRIL**, TWO THOUSAND FOUR.



Sd/-

[SHASHI RAJ DARA]

Asstt. Registrar of Companies,
GUJARAT,
Dadra & Nagar Haveli

MEMORANDUM OF ASSOCIATION

**THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION
OF
TORRENT POWER LIMITED**

- I.** The name of the Company is **TORRENT POWER LIMITED.**
- II.** The registered Office of the Company will be situated in the State of Gujarat, i.e. within the jurisdiction of Registrar of Companies, Gujarat at Ahmedabad.
- III.** The objects for which the Company is established are:
- (A) Main objects :**
- 1.** ^{*1} ~~To generate, transmit, distribute, purchase, procure, sell, trade, import, export or accumulate or otherwise deal in all forms of electrical power in all aspects, to own, promote, set up, establish, develop, maintain, run, operate, manage and acquire generating company, generating station or stations of every kind and description, and to own, promote, set up, establish, develop, maintain, run, operate and manage transmission and distribution networks or systems and to acquire, in any manner, these networks or systems and to act as agent or representative of any person engaged in the planning, development, generation, transmission, distribution, supply, trading or financing of power and to investigate, research, design and prepare feasibility, appraisal or project reports and to build and execute projects for generation, transmission, distribution, supply, purchase, sale, trading, import, export, storage and accumulation of all forms of electrical power and to engage in all activities incidental thereto.~~
- (i)^{*1} To generate, transmit, distribute, purchase, procure, sell, import, export or accumulate or otherwise deal in all forms of electrical power in all aspects, to own, promote, set up, establish, develop, maintain, run, operate, manage and acquire generating company, generating station or stations of every kind and description, and to own, promote, set up, establish, develop, maintain, run, operate and

^{*1} Substituted on 1st October, 2015 effective from 1st April, 2014, pursuant to the Order No. O/31042-31044/2015 of the Hon'ble High Court of Gujarat dated 13th August, 2015, passed in the matter of Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited and their respective Shareholders and the Creditors.

manage transmission and distribution networks or systems and to acquire, in any manner, these networks or systems and to act as agent or representative of any person engaged in the planning, development, generation, transmission, distribution, supply or financing of power and to investigate, research, design and prepare feasibility, appraisal or project reports and to build and execute projects for generation, transmission, distribution, supply, purchase, sale, import, export, storage and accumulation of all forms of electrical power and to engage in all activities incidental thereto.

- (ii) *¹ To carry on the business of establishment and management of fuel systems and to search for, obtain, acquire, mine, explore, buy, sell, import, export or otherwise deal in oils, gases, coals, naphtha, liquefied natural gas, raw petroleum stock or any other fuel in solid, liquid or gas form, whether found in natural state or obtained by processing from other substances and to carry on the production, storage, processing and manufacturing of these products and any related materials.
- (iii) *¹ To carry on the business of manufacturers, sellers and distributors of electrical apparatuses and appliances, electric, magnetic, galvanic and other articles and things of all kinds including electric wires and cables of all descriptions, insulators, conductors, tapes, ropes, poles, galvanisers, switch gears, distribution accessories and all other kinds of electrical goods and materials and the business of electrical, mechanical, civil, sanitary, railway, nautical, aero-nautical and general engineers in all their respective branches.
- (iv) *¹ To carry on business as manufacturers, importers, exporters, whole-sellers, retailers, repairers, buyers and sellers of and dealers in all kinds of goods, substances, preparations, materials, articles, things, apparatuses, fittings, appliances, accessories and component parts for or in connection with the civil, electrical, mechanical and textile engineering, electrical and cable industries, made wholly or in part out of rubber, synthetic rubber, cork, plastics, asphalt, glass and any other natural and synthetic materials of all descriptions and to compound, fabricate, mould, extrude or otherwise process goods made wholly or partially from thermoplastic and thermosetting substances or other materials of any nature.

(B) Objects incidental or ancillary to the attainment of the main objects:

- ~~2. *² To carry on the business of establishment and management of fuel systems for power plants and to search for, obtain, acquire, mine, explore, buy, sell, import, export or otherwise deal in oils, gases, coals, naphtha, liquefied natural gas, raw petroleum stock or~~

*1 Substituted on 1st October, 2015 effective from 1st April, 2014, pursuant to the Order No. O/31042-31044/2015 of the Hon'ble High Court of Gujarat dated 13th August, 2015, passed in the matter of Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited and their respective Shareholders and the Creditors.

*2 Deleted on 1st October, 2015 effective from 1st April, 2014, pursuant to the Order No. O/31042-31044/2015 of the Hon'ble High Court of Gujarat dated 13th August, 2015, passed in the matter of Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited and their respective Shareholders and the Creditors.

~~any other fuel in solid, liquid or gas form, whether found in natural state or obtained by processing from other substances and to carry on the production, storage, processing and manufacturing of these products and any related materials which may be required for the generation, transmission, distribution, trading and supply of electrical power or for meeting the requirements of any other contracts or arrangements undertaken by the Company.~~

- ~~3. *³ To plan, promote and take up necessary developmental work, selection of prospective/ established Independent Power Producers/ generating/ transmission/ distribution companies/ utilities and enter into contracts/ Power Purchase Agreements/ Other Agreements with them; to act as catalyst and also to provide connected services to them so as to augment power generation, transmission, distribution, optimum utilisation of electrical power and its trading.~~
3. *³ To plan, promote and take up necessary developmental work, selection of prospective/ established Independent Power Producers/ generating/ transmission/ distribution companies/ utilities and enter into contracts/ Power Purchase Agreements/ Other Agreements with them; to act as catalyst and also to provide connected services to them so as to augment power generation, transmission, distribution and optimum utilisation of electrical power.
4. To obtain license, approvals and authorization from Government, Statutory and Regulatory Authorities, as may be necessary to carry out and achieve the Objects of the Company and connected matters which may seem expedient to develop the business interests of the Company in India and abroad.
5. To enter into any arrangement with the Government of India or with any State Government or with other authorities/ commissions, local bodies or public sector or private sector undertakings, Financial Institutions, Banks, International Funding Agencies and obtain such charters, subsidies, loans, advances or other money, grants, contracts, rights, sanctions, privileges, licenses or concessions whatsoever (whether statutory or otherwise) which the Company may think it desirable to obtain for carrying its activities in furthering the interests of the Company or its members.
6. To execute contracts for purchase, procure, import, sell, transmit and export electrical power, whether from conventional and non-conventional sources in India or abroad and to realise its sale proceeds.

*³ Substituted on 1st October, 2015 effective from 1st April, 2014, pursuant to the Order No. O/31042-31044/2015 of the Hon'ble High Court of Gujarat dated 13th August, 2015, passed in the matter of Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited and their respective Shareholders and the Creditors.

7. To act as franchisee for distribution of electricity, including wheeling of electricity, of every kind and description [whether on an BOO (Build, Own, Operate) basis or BOOT (Build, Own, Operate and Transfer) basis or BOLT (Build, Own, Lease and Transfer) basis or otherwise] for electricity purchased or generated from any source, whether conventional or non-conventional, whether now existing or known or invented, developed, made known thereafter, including hydro, wind, solar, tidal, biogas, waste material whether liquid, gaseous or solid or any combination thereof, thermal, geo-thermal, coal, gas, naptha, oil, diesel, nuclear, cogeneration or otherwise.
8. To secure the payments of money, receivables on sale of electricity to the State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, State Governments, Licensees, statutory bodies, other organisations and bulk consumers of power etc. through Letter of Credits, other security documents, Guarantees of State Government and also through diversion and release of States' share of Central Plan Allocation and other Devolutions by Central Government.
9. To design, engineer, install, overhaul, revamp, maintain electricity generating plants, process plants and all plants used in manufacture of any article, and machinery, equipment and components of such plants.
10. To render services of inspection, engineering, betterment, improvement and maintenance management of electric power plants, transmission and distribution systems, process plants, power steam generating plants and of all equipment, components and machinery relating thereto.
11. To carry on all or any of the business of consultants, contractors, manufacturers, installers, maintainers, repairers of, workers, marketeers, sale promoters, agents, distributors and dealers in electrical and electronic apparatus, equipment, instruments, components, parts and accessories of every description.
12. To own, possess, acquire by purchase, lease other rights and interest, exchange or hire real estate, equipment, Generating Stations and Transmission/distribution lines, lands, buildings, apartments, plants, machinery and hereditaments of any tenure or descriptions situated in India or abroad or any estate or interest therein and any right over or connected with land so situated and turn the same to account in any manner as may seem necessary or convenient for the purpose of business of the Company and to hold, improve, exploit, reorganize, manage, lease, sell, exchange or otherwise dispose of the whole or any part thereof.

13. To acquire by purchase, amalgamation, grant, concession, lease, license, barter, or otherwise either absolutely or conditionally, and either solely or jointly with others, any houses, lands, farms, quarries, mines, mining or other claims, rights and privileges, water rights, water works, way leaves, and other works, privileges, right and hereditaments, and any tract or tracts of country in India or elsewhere together with such rights, concessions, grants, powers and privileges as may be agreed upon and granted by government or the owners thereof and to expend such sums of money as may be deemed requisite and advisable in the exploration, survey and development thereof; and to acquire or to obtain rights over, be interested in, build, alter, construct, maintain, carry out, improve, work, control, manage and regulate any tramways, railways, steam-boats, telephones, telegraphs, roads, tunnels, irrigation works, canals, waterways, water-rights, water-works, rivers, wharfs, docks harbour works and harbours, gas-works, electric works, reservoirs, furnaces, stamping works, smelting works, factories, warehouses and other works and conveniences which the Company may think conducive to any of its objects either by acquiring such properties outright or by acquiring rights of others in, to and over them. And generally to acquire in India or elsewhere by purchase, lease or otherwise, for the purpose of the Company, any real or personal, immovable or moveable property, rights, easements, privileges, licences, concessions, patents, patent rights, trade-marks, machinery, rolling stock, plant, utensils, accessories and stock-in-trade whatsoever and to contribute to and take part in the constructing, maintaining, carrying on, improving, working, controlling and managing any of such works or conveniences as aforesaid.
14. To plan, acquire, develop, establish, fix, takeover, erect, construct, lay, operate, run, manage, hire, lease, buy, sell, maintain, enlarge, alter, renovate, modernize, work and use a power system network in all its aspects and/or Ultra High Voltage (UHV), extra-high voltage (EHV) high voltage (HV), High Voltage Direct Current (HVDC), medium voltage (MV) and low voltage (LV) lines and associated substations, including distribution centers, cables, wires, accumulators. Plants, Motors, Meters, apparatus, computers and materials connected with transmission, distribution, ancillary services relating to the supply of electrical Power, telecommunication and telemetering, equipments, to undertake for and on behalf of others the erection, operation, maintenance, management of extra high voltage, high voltage, medium voltage and low voltage lines and associated sub-stations, equipments, apparatus, cables and wires.

15. To purchase or by any other means acquire and protect, prolong and renew, any patents, patent rights, inventions, licences, collaborations and concessions which may appear to be advantageous or useful to the Company in respect of fly ash, coal ash or other by-products in the process of generating electricity and to experiment upon, test, improve, use and or turn to account any such patent, patent rights, inventions, licences and collaboration, concessions and put to use for manufacturing and marketing cement of all types, bricks, building blocks, construction blocks, and all type of materials used for building, road construction landscaping and any civil construction activity.
16. To provide Engineering, Procurement and Construction (EPC) services and consultancy and advisory services in relation to the promotion, establishment, planning, design, research, development, maintenance, running, operation and management of power and electricity of whatsoever kind and description including relating to captive generating plant, co-generation, conservation of electricity, dedicated transmission line, distributing main, distribution system, electric line, electrical plant, electricity system, generating station or stations, inter state transmission system, intra state transmission system, line, main, open access, overhead line, power system, real time operation, service lines, stand alone system, transmission lines, distribution system including a franchisee thereof, transmission system, supply of electricity to any consumer, electric line, meter used for ascertaining the quantity of electricity supplied to any premises, electrical equipment, apparatus or appliances under the control of the consumer, and energy projects and facilities including power stations, plants, establishments, works and other ancillary facilities of every kind and description.
17. To act as consultants or advisers to any person including the Central Government, State Governments, local authority, municipal corporation, gram panchayat, and any authority constituted under the Electricity Act 2003 including the Electricity Inspector, Chief Electrical Inspector, Central Electricity Regulatory Commission, State Electricity Regulatory Commission, Joint Commission, Central Electricity Authority, Regional Power Committee, or any Government company, on matters related and connected to the fixation of tariff, levy, subsidies, rates, taxes, duties, reliefs, concessions, charges, cost, fare, grant of licenses, grid, National Electricity Plan, regulation of inter-State transmission of electricity, regulation of intra-state transmission of electricity, adjudication of disputes, enforcement of standards with respect to quality, continuity and reliability of service by licensees, fixation of trading margins in the trading of electricity, technical standards for construction of electric plants, electric lines and connectivity to

the grid, safety requirements for construction, operation and maintenance of electric plants and electric lines, conditions of installation of meters for transmission and supply of electricity, improving generation, transmission, trading, distribution and utilization of electricity, and report and advise on or assist in the preparation of the report, to undertake collection and preparation of the relevant statistics, information and data required for the purpose and/or to join with any other person or company or with any Government or Governmental authority.

18. To act as an entrepreneur to identify new areas of Power generation, and connected infrastructural activities for development of power and to help the undertakings engaged in such activities and make investment therein.
19. To engage in the business of purchasing / procuring, selling, importing, exporting or otherwise dealing in electrical power and ancillary activities and commercial lines throughout India and abroad and to promote and organize research and development or to carry on consultancy services in the field of power generation, transmission, distribution, trading, conservation of electricity and other related activities thereto.
20. To carry on the business of electric power generation and supply in all its branches and to construct, lay-down, establish, fix and carry out all work for necessary power stations, cables, wires, lines, accumulators, lamps, works.
21. To carry on the business of electricians, electrical and mechanical engineers, suppliers of electricity for the purpose of light, heat, motive power or otherwise, and manufacturers of and dealers in apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, galvanism, magnetism or otherwise.
22. To undertake any activity which the Company is permitted to undertake, including as a generating company and a licensee, under the electricity laws for the time being in force and rules and regulations made thereunder.
23. Subject to provisions of Section 292, 293 and 372A of the Act, to advance deposit or lend money, securities and properties to other company, body corporate, firm, person or association with or without security, in the interest of the Company and also to accumulate funds and to invest or otherwise employ moneys belonging to the Company not immediately required; in the purchase or acquisition of and securities or make other investments in movable or immovable properties upon such terms as may be

thought proper and from time to time to realize / recover such investments in the manner as the Company may think fit.

24. To amalgamate or enter into any arrangement for sharing of profits or entering into partnership, union of interest, co-operation, reciprocal concession, lease, licence or otherwise with any person carrying on or transaction which the Company is authorized to carry on or engage in for sharing or funding of profits in a cooperative or joint venture subject to compliance of existing law in force.
25. Subject to applicable provisions of law, to subscribe for, underwrite, or otherwise acquire, hold dispose of and deal with the shares, stocks, debentures or other securities and titles of indebtedness or the right to participate in profits or other similar documents issued by any Government authority, Corporation or body or by any company or body of persons and any option or right in respect thereof.
26. To create any depreciation fund, reserve fund, sinking fund, insurance fund, gratuity, provident fund or any other fund, for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purposes whatsoever conducive to the interests of the Company.
27. To acquire by means of exchange of shares of this company or by payment or otherwise shares, stocks, debentures or securities of any company carrying on any business which this Company is entitled to carry on or acquisition of undertaking itself which may seem likely or calculated to promote or advance the interests of Company and to sell or dispose of or transfer any such shares, stocks or securities and the acquired undertaking and to conduct, make or carry into effect any arrangements in regard to the winding up of the business of any such company or person.
28. To enter into partnership or into any agreement for joint working, sharing profits, joint venture, amalgamation, union of interests, co-operation, reciprocal concessions or otherwise or amalgamate with any person or company carrying on or engaged in or about to carry on or engaged in any business or trade through physical or electronic pooling arrangements, ability to hedge its exposure through financial derivatives, transaction in India or abroad which the Company is authorised to carry on or engage in any business undertaking having objects identical or same, as are being carried on by this Company.

29. Subject to Sections 292 and 293 of the Companies Act or such replacement or re-enactment of the provisions, to sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular to dispose of shares, debentures or securities of any other Corporation or organisation.
30. To improve, manage, develop, exchange, loan, lease, let, underlease sub-let, mortgage, sell, dispose of, turn to account or otherwise deal with, any rights or property of the Company or the undertaking of the Company or any part thereof and, in respect of any disposal of whatever nature, for such consideration as the Company may think fit and, in particular, for shares, debentures or securities of any other association, partnership, corporation or company and to promote or aid in the promotion of any other association, partnership, corporation or company for the purpose of the acquisition of all or any of the properties, rights or liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
31. To negotiate and enter into agreements and contracts with domestic and foreign companies, persons or other organizations for purchase/sale of equipments, technical, financial or any other assistance, for carrying out all or any of the objects of the company and for purchase/ sale of power and for technical know-how and with national/international financial institutions Banks etc. for financial assistance and for carrying out all or any of the objects of the Company.
32. Upon and for the purpose of any issue of shares, debentures or any other securities of the Company, to enter into agreement with intermediaries including brokers, managers of Issue/commission agents and underwriters and to provide for the remuneration of such persons for their services by way of payment in cash or issue of shares, debentures or other securities of the Company or by granting options to take the same or in any other manner as permissible under the law.
33. To enter into contracts of indemnity and get guarantee and allocations for the business of the Company.
34. To accumulate capital from the profits of the Company for any of the purposes of the Company and to use and appropriate the same or any of the Company's assets either conditionally or unconditionally to specific purposes.

35. To insure any of the rights, properties, undertakings, contracts, guarantees or obligations or profits of the Company of every nature and kind in any manner with any person, firm, association or company for the business of the Company.
36. To train and pay for the training of the company's employees or to recruit and employ experts, advisors, consultants etc. in the interest of achieving the Company's objects.
37. To establish, provide, maintain and conduct workshops for scientific, technical researches or experiments and to undertake and carry on directly or in collaboration with other agencies, scientific and technical research experiments and tests of all kinds and to process, improve and invent new concepts/products or otherwise subsidise research laboratories and their techniques and to promote, encourage, reward studies and research, scientific and technical investigations and inventions of any kind that may be considered likely to assist, encourage and promote rapid advances in technology, economies, or any business which the Company is authorised to carry on.
38. To promote conservation and protection of electricity from theft, safety of life and to protect environments including air, land and water.
39. To pay and provide for the remuneration, amelioration and welfare of persons employed or formerly employed by the Company and their families providing for pension, allowances, bonuses, other payments or by creating for the purpose from time to time the Provident Fund, Gratuity and other Funds or Trusts. Further to undertake building or contributing to the building of houses, dwellings or chawls by grants of money, or by helping persons employed by the Company to effect or maintain insurance on their lives by contributing to the payment of premium or otherwise and by providing or subscribing or contributing towards educational institutions, recreation, hospitals and dispensaries, medical and other assistance as the Company may deem fit.
40. Subject to provisions of the Companies Act, to contribute money or otherwise assist to charitable, benevolent, religious, scientific, national, public or other institutions or objects or purposes.
41. To distribute among members of the Company dividend including bonus shares out of profits, accumulated profits, or funds and resources of the Company in any manner permissible under law and to distribute the assets of the Company in specie amongst the members.

42. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and to allow time for payment or satisfaction of any debts or recovery due, claims or demands by or against the Company, and to refer any claims or demands by or against the Company or any differences arising in execution of contracts to Arbitration and observe and challenge any awards made in the interest of the Company and in particular by advertising in the press, by circulars and publication of books and periodicals.
43. To pay out of the funds of the Company all costs, charges, expenses and preliminary and incidental to the promotion, formation, establishment and registration of the Company or other expenses incurred in this regard.
44. Subject to Rules and directives issued by Reserve Bank of India and provisions of Section 58A to borrow or raise or secure the payment of money or to receive money on deposit at interest for any of the purposes of the Company and at such time and from time to time and in such manner as may be thought fit and in particular by the issue of debenture, convertible debentures and as security for any such money so borrowed, raised or received for any such debentures so issued to mortgage, pledge or charge the whole or any part of the property, assets or revenue and profits of the Company present or future including its uncalled capital by special assignments or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem, or pay-off any such securities, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company as the case may be provided that the Company shall not carry on banking business as defined in the Banking Regulation Act, 1949.
45. To promote and form, and to be interested in, and take, hold and dispose of shares in other companies, for all or any of the objects mentioned in these paragraphs, and to transfer to any such company any property of this Company, and to take or otherwise, acquire, hold and dispose of shares, debentures and other securities, in or of any such company and to subsidise or otherwise assist any such Company.
46. To obtain, apply for, arrange for the issue or enactment of order or Act of etc. Legislature or Act of Authority in India or any other part of the world for enabling the Company to obtain powers, authorities, protection, financial and other help necessary or expedient to carry out or extend any of the objects of the

Company or for any other purpose which may seem expedient and to oppose any proceedings or application or any other endeavours, steps or measures which may seem calculated directly or indirectly to prejudice the Company's interests.

47. To lend money on property or on mortgage of immovable property or against bank guarantee and to make advances of money against future supply of goods and services on such terms as the Directors may consider necessary and to invest money of the Company in such manner as the Directors may think fit and to sell, transfer or deal with the same, but the Company shall not carry on the business of Banking as defined in the Banking Regulations Act, 1949.
48. To receive grants, subsidies, contributions, donations, loans, advances or other monies or deposits of whatsoever nature from State Government, Central Government, Foreign Government and bodies, banks, companies, trusts or individuals with or without conditions for the purpose of fulfillment of objects of the Company.
49. To establish and maintain agencies, branch offices and local agencies, to procure registration or recognition of the Company and to carry on business in any part of India and world and to take such steps as may be necessary to give the Company such rights and privileges in any part of the world as deemed proper in the interest of the Company.
50. To promote and undertake the formation of any institution or Company or subsidiary company or for any aforesaid objects intended to benefit the Company directly or indirectly and to coordinate, control and guide their activities.
51. To borrow money in Indian rupees or foreign currencies and obtain foreign lines of credits/ grants/ aids for the purpose of the Company's business in such manner and on such terms and with such rights, privileges and obligations as the Company may think fit. The Company may issue bonds/debentures whether secured or unsecured; bills of exchange, promissory notes or other securities, mortgage or charge on all or any of the immovable and movable properties, present or future and all or any of the uncalled capital for the time being of the Company as the Company may deem fit and to repay, redeem or pay off any such securities or charges.
52. To make, accept, endorse and execute promissory notes, bills of exchange, and other negotiable instruments connected with the business of the Company.

53. To establish or support or aid in the establishment and support of associations, institutions, schools, hospitals, guesthouses, clubs, funds, trusts and conveniences for the benefit of past or present employees or directors of the Company or the dependants of such persons and to grant pensions and allowances to make payments towards insurance to subscribe or guarantee money for charitable or benevolent objects or useful objects for general public.
54. To purchase or import, take on lease or in exchange, hire or otherwise acquire any movable or immovable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock-in-trade.
55. To issue or allot fully or partly paid shares in the capital of the Company in payment or part payment of any movable or immovable property purchased or otherwise acquired by the Company or any services rendered to the Company.
56. Subject to the provisions of the Companies Act, 1956 or any amendment or re-enactment thereof in the event of winding up to distribute among the members in specie any property of the Company or any proceeds of sale on disposal of any property in accordance with the provisions of the Act.
57. To purchase or by any other means acquire and protect, prolong and renew, whether in India or elsewhere, any patents, patent rights, brevets d'invention, licences, protection and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to spend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions, or rights which the Company may acquire or propose to acquire.
58. To purchase or otherwise acquire and undertake the whole or any part of the business, property, goodwill, rights and liabilities of any company or person carrying on any business which this Company is authorised to carry on or possessed of property or rights suitable for any of the purposes of the Company and to purchase, acquire, sell and deal in property, shares stock, debentures or debenture stock of any such company or person and to conduct, make or carry into effect any arrangements in regard to the winding up of the business of any such company or person.

59. To construct, improve, maintain, develop, manage or control any buildings, works, factories, roads, railways, sidings, bridges, reservoirs, watercourses, wharves, warehouses, electrical works, shops, stores, and other installations which may seem calculated to advance the company's interests; and to contribute to, subsidize, or otherwise assist or take part in the construction, improvement, maintenance, development, management or control of them.
60. To acquire and secure membership, seat or privilege in and of any association, exchange, market or institution in India or any other part of the World.
61. To aid in the establishment of co-operative societies and other organizations for the better use of facilities made available by the Company.
62. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of, or the uplift of the people in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing, "programme of rural development" shall also include any programme for promoting the social and economic welfare of, or the uplift of the people in any rural area which the Directors consider it likely to promote and assist rural development, and that the words "rural area" shall include such areas as may be regarded as rural areas under Income Tax Act, 1961 or any other law relating to rural development for the time being in force and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institution or Trust established under any law for the time being in force or recognised or approved by the Central Government or State government or any other authority specified in that behalf.
63. To donate to the Public or any section of the Public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing, undertake, carryout, promote and sponsor any activity for publication of any books, literature, newspapers, etc. or for organising publications of any books, literature, newspapers, etc., or for giving merit awards, for

giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researchers and for establishing, conducting or assisting any institution, fund, trust, etc. having any one of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institution or Trust established under any law for the time being in force or recognised or approved by the Central Government or State Government or any other authority specified in that behalf.

64. To engage in the business of developing, maintaining or operating infrastructure facilities, including road, highway, bridge, airport, port, rail system, a water supply project, irrigation project, sanitation and sewerage system, or a project for providing telecommunication services, or a project for housing or any public facility of a similar nature.

(C) Other Objects:

65. To develop, carry out, purchase, sell, exchange, import or export scientific and technical expertise and know-how relating to programming and other technical aspects of computers amid other electronic amid electronically controlled devices, equipments and facilities.
66. To provide or render consultancy and training services related to the preparation and maintenance of accounting, statistical or mathematical information and reports, including data processing, programming, collecting, storing, processing and transmitting information and data of every kind and description, system and analysis and machine services for solving or adding commercial, industrial, scientific and research problems amid all other related businesses with or without the use of computers and other electronic or electronically controlled devices, equipment and facilities.

67. To carry on and engage in and conduct research and development in the fields of electronics, electronic/electronically controlled processes and carry on investigation amid experiments of all kinds.
68. To collect and disseminate trading, commercial, scientific, technical, budgetary, costing, financial, economical and other information and data in respect of all matters and to furnish and supply the same or any part thereof to and for the benefit of any individual, firm, company, trust, association, body corporate, society, organization or institution.
69. To manufacture. purchase, sell or otherwise transfer, lease, license, use, dispose off, operate, fabricate, construct, assemble, work upon or otherwise generally deal in computers, tabulators, data processing machines and electronic equipment of every kind, description and activation and any products and component parts thereof or materials or articles used in connection therewith, and any and all other machines, machinery, appliances, apparatus, devices, materials, substances, articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.
70. To carry on the business of manufacturing, running, operating, managing, advising on and supplying data processing and information retrieval systems (whether or not remotely located) and systems utilising the capture, storage, processing, transmission or receipt of messages and signals (including but not limited to data, sounds and visual images) by, with the aid of, in conjunction with, or in any way utilising, computers, or similar equipment, and computer programmes and databases and to carry on the business of operating, managing, advising on supplying and dealing in 'services and facilities of all kinds which incorporate, use or are used in conjunction with, in connection with or ancillary to, system of such descriptions as aforesaid or any of the apparatus and equipment comprised therein.
71. To conduct and carry on in India or elsewhere the business of buying procuring, selling, computers, fault locating equipment and other electronic or electronically controlled devices, equipments amid facilities.
72. To carry on business of dealing in immovable properties of any tenure and interest and to create any interest sell and deal in any land and to promote formation of Co-operative Housing Societies, Companies, Trusts or other Association for housing and to provide accommodation for residence and business or for any other purpose and to own; buy, sell, possess, develop, construct, demolish, rebuild, renovate, repair, maintain, let out, rent, mortgage or otherwise deal

in land and building, flats, shops for various residential, commercial purposes, department stores and otherwise in a manner beneficial to the company.

73. To engage in and carry on in India or elsewhere the activities of export house and execute and perform export/ import business in all kinds of goods, components and materials, and enter into collaboration agreement/ contracts with foreign firms, companies and/ or individuals for the purpose of obtaining technical know-how or acting as joint ventures and effect payment for technical know-how fees, royalties or payment of any other nature, subject however, to the regulations of the Government of India and such other Acts or notifications as may be applicable.
74. To carry on the business of advisors and consultants on all matters and problems relating to the administration, organization, finance management, personnel management or expansion of industry and business (including construction of plants and buildings), production, purchases, sales, marketing, advertisement, publicity, personnel, export and import and of institutions, concerns, bodies, associations (incorporated or unincorporated), departments and services of the Government, public or local authorities, trusts, scientific research and development centers.
75. To carry on the activities as Registrars to issues of capital, Managers to issues of capital, Registrars, Transfer Agents amid Consultants for shares, debentures, bonds and other instruments and securities of all kinds amid to carry out all activities related thereto.
76. To carry on the business as merchants, traders, carriers, commission agents, buying agents, selling agents, billing agents, collection agents, brokers, adantias, buyers, sellers, importers, exporters, dealers, service providers to import, export, buy, sell, barter, collect, exchange, pledge, mortgage, advance upon or otherwise trade or deal in all kinds of commodities, goods, plant, machinery, tools and equipment, produce, articles, and merchandise of any kind whatsoever in India or elsewhere in the world, for and on behalf of self, customers or third parties/ others by or through the means of conventional or non-conventional methods including through debit cards, credit cards, electronic, electrical or other devices or methods, processes or systems.
77. To establish, maintain develop, conduct, procure, buy, sell, import, export, trade, or otherwise deal in, or to act as service providers of every kind in the fields of engineering, technology, technical know how, chemical, mechanical, electrical, electronics, civil, industrial, commercial, statistical, financial, accountancy, medical, legal,

educational, production, marketing, distribution, materials, personnel, planning, computers, software and software solutions of all kinds, system integration, data processing, multi media services, direct to home services, entertainment media, cable television services, interactive television services, content for various uses, electronic media, Cellular Mobile Telephone Services (CMTS), National Long Distance Operator Services (NLDO), Fixed Telephone Services (FTS), Cable Service Provider, Basic Telephone Services (BTS) with or without the use of Wireless Local Loop (WLL) Technology, VSAT Services, Internet Service Provision (ISP), Global Mobile Personal Communications by Satellite (GMPCS), wireline and wireless systems and other value added services including paging services, Radio Paging Service Providers, Public Mobile Radio Trunking Service Provider, DTM communication methods, telecommunication, basic and cellular telephone, voice mail, internet, electronic mail, data communication services, intranet, internet connectivity, internet telephoning, interconnect and intraface services applications like tele-banking, tele-medicine, tele-education, tele-trading, e-commerce, e-governance, e-business and system design, kiosks, management information systems and other types of management including spectrum management, social or other value added services like providing end to end integrated solutions, netserve solutions, network connectivity solutions, cost effective solutions, other allied solutions for data transfer, administrative and effective communication.

78. To manufacture, market, distribute and sell all types, varieties and kinds of (i) telephone instruments including mobile telephones, Fixed wireless Terminals, any type of mobile communication devices, Personal Digital Assistants (PDA) with or without communication facilities, dial-type phone, car phone, corded phones, cordless phone, mini-corded phone, radio phone, speakerphone, videophone, wireless systems desk top and wall type pay phones, headsets, office systems, conferencing equipment, fax, answering machines, intercoms, accessories and components thereof for telecommunications (ii) radio communication equipment like receivers, transmitters, trans-receiver, walkie - talkie radio relay equipment, point to point communication equipment, antennas and associated equipment single channel, multi channel, fixed frequency, variable frequency, facsimile transmitting and receiving equipment and systems.

~~#79. To manufacture, acquire, produce, use, sell, distribute and supply gas for lighting, heating or power purposes and to deal with, manufacture and render saleable all residual products obtained in the manufacture of gas.~~

- #79.
- a. To prospect, explore, develop, drill, produce, acquire, store, process, refine, liquefy, regassify, transmit, transport, distribute, buy, supply, sell, market, import, export and / or trading in (whether as principal or agent) all forms of gases including Natural Gas (NG), Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG), other forms of gases and associated gaseous / hydrocarbon substances, in India or abroad (together the “Gas Product/s”)
 - b. To set-up, participate in setting-up, acquire, dispose of, operate and/ or maintain ports, plants, terminals, equipments, works, and infrastructure/ facilities for exporting, receiving, processing, storing, transporting, distributing, supplying Gas Product/s through vessels, tankers, pipelines or any other mode of transportation and to establish liquification / regassification, compression and / or other related processing plants in India or abroad for NG, LNG, CNG or other gaseous or liquid hydrocarbons and to carry on the above business for its own Gas Product/s or for any other companies.
 - c. To take on lease, charter, affreightment, hire and let out for hire or chartering or affreightment and otherwise acquire, own, obtain possession of and use, operate, maintain and dispose of and employ or turn to account ships, tanks, barges, tugs, launches, boats and vessels of all kinds for transportation of its own Gas Product/ s or for any other companies to, from or within India or any other country and to provide services to other companies in the nature of accounting and financial management support, project management, construction supervision and technical advisory services in respect of infrastructure business of Gas Product/s.
80. To exploit and render fit for use, deposit of salt, nitrogen, natural soda, nitrates, natural brines, and sea-water, and to manufacture therefrom any kind of chemicals and by-products, and to carry on the business of manufacturers, exporters and importers of and dealers in salt, table salt, potassium chloride, magnesium chloride and substances.
81. To carry on the business of manufacture and sale of architectural fittings, architectural panels, door, windows or staircase fittings, domestic or industrial furniture, grills, gates, or any other fabricated material used in construction of buildings. These may be made from steel, anodised or unanodised aluminium, wood, sponge, plastic, rubber of other material.
82. To work mines or quarries and to prospect for, search for, win, get crush, smelt, calcine, concentrate, refine, dress, amalgamate, manipulate, prepare for market or otherwise exploit, export or deal in metals and metallic and non-metallic minerals, of all kinds, precious and other stones and to carry out all kinds of mining

metallurgical operations, metallic alloys including special alloys of all kinds and manufacture galvanised and plated and clad irons and steels as well as other metals of all kinds.

83. To carry on the business of products as well as refiners of all kinds of metals including all precious metals and as manufacturers, importers, exporters of and dealers in sheets circles, rods, electrodes and wires of all metals and alloys including precious metals and also as manufacturers of solders of all kinds including silver solders.
84. To carry on the business of undertaking turnkey projects and works contracts for the construction of industrial units and installation of plant, machinery and equipment.
85. To establish, compile, print, publish and carry on newspapers, periodicals, gazettes, trade lists, year books, statistics, and other publications as literatures and to carry on business as newspaper proprietors, printers, publishers and advertising agents in all their respective branches.
86. To carry on business of collecting, editing, summarising, amplifying and disseminating trade industrial and commercial information for the private use of clients, subscribers, associates or others for general or restricted publication in any language and in any medium and to undertake or co-operate in market research and other marketing assignment or activities and carry out market surveys, investigations, inquiries, analysis etc.
87. To manufacture, buy, sell, treat and deal in all kinds of vessels, tools, utensils, and articles from mud, metal, metal alloys, brass, silver, gold, iron and plastics.
88. To carry on the following businesses, namely builders and contractors, decorators, woodcarving, merchants and dealers in stone, sand, lime, brick, timber, hardware, and other building requisites, brick and tile and terracotta, makers, job-masters, carriers, licensed victuallers and house agents.
89. To carry on the business of manufacturing of and dealers in chemicals, chemical compounds and chemical products of any nature and kind whatsoever, and as wholesale and retail chemists, druggists, chemical engineers, analytical chemists, importers, exporters, manufac-turing of and dealers in heavy chemicals, fine chemicals, speciality chemicals, acids, alkalies, petrochemicals, petroleum products, chemicals compounds and elements of all kinds

solid, liquid and gaseous drugs, medicines, pharmaceuticals, antibiotics, tannins, tannin extracts, essences, solvents, polymers, plastic of all types, dyes, dyestuffs, intermediates, textile auxiliaries, artificial silks, staple fibres and synthetic fibres of all kinds and types, regenerated fibres or filaments, cellophane, colours, paints, varnishes, disinfectants, insecticides, fungi-cides, pesticides, rodenticides, weedicides, fertilizers, manures, agrochemicals, deodorants as well as biochemical, pharmaceutical, medicinal, sizing, bleaching, photographic and other preparations and articles of any nature and kind whatsoever.

90. To apply scientific and engineering principles to processing of materials by biological agents to produce, manufacture medicines, pharmaceuticals products of all kind, seeds, and services including by use of Genetic Engineering, Gene technology, Cell Hybridization, Micro Organisms, Genetic manipulation, Recombinant DNA and other means of bio technology.
91. To carry on business of manufacturing, processing, buying, trading or otherwise dealing in plastics, selling plastic products of all kinds and all sort of plastic materials including thermosetting and thermo-plastic materials and adoption of all processes including blow moulding injection, extrusion, compression vacuum forming, fabrication coating, brushing, spraying, laminating, dipping, impregnating or any other application by any method whatsoever.
92. To carry on the following business, namely, cotton spinners and doublers, flax, hemp and jute spinners, linen manufacturers, flax, hemp and jute and wool merchants, wool combers, worsted spinners, woollen spinners, yarn merchants, worsted stuff manufacturers, bleachers and dyes, and makers of vitriol, bleaching and dyeing materials and to purchase, comb, prepare, spin, dye and deal in flax hemp, jute, wool, cotton, silk and other fibrous substances and to weave or otherwise manufacture, buy and sell and deal in linen, cloth and fabrics, whether textiles, terylene, terry-cotton, felted, netted or looped and to supply power.
93. To manufacture, export, import, sell and deal in readymade or made to measure garments of all kinds and types and in particular shirts, bush shirts, trousers, night dresses, swimming dresses, sleeping suits, dressing gowns, children's wear, men's wear, handkerchief, ladies' wear, coats, sports shirts, jackets and underwear from cotton, silk, wool, terylene, terry-cotton synthetic fibres and mixtures thereof and from all other textiles.
94. To carry on business of drapers, hosiers, clothiers, dress makers, costumers, dress agents, furnishers and outfitters.

95. To carry on business of manufacturers, refiners, importers, and exporters of vegetable oil, artificial and natural butter and ghee, glycerine, boiled and lubricating oils, varnish and paint and their allied products, soap, perfumery perfumed spirits and waters and other toilet preparations and or candle makers, natural as well as synthetic essences, flavouring materials, cosmetics.
96. To carry on the business of manufacture of malleable castings pipe fittings, agricultural and other implements and other machinery, tool makers, brass founders, metal workers, boiler makers, mill-wrights, machinists, iron and steel converters, smiths, wood workers, builders, painters, metallurgists, electrical engineers, water supply engineers, gas makers, framers, printers, carriers, and merchants and to buy, sell manufacture, repair, convert, alter, let on hire and deal in machinery, implements rolling stock and hardware of all kinds which may seem to the Company capable of being conveniently carried on in connection with the above or otherwise calculated, directly or indirectly to enhance the value of any of the Company's rights for the time being.
97. To carry on the business of manufacturers of and dealers in, machinery and plant of every description and kind and in particular machine tools, and implements, and to manufacture product, repair, alter, convert, recondition, prepare for sale, buy, sell, hire, import, export, give in lease, let out on hire trade, and deal in machine tools and implements, other machinery, plant, equipment, article, apparatus, appliances, component parts, accessories, fittings and things in any stage or degree or manufacture, process or refinement.
98. To carry on business as manufacturers, and makers of and dealers in metal, enamel, aluminium, alloys of every description and kind, and to carry on and conduct workshops and foundries of iron, brass and other metals, and to buy, sell, export, import, manipulate, and deal, both wholesale and retail, in such products.
99. To carry on the business, professional or vocation of industrial engineering consultants or advisers to investigate into the prospects of development, maintenance, renovation, replacement or renewal of any industrial, mechanical, electrical, or engineering works or factory or organisation and to investigate into and report and advise on and assist in the preparation of any industrial or engineering products, to undertake collection and preparation of the relevant statistics, information and data into supply, shipment, transport, of raw materials availability and/or rates of skilled and/or unskilled labour, priority, concession, import, export, foreign exchange, customers, and taxation regulations affecting or having any bearing or any of such industrial or engineering project, plant or

establishment or maintenance, renovation, renewal or performance of any such industrial or engineering plant or equipment and to acquire, collect, formulate and prepare the technical details, specifications, drawings, plant, blue prints, parts for fabrication or manufacture of any machinery, machine plant components parts or accessories of any particular design, shape or material and to act as industrial consultants, engineering consultants, business consultants and to carry on all types of consultancy business connected with industry and trade, commerce, marketing, finance, data processing, accounting, informational technology etc.

100. To carry on business as manufacturers, dealers and servicing and maintenance engineers in all kinds of electrical mechanical, chemical, metallurgical, electronic and construction and all other types of equipment and machinery and in particular to engage in and carry on the business of manufacturers of mechanical, electronic, hydraulic, gas operated and pneumatic products, components and assemblies for domestic and industrial usage including tools, dies, fixtures, implements, inspection/test equipment, data processing equipment reproducing/copying equipment.
101. To carry on business as manufacturers, founders, rollers, convertors, processors and refiners of steel, alloys and all other metals and their alloys and their by-products and also to carry on business as importers, exporters agents, manufacturers, of and dealers in articles of any description made or prepared out of ferrous and non-ferrous metals and their alloys.
102. To carry on in India or elsewhere any other engineering and/or contracting business and in particular to arrange, procure, give on hire or loan for consideration or otherwise, the services of skilled and unskilled personnel for construction services.
103. To carry on the business of manufacturers, distillers, refiners of and dealers all kinds of oils, fuels, mineral oil, motor and aviation spirit, diesel, kerosene, lubricating oils, fuel gases-coal and natural.
104. To establish, maintain, conduct, provide, procure or make available services of every kind including commercial, financial, statistical, accounting medical, legal, social services, organisation methods, systems and procedures, control systems, information systems, cost control personnel selection, project planning, budgetary control, establishment of systems of mechanised accounting interpretation of financial statements, industrial, business legal, management, personnel computers, specialised technical and non-technical, expert advice, medical services, telex, telephone, telegram, wireless

transmission services, estate, landlord, power generator, road, gutter, canteen, hotel, common estate managements, staff quarters, constructional supervisors, contractors, engineers, registrars, issue house, investors, brokers, suppliers, estate freight, insurance brokers, catering contractors services of every kind.

105. To carry on the business of manufacturers assemblers, erectors, servicers of and dealers in all kinds of Plant and Machinery, equipments components and component parts, spares and accessories for such plant and machinery, implements and articles required in all or any of the following business, namely the manufacture, cleaning, spinning, dyeing, colouring, weaving, printing, ginning, pressing, or processing on cotton, flex, hemp, jute, linen, wool, silk and any other fibrous substances and to export, import, buy, sell, manufacture, repair, convert, alter, let on hire and otherwise deal in all kinds of machinery, and in particular, textile machinery and all component parts, accessories and fittings, for all kinds of machinery equipment, articles and implements used in or capable of being used in connection with any machinery.
106. To cultivate, grow, produce, or deal in any vegetable products, and to carry on the business of farmers, dairymen, milk contractors dairy farmers, millers, surveyors and vendors of milk, cream, cheese, butter and the business or raising and maintaining poultry farms and grocers of and dealers in corn, hay and straw, seedsmen and nurserymen and to buy, sell manufacture and trade in goods, usually traded in any of the above businesses, including staple foods and medical preparations of milk, vegetables and animal products and life, or any substitute for any of them associated with the farming interest.
107. To carry on the business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling in Rayon Yarn (also known as Continuous Filament Rayon or Artificial Silk Yarn and which expression shall include all Synthetic Fibre or Fibres whatsoever for Textile use), Staple Fibre, Staple Fibre Yarn (also known as Spun Rayon), and such other Fibre, or Fibrous materials or allied products, by- products or substances or substitutes for all or any of them or Yarn or Yarns for Textile or other use, as may be practicable or deemed expedient.
108. To carry on business as tourist agents and contractors, and to facilitate travelling, and to provide for tourists and travellers or promote the provisions of convenience of all kinds in the way of through tickets, circular, tickets, sleeping cars or berths, reserves places, hotel and boarding and/or lodging accommodation, guides

safe deposits, enquiry bureaus, libraries, laboratories, reading room, baggage, transport and otherwise, and to charter steamships and air planes for fixed periods or for particular voyages and flights, and to carry on the business of booking and reserving accommodation, seats, compartments and berths on railways, steamships, motor ships and boats, aeroplanes, omnibus and motor bus and to issue tickets for the same and to hire taxies, motor cars, and all kinds of public vehicles and transports, and to charter launches and boats and to book, reserve and secure for and on behalf of the constituents of the Company, rooms and boarding and/or lodging accommodations in hotels, restaurants and boarding houses and handle tours, safaris, expeditions, conferences, meetings and other tourist movements and activity in India and other parts of the world.

109. To carry on the business of restaurants, cafes, refreshment rooms, clubs, and casinos of every sort and kind, to establish shops, canteens, kitchens, and any other establishments, for this purpose and for the sale of food and drink of every sort and kind and to arrange for and provide all manner of entertainments, amusements recreation and instruction for the public.
110. To purchase, erect, acquire, equip, operate, manage or in any other manner and in all its aspects deal in, hotels, lodging houses of every kind and sort including all the conveniences, amenities and facilities adjunct thereto, in India or in any other part of the world.
111. To carry on the business of mechanical engineers and manufacturers of machinery, tool makers, brass founders, metal workers, boiler makers, mill wrights, machinists, iron and steel makers and converters, smiths, wood workers, builders, painters, metallurgists, water supply engineers, gas makers, printers, carriers and merchants and to buy, manufacture, repair, convert, alter, let on hire, and dealing machinery implements rolling stock and hardware.
112. To carry on the business of products, refiners, processors, buyers, sellers, distributors, importers of and dealers in diamonds, gems including industrial diamonds, jewellery, gold, silver, bullion, precious and semi-precious materials of all kinds capable being in connection with stones, plated articles, of vertu coins, metals and therewith.
113. To carry on the business of manufacturers and refiners of, exporters and dealers in sugar, starches, gur and other saccharine substances glucose and other carbohydrates and all sugar products and by-products.
114. To carry on the business of flour mills, pulse and rice mill owners and manufacturers of and dealers in flour bread, biscuits,

breakfast goods, cattle feeds of all kinds and materials of every description and to carry on the business as bakers, confectioners and general provision merchants and dealers.

115. To carry on the business of manufacturers of and dealers in cements of all kinds including alumina and magnesia cements, concrete, asbestos gypsum, lime, plasters, whiting clay, bitumens, soapstones, fixing materials, gravel, sand bricks, tiles, pipes, pottery, earthenware glass and glassware, marbles, artificial stones and builders' requisites and conveniences of all kinds.
116. To carry on the business as importers, exporters of and dealers in all kinds of oil seeds and oleaginous raw materials and also crushers, pressers, extractors and refiners of oils and fats from the same, and as manufacturers, exporters, importers of and dealers in oils and fats, hydrogenated or hardened oils, vegetables ghee soaps, candles, oil cakes, feeds, manures, lubrication oils, boiled and stand oils, and other allied products.
117. To carry on business as timber merchants, saw-mill proprietors and timber-growers, and to buy, sell, grow, prepare for market manipulate, import, export and deal in timber and wood of all kinds, and to manufacture and deal in articles of all kinds, in the manufacture of which timber or wood or bamboo or cane is used, and to carry on the business so far as may be deemed expedient, of general merchants in timber, wood, bamboo or cane, and to buy, acquire, plant and work timber, bamboo and cane estates.
118. To manufacture, produce, buy, sell, prepare for market, manipulate, treat, cure, submit to any process, trade in, import and otherwise deal in and carry on the business of, and for that purpose, purchase, sell, resell and repurchase veneers, laminated boards, furniture of all kinds, household requisites made of wood, bamboo or cane, sports articles made of wood, bamboo or cane, textile, accessories, handlooms, wearing appliances, cigar boxes, munition boxes, riffle butts, photo frames mouldings and articles or things of all kinds in which or for which wood, bamboo or cane is or can be used.
119. To carry on the business of Civil Engineers and contractors and to build construct, alter, maintain, enlarge, pull down, remove or replace and to work manage and control any offices, factories, mills, shops, machinery, warehouses, roadways, tramways, railways branches or siding, bridges, reservoirs, watercourses, wharves, gas works, electric works, water works, drainage, buildings and erections of every description, telephone works, hotels, clubs restaurants, baths, places of worship, places of amusement, parks, gardens, and other works of amusement, parks, gardens, and other

works and conveniences, and to subsidise, contribute or otherwise assist or take part in doing any of these things and/or to join with any other person or company or with any Government or Governmental authority in doing any of these things.

120. To acquire by grant, purchase, barter, exchange, or otherwise acquire, hold and develop either absolutely or conditionally and either solely or jointly with others and deal in any tracts, or tracts of country lands and estate, houses, farms, water rights, way leaves, and other works, privileges, buildings and hereditaments of any tenure or description and any estate or interest therein, reversionary, absolute contingent or estates for life and any rights over or connected with land, buildings and other property and to develop them for the purposes of residential houses, offices, schools, colleges, shops, mills, factories, or for any other agricultural, industrial, commercial sanitary and similar purposes.
121. To build, buy, lease, hire or otherwise acquire for selling or letting out any lands, buildings and other property and carry on the business as house, land, property and estate agents and to arrange or undertake the sale purchase or advertise for sale or purchase assist in selling or purchasing and find or introduce purchases or vendors of and to manage land buildings and other property and provide all other services in connection with the purchase, sale, lease and acquisition of any land buildings and other properties.
122. To purchase, exchange or otherwise acquire real and personal property of all kinds and in particular, land, oil wells, refineries, mines, mining rights, mineral ores, buildings, machinery plant shares licences, confessions, easement and other rights and privileges, whether for the purposes of resale or realisation or otherwise.
123. To erect, purchase, take on lease or otherwise acquire, estates, forests, plantations and other lands of freehold, leasehold or other tenure cultivated, or waste and in particular lands producing or likely to produce and suitable for planting, cultivation, and mining of any kind and also grants, concessions, rights, options, claims, licences and authorities of any description and in particular, of and over any such lands and any partial joint or other interest therein and either absolutely or optionally or conditionally and to improve work, cultivate, turn to account and otherwise deal with any such lands, grants, concessions, rights options, claims, licences, authorities and interests in such manner as the Directors of the Company may think fit and in particular by clearing cultivating, planting, irrigating, draining, fencing, building, farming and grazing.

124. To carry on the business of leasing, hiring, selling, letting, hire-purchases, and as a hire- purchase finance company carrying on as its business hire-purchase transactions or the financing of such transactions and an equipment leasing company carrying on the business of leasing of equipment or the financing of such activity, and to acquire, provide on lease or on hire-purchase or deferred payment or on other similar basis all types of plant and machineries, industrial and office equipments, appliances, vehicles, land and building, real estates, moveable and immoveable properties and all other assets required for manufacturing, processing, mining transportation, electricity generation, shipping, construction, firefighting, water and waste treatment, pollution, environment control, medical, energy saving, commercial, trading and for other activities.
125. To carry on the business of an Investment Company and to underwrite, sub-underwrite to invest in and acquire and hold sell, buy or otherwise deal either in the name of the Company or in that of any nominee, in shares, stocks, debentures, debenture-stocks, bonds, units, obligations, and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities or Public Authorities or Bodies and shares, stocks, debentures, debenture-stocks, bonds, units, obligations and securities issues or guaranteed by any Company, corporation, forum or person whether incorporated or established in India or elsewhere.
- #125A To subscribe for, purchase, acquire, take and hold by payment, exchange or otherwise, shares, stocks, debentures or securities of any company carrying on any business which can conveniently or advantageously be combined with the business of the Company and to sell, transfer or dispose of any such shares, stocks, debentures or securities of any such company and to subsidise or assist any such Company.
126. To carry on the business of waterproofers and manufacturers of India rubber, leather, limitation leather, leather cloth, plastics, oil cloth, linoleum, tarpauline, hospital sheetings and surgical bandages, groundsheets, and also to manufacture and deal in rubber and latex products, and rubber compounds and chemicals, chlorinated rubber products, synthetic rubber and plastic varnishes, dopes, celluloid and cellulose bearing compositions, rubber aprons, caps, and all other rubber components and parts.

127. To carry on the business of finance and providing financial assistance and services of all types and kinds including merchant banking, bill discounting, portfolio management, financial, investment and management consultants and advisors, trade finance, project finance, factoring, loan syndication, to borrow, to lend, to negotiate loans, to promote, organize, procure and give financial or other assistance in India or abroad, to carry on the business of leasing, hiring, selling, letting, hire-purchases, and as a hire purchase finance company, to carry on the business of a company established with the object of financing industrial enterprises within the meaning of the Companies Act, 1956, brokers dealers and agents in securities, bullion, precious metals and foreign exchange, and to carry on the business as trustees, custodians, executors, administrators, receivers, liquidators, and treasurers.
 128. To act as commission agents, buying agents, selling agents, sub-contractors, brokers, factors, adatas, delcedre agents in pursuance of the main object of the company.
 129. To engage in the business of developing, maintaining or operating infrastructure facilities, including road, highway, bridge, airport, port, rail system, a water supply project, irrigation project, sanitation and sewerage system, or a project for providing telecommunication services, or a project for housing, or any other public facility of a similar nature.
- #129A a. To prospect, explore, acquire, develop, operate and/ or maintain coal or any other mineral mines by purchase, lease, license, grant or otherwise in India or abroad and to mine, quarry or beneficiate coal or other minerals and their byproduct/s including manufacture of coke or other minerals and to produce, acquire, store, process, refine, transport, distribute, supply, sell, market, import, export and / or trading in (whether as principal or agent) all forms of minerals including coal and their byproduct/s in India or abroad (together the “Mineral Product/s”).
- b. To install / set-up, participate in installing / setting-up, acquire, dispose of, operate and/ or maintain all necessary plants, terminals, equipments, mines, establishment, works, etc. and infrastructure/ facilities for exporting, receiving, processing, storing, transporting, distributing, supplying Mineral Product/s through vessels, conveyor belt system or any other mode of transportation and / or other related facilities in India or abroad for Mineral Product/s and to carry on the above business for its own Mineral Product/s or for any other companies.

- c. To take on lease, charter, affreightment, hire and let out for hire or chartering or affreightment and otherwise acquire, own, obtain possession of and use, operate, maintain and dispose of and employ or turn to account ships, barges, tugs, launches, boats and vessels of all kinds for transportation of its own Mineral Product/s or for any other companies to, from or within India or any other country and to provide services to other companies in the nature of accounting and financial management support, project management, construction supervision and technical advisory services in respect of infrastructure business of Mineral Product/s.
130. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them, in any part of the world, and as principals agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others, and so that the word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in India or elsewhere, and the intention is that the objects set forth in each of several paragraphs of this clause shall have the widest possible construction, and shall be in no wise, limited or restricted by reference to or inference from the terms of any other paragraph of this clause or the name of the Company.

IV.

The liability of the Members is limited.

~~*V~~

~~The Authorised Share Capital of the Company is Rs. 20,000,000,000/- (Rupees Two Thousand Crore only) divided into 2,000,000,000 (Two Hundred Crore only) Equity Shares of Rs. 10/- (Rupees Ten) each.~~

~~The shares in the capital of the Company for the time being, whether original, increased or decreased, may be divided into several classes with any preferential, qualified or other special rights, privileges, conditions or restrictions attached thereto, whether in regard to dividend, voting, return of capital or otherwise. The Company shall have power to issue redeemable preference shares.~~

~~The rights of the holders of any class of shares forming part of the capital for the time being of the Company may be modified, affected, varied, extended, surrendered, or abrogated in such manner as is, or may be, provided by the Articles of Association of the Company as originally registered or as altered from time to time.~~

V.*⁴

The Authorised Share Capital of the Company is Rs. 4370,00,00,000 (Rupees Four Thousand Three Hundred and Seventy Crore Only) divided into 437,00,00,000 (Four Hundred Thirty Seven Crore Only) equity shares of Rs. 10/- each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to affect, vary, extended, modify, surrender or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force.

***4 Substituted on 1st October, 2015 effective from 1st April, 2014, pursuant to the Order No. O/31042-31044/2015 of the Hon'ble High Court of Gujarat dated 13th August, 2015, passed in the matter of Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited and their respective Shareholders and the Creditors.**

We, the several persons whose names and addresses are subscribed hereto, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Sr. No.	Names, addresses, descriptions, occupation and signature of subscribers	Number of Equity shares taken by each subscriber	Signature, name, address, description and occupation of the witness
1.	<p>Sudhir Mehta S/o Uttamlal Mehta 'AKALPYA', Nr. Karnavati Club, S. G. Highway, Ahmedabad - 380 054</p> <p>Industrialist Sd/- Sudhir Mehta</p>	5,000 (Five Thousand)	<p>Common witness for Both Subscribers</p> <p>Jayesh Desai S/o. Narendra Desai Torrent House, Off. Ashram Road, Ahmedabad - 380 009</p> <p>Chartered Accountants MEM. NO. 33795 Sd/- Jayesh Desai</p>
2.	<p>Samir Mehta S/o. Uttamlal Mehta 'AKALPYA', Nr. Karnavati Club, S. G. Highway, Ahmedabad - 380 054</p> <p>Industrialist Sd/- Samir Mehta</p>	5,000 (Five Thousand)	
	Total	10,000 (Ten Thousand)	

Place : **Ahmedabad**

Dated this **26th** day of **April, 2004.**

ARTICLES OF ASSOCIATION

COMPANY LIMITED BY SHARES

(Incorporated under the Companies Act, 1956)

ARTICLES OF ASSOCIATION OF TORRENT POWER LIMITED

This Articles of Association was adopted pursuant to the members' resolution passed at the Annual General Meeting of the Company held on 4th August, 2015 in substitution for, and to the entire exclusion of, the extant Articles of Association of the Company.

TABLE F EXCLUDED

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| 1. | a. | The regulations contained in Table "F" in the Schedule I to the Companies Act, 2013 (Table 'F'), as are applicable to a public company limited by shares, shall apply to the Company, so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there is no specific provision in these Articles. In case of any conflict between the provisions of these Articles and Table 'F', the provisions of these Articles shall prevail. | Table 'F' not to apply |
| | b. | The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. | Company to be governed by these Articles |

INTERPRETATION

2. I. In the interpretation of these Articles, unless repugnant to the subject or context: –
- a) “Act” means the Companies Act, 2013 and the rules made there under or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. **Act**
 - b) “Articles” means these Articles of Association of the Company or as altered from time to time. **Articles**
 - c) “Board of Directors” or “Board” means the Directors of the Company collectively including acting by circular under these Articles and shall include Committees thereof **Board of Directors or Board**
 - d) “Beneficial Owner” shall mean beneficial owner as defined in the Depositories Act, 1996. **Beneficial Owner**
 - e) “Company” means Torrent Power Limited. **Company**
 - f) “Depositories Act” means the Depositories Act, 1996 and shall also include rules made thereunder, if any, and any statutory modifications or re-enactment thereof for the time being in force. **Depositories Act**
 - g) “Depository” shall mean a Depository as defined under the Depositories Act. **Depository**
 - h) “Director” means a director appointed to the Board of the Company. **Director**
 - i) “Executor” or “Administrator” means a person who has obtained probate or Letters of Administration, as the case may be, from a competent Court, and shall include the holder of a succession certificate authorising the holder thereof to negotiate or transfer the shares of the deceased members and shall also include the holder of a certificate

granted by the Administrator- General of any State in India.

- j) "In writing" or "written" means and includes words printed, lithographed, represented or reproduced in any mode in a visible form and shall also include e-mail, and any other form of electronic transmission. **In Writing or Written**
 - k) "Legal Representative" means a person who in law represents the estate of a deceased Member. **Legal Representative**
 - l) "Meeting" or "General Meeting" means a meeting of Members held in accordance with the Act. **Meeting or General Meeting**
 - m) "Office" means the registered office for the time being of the Company and with respect to the keeping and inspection of registers and returns and other matters mentioned in the Act and includes any other place as prescribed by the Act. **Office**
 - n) "Seal" means the common seal of the Company; **Seal**
 - o) "Securities" shall mean securities as defined under the Securities Contracts (Regulation) Act, 1956, or any modifications or re-enactments thereof for the time being in force and includes hybrids. **Securities**
 - p) "Shareholder" or "Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and the Beneficial Owner, whose name is recorded as such with the Depository. **Shareholder or Member**
- II.
- a) Words importing the singular number include where the context admits or requires the plural number and *vice-versa* and words importing the masculine gender also include the feminine and neuter genders. **Singular/ Plural and Gender**
 - b) The headings and marginal notes hereto are inserted for convenience only and shall not affect **Headings**

the construction hereof.

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| III. | Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act. | Expressions in the Articles to bear the same meaning as in the Act |
| IV. | The Company shall, on being so required by a Member, send to him a requested copy of the Memorandum of Association, Articles and/or resolutions altering Memorandum of Association and Articles of the Company within prescribed time and subject to the payment of fee as may be specified in the Act. | Copies of the Memorandum and Articles to be furnished |

SHARE CAPITAL & VARIATION OF RIGHTS

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| 3. | The Authorised Capital shall be as stated in the Clause V of the Memorandum of Association of the Company with power to the Board, subject to applicable statutory provisions, to re-classify, subdivide, consolidate or increase and with power from time to time, to issue any share of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions as may be, thought fit and upon the sub-division of shares to apportion the right to participate in any manner as between the share resulting from such sub-division. | Authorised Capital |
| 4. | Except in so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise in all respects as if it had been the original capital. | New capital same as existing capital |
| 5. | Subject to the provisions of the Act and these Articles, the shares in the capital of the Company (including any shares forming part of any | Shares at the disposal of Board |

increased capital of the Company) shall be under the control of the Board which may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions, either at a premium or at par and at such time as it may, from time to time, think fit.

6. The Company may issue sweat equity shares in accordance with the provisions of the Act or any other applicable laws. **Sweat Equity Shares**
7. The Company may issue Global Depository Receipts in any foreign country in accordance with these Articles, the Act and other applicable laws. **Global Depository Receipts**
8. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. **Board may issue/allot shares otherwise than in cash**
9. The Company may have the following kinds of share capital in accordance with these Articles, the Act, and other applicable laws: **Kinds of Share Capital**
 - i. Equity share capital:
 - a) with voting rights; and / or
 - b) with differential rights as to dividend, voting or otherwise in accordance with the Act; and
 - ii. Preference share capital
10. If and whenever as a result of issue of new or further shares or any consolidation or subdivision of shares or otherwise, any shares held by members become fractional shares, all such fractional entitlements shall be consolidated into whole shares and be allotted to such person, persons or entities (including one or more of the **Fractional Shares**

Directors and/or officers) as may be nominated by the Board as trustee(s) for sale thereof, in open market through Securities and Exchange Board of India registered share broker at such price as may be approved by such trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements.

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| 11. | The Premium received on issue of any Securities shall be dealt with in the manner as prescribed under the Act. | Premia received on Securities |
| 12. | <p>a) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation(in case of subscribers to the memorandum) or after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide, -</p> <p>i. one certificate for all his shares or several certificates, each for one or more of his shares, in marketable lot, without payment of any charges; or</p> <p>ii. several certificates, each for one or more of his shares, not in marketable lot, upon payment of twenty rupees or such charges as may be fixed by the Board for each certificate after the first.</p> <p>b) Every certificate shall have distinctive number and shall be issued under the Seal, if any, and shall specify the shares to which it relates and the amount paid – up thereon and shall be in such form as may be prescribed and approved by the Board.</p> <p>c) In respect of any shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of share certificate to one of several joint holders shall be sufficient delivery to all such holders.</p> | <p>Issue of Share Certificate</p> <p>Form of Certificate</p> <p>One certificate for shares held jointly</p> |

- d) If any certificate is lost or destroyed or defaced, mutilated or torn or has no further space on the back thereof for endorsement of transfers then in case of a lost or destroyed certificate upon proof to the satisfaction of the Board as to its loss or destruction and on such indemnity as the Board deem adequate being given and in other cases, upon surrender of the certificate to the Company, a new certificate in lieu thereof shall be given to the person entitled to such certificate. Any new or renewed certificate may be marked as such. The out of pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company. No fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been utilised fully.
- Where a new certificate has been issued as aforesaid, particulars of every such certificate shall be entered in a register of Renewed and Duplicate Share Certificates indicating against the name of the person to whom the certificate is issued. All entries made in the said Register shall be authenticated by the company secretary or Chief Financial Officer or such other person as may be authorised by the Board.
- e) The Board may, subject to the provisions of the Act, accept the surrender of any share from or by any shareholder desirous of surrendering those on such terms as they think fit.
- f) A person subscribing to shares offered by the Company shall have the option either to receive certificate for such shares or hold such shares in a dematerialized form with the Depository. Where a person opts to hold any share with the Depository, the Company shall intimate such Depository the details of allotment of the share to enable the Depository to enter in its records, the name of such person as the Beneficial Owner of that share.

Issue of new certificate in place of the one defaced, lost, destroyed, etc.

Surrender of share certificates

Option to receive share certificate or hold shares with Depository

13. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing shares, rematerialize its shares held in the Depositories and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act.
- Company entitled to dematerialize/re-materialise its shares**
14. Save as herein or by laws otherwise expressly provided, the Company shall be entitled to treat the registered holder/Beneficial Owner of any share as the absolute owner thereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognize any benami trusts whatsoever or equitable, contingent, future, partial or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.
- Beneficial owner deemed as absolute owner**
15. Subject to the provisions of the Act, any debentures, debenture-stock, bonds or other Securities may be issued at a discount, premium or otherwise, and on condition (with the consent of the Company in General Meeting) that they may have a right to allotment of or be convertible into shares of any denominations, and with any special privileges and conditions as to redemption (or being irredeemable), surrender, drawings, re-issue, attending at General Meeting of the Company, appointment of Directors, and otherwise, provided that no debentures, debenture stock, bonds or other securities may be issued carrying voting rights.
- Terms of issue of debentures, etc.**
- Further, the Company shall have power to reissue redeemed debentures in certain cases as provided in the Act.
- A contract with the Company to take up and pay any debentures of the Company may be enforced by a decree for specific performance by the Company.
- The Company shall comply with the provisions of

appointment of Debenture Trustees, creation of Debenture Redemption Reserve and other applicable provisions of the Act or as may be specified by any other applicable law pertaining to issue and redemption of debentures.

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| 16. | a) | The Company may exercise the powers of paying commission conferred by the Act or any other applicable law, to any person in connection with the subscription of any securities, provided that the commission paid or agreed to be paid shall be disclosed in the manner required by the Act or any other applicable law. | Power to pay commission in connection with securities issued |
| | | The Company shall not pay any commission to any underwriter on securities which are not offered to public for subscription. | |
| | b) | The rate or the amount of the commission shall not exceed the rate or amount prescribed in the Act or any other applicable laws. | Rate of commission in accordance with Act |
| | c) | The commission may be satisfied by the payment of cash or in shares or any other Security (whether fully paid or otherwise) or in any combination thereof. | Mode of payment of commission |
| | d) | Nothing in this clause shall affect the power of the Company to pay such brokerage as it may consider reasonable. | Payment of Brokerage |
| 17. | a) | If at any time the share capital is divided into different classes of shares, all or any rights and privileges attached to any such class (unless otherwise provided by the terms of issue of the shares of that class) may be varied, in accordance with the provisions of the Act, and whether or not the Company is being wound up. | Variation of Member's rights |
| | b) | The rights conferred upon the holders of the shares of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of | Issue of further shares not to affect rights of existing members |

held in electronic form so far as they apply to shares in physical form however, subject to the provisions of the Depositories Act.

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| 22. | The provisions of these Articles relating to Share Capital and Variation of Rights thereon shall <i>mutatis mutandis</i> apply to debentures and other securities of the Company, as applicable | Provisions to apply mutatis mutandis to debentures, etc. |
| 23. | The Board shall comply with such Rules or Regulations or requirements of any Stock Exchange or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable for the purpose of these Articles. | Board to comply with applicable regulations |

LIEN

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| 24. | a) | The Company shall have a first and paramount lien upon all the shares not being fully paid-up shares, registered in the name of each member (whether held solely or jointly) and upon the proceeds of sale thereof, for all moneys from time to time due or payable (whether presently payable or not) by him to the Company for calls made and all amounts or installments payable as provided by these Articles in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that these Articles is to have full effect. | Company's lien on shares |
| | | Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. | |
| | b) | The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. | Lien to extend to dividends, Bonus etc. |
| | c) | Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien. | Waiver of lien in case of registration |

25. a) The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: **Enforcing lien by sale**
- Provided that no sale shall be made—
- i. unless a sum in respect of which the lien exists is presently payable; or
 - ii. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
- b) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. **Board may authorize**
- c) The purchaser shall be registered as the holder of the shares comprised in any such transfer. **Purchaser to be registered holder**
26. a) The receipt by the Company of the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. **Validity of Company's receipt**
- b) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. **Purchaser's title not affected**
27. The proceeds of sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue (if any) shall, subject to a like lien for sums not presently **Application of proceeds of sale**

payable as existed upon the shares before the sale, be paid to the person entitled to the shares on the date of the sale.

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| 28. | In exercising its lien, no equitable interest in any shares shall be created except on the footing and condition that Article 14 hereof is to have full effect. | Outsider's lien not to affect Company's lien |
| 29. | The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions to apply mutatis mutandis to debentures, etc. |

CALLS ON SHARES

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| 30. | a) | The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. | Board may make calls |
| | | <p>Provided that no call shall exceed such amount of the nominal value of the share as may be prescribed under the Act or be made payable within such period or further period as may be prescribed under the Act or any other applicable law.</p> | |
| | b) | <p>All calls shall be made on a uniform basis on all shares falling under the same class.</p> <p>Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.</p> | Calls on shares of same class to be on uniform basis |
| | c) | Each member shall, subject to receiving at least fourteen days' notice specifying the time and place of payment pay to the Company, at the time and place so specified, the amount called on his shares. | Notice of call |
| | d) | A call shall be deemed to have been made at the | Call to take effect from |

	time when the resolution of the Board authorising the call was passed and may be made payable (including in instalments) by the members on a subsequent date or dates to be fixed by the Board.	the date of resolution
	e) The Board may from time to time at its absolute discretion extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances but no member shall be entitled to such extension save as a matter of grace and favour.	Board may extend time for payment
	f) A call, before the time for payment of such call, may be revoked or postponed at the discretion of the Board.	Revocation or postponement of call
31.	a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate of interest as may be fixed by the Board.	When interest on call or installment payable
	b) The Board shall be at liberty to waive payment of any such interest wholly or in part.	Board may waive interest
32.	a) Any sum which by the terms of issue of shares becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, such sum becomes payable.	Sums deemed to be calls
	b) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Effect of nonpayment of sums
33.	The Board –	Payment in anticipation of calls

- i. may, if it thinks fit, receive from any member willing to advance all or any part of the monies uncalled and unpaid upon any shares held by him; and
- ii. upon all or any of the monies so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate of interest as may be fixed by the Board.

Nothing contained in this Article shall confer upon the member (i) any right to participate in profits or dividends or (ii) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

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| 34. | If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the Legal Representative. | Installments on shares to be duly paid |
| 35. | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. | Partial payment not to preclude forfeiture |
| 36. | On the trial or hearing of any action or suit brought by the Company against any member or his Legal Representatives to recover any moneys claimed to be due to the Company for any call or other sum in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of | Proof on trial or suit |

Members as the holder, or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered, and that the amount claimed is not entered as paid in the books of the Company or the Register of Members and that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his Legal Representatives sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Director(s) who made such call, nor that a quorum of Directors was present at the meeting of the Board at which such call was made, nor that the meeting at which such call was made duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debts, and the same shall be recovered by the Company against the member or his representatives from whom the same is sought to be recovered unless it shall be proved, on behalf of such member or his representatives against the Company that the name of such member was improperly inserted in the register, or that the money sought to be recovered has actually been paid.

37. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Provisions to apply mutatis mutandis to debentures, etc.

FORFEITURE OF SHARES

38. a) If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on or before the day appointed for payment of the same or any such extension thereof or any interest due on such call or installment or any expenses that may have been incurred thereon, the Board may, at any time thereafter, during such time as any part of the call or installment or interest or expense remains unpaid or a

If call or instalment not paid notice must be given

judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice in the manner hereinafter provided, on such member or his heir, Administrator, Executor, assignee or if none be known to the Company, then by advertisement requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

For the purposes of the provisions of these Articles relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the date of allotment.

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| b) | The notice aforesaid shall - | Form of notice |
| | <ul style="list-style-type: none"> i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. | |
| c) | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. | In default of payment, shares to be forfeited |
| d) | When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture or to any of his Legal Representatives, or to any of the persons entitled to the share by transmission and an entry of the forfeiture with the date thereof, shall forthwith be | Notice after forfeiture |

made in the register of members but no forfeiture shall in any manner be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

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| e) | A duly verified declaration in writing that the declarant is a Director, the manager or the company secretary or the Chief Financial Officer of the Company, and that the shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. | Certificate of forfeiture | |
| 39. | a) | The forfeiture of a share shall involve extinction, of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved. | Effect of forfeiture |
| | b) | Any share so forfeited shall be deemed to be the property of the Company and the Board may, in its absolute discretion, sell, re-allot or otherwise dispose of the same, either to the original holder thereof or to any other persons, on such terms and in such manner as the Board may think fit. | Forfeited shares to become property of the Company and may be sold, etc. |
| 40. | | The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit. | Power to annul forfeiture |
| 41. | a) | A member whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares | Members still liable to pay money owing at the time of forfeiture |
| | b) | All such monies payable shall be paid together with interest thereon at such rate as the Board | Member still liable to pay money |

- may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
- owing along with interest**
- c) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares
- Cessation of liability**
42. a) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof.
- Title of purchaser and transferee of forfeited shares**
- It is hereby clarified that the person to whom such share is sold, re-allotted or disposed of may not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.
- b) Upon any sale after forfeiture, in purported exercise of the powers herein before given, the Board may authorise some person or persons to execute an instrument of transfer of the shares sold.
- Validity of sales**
- Upon any such sale after forfeiture in purported exercise of powers the Board shall cause the purchaser's name to be entered in the Register in respect of the shares sold and shall issue to the purchaser a certificate in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any

person aggrieved by the sale shall be in damages only and against the Company exclusively.

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| c) | The purchaser shall thereupon be registered as the holder of the share comprised in such transfer. | Purchaser to be registered as holder |
| d) | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the Certificate , if any, originally issued in respect of the forfeited shares shall (unless the same, on demand by the Company, has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect. Where any Shares under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such Shares, the Board may issue a new certificate for such Shares distinguishing it in such manner, as it may think fit, from the certificate not so delivered. | Cancellation of share certificate in respect of forfeited shares |
| 43. | The provisions of these Articles relating to forfeiture shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions to apply mutatis mutandis to debentures, etc. |

TRANSFER OF SHARES

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| 44. | The Company shall keep a book called the 'Register of Transfers' and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares of the Company. | Register of Transfer |
| 45. | The instrument of transfer of any share shall be as prescribed under the Act. | Instrument of transfer |
| 46. | No transfer shall be registered unless the instrument of transfer of any share duly executed by or on behalf of both the transferor and transferee is delivered to the Company. | Instrument of transfer to be executed by transferor and transferee |
| | The transferor shall be deemed to remain a holder of the share until the name of the transferee is | |

entered in the register of members in respect thereof.

47. The Board may in its absolute and uncontrolled discretion decline to recognise any instrument of transfer unless –
- Board may decline to recognize instrument of transfer**
- i. the instrument of transfer is duly executed and is in the form as prescribed in the Act;
 - ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - iii. the instrument of transfer is in respect of only one class of shares.
48. a) The Board may, subject to the right of appeal conferred by the Act, decline to register the transfer of a share –
- Board may refuse to register transfer**
- i. not being a fully paid share, to a person of whom they do not approve; or
 - ii. on which the Company has a lien.
- b) The Board shall not issue or register a transfer of any shares to a minor (except in case when they are fully paid) or insolvent person or person of unsound mind.
- No transfer to minor, etc.**
- c) Subject to the power of the Board stated in these Articles, transfer of Shares, in whatever lot should not be refused. However, the Company may refuse to split a Share Certificate into several scrips of very small denominations or to consider a proposal for transfer of Shares comprised in a Share Certificate to several parties, involving such splitting if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need or not of a marketable lot.
- Board may refuse any application for split or consolidation of Certificate (s)**

49.

Where the proper instrument of transfer is not received by the Company within a period of two months from the date on which the instrument is dated, the Board may at its sole discretion be entitled to seek such documentation including indemnities as it may deem fit, from both the transferor and transferee, or from the person who has lodged the same for transfer, and the Board may at its sole discretion be entitled to give effect to the transfer on receipt of such documentation and indemnities (save where an order of a competent court is produced, the Board shall then give effect to the transfer).

**Where
proper
instrument
of transfers
not received
by the
Company**

If the Company refuses to register the transfer of any shares, the Company shall, within one month from the date on which the instrument of transfer is lodged with the Company, send to the Transferee and the Transferor notice of the refusal.

Nothing in this Article shall prejudice any power of the Company to register as Shareholder any person to whom the right to any share has been transmitted by operation of law.

Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

50.

A certification by the Company of any instrument of transfer of shares shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents, as on the face of them show a *prima facie* title to the shares in the transferor named in the instrument of transfer but not as a representation that the transferor has any title to the shares.

**Certificate of
transfer**

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| 51. | All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Board may decline to register shall, on demand, be returned to the person depositing the same. The Board may, subject to the applicable statutory provisions, cause to be destroyed all transfer deeds lying with the Company after such periods as it may determine. | When transfer to be retained |
| 52. | The Board may, after giving due notice, close the Register of Members or any other Register of security holder for any period in accordance with the Act and other applicable law. | Closure of transfer books |
| 53. | Notwithstanding anything contained herein, in the case of transfer of shares where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply. | Shares in fungible form |
| 54. | The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions to apply mutatis mutandis to debentures, etc. |

TRANSMISSION OF SHARES

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| 55. | a) On the death of a member the survivor or survivors where the member was a joint holder, and his nominee or nominees or Legal Representatives where the member was a sole holder, shall be the only person or persons recognised by the Company as having any title to his interest in the shares. | Title to shares on death of a member |
| | b) Provided however that, nothing herein contained shall be taken to release the estate of deceased joint holder from any liability on shares held by him jointly with any other person. | Estate of deceased member liable |
| 56. | a) Any person becoming entitled to a share in consequence of the death, lunacy, liquidation or insolvency of a member may, upon such evidence | Transmission Clause |

being produced as may from time to time be required by the Board and subject as hereinafter provided, elect, either -

- i. to register himself as holder of the share; or
- ii. to make such transfer of the share as the deceased or lunatic or insolvent member could have made.

A transfer of the share or other interest in the Company of a deceased member thereof made by his Legal Representative shall, although, the Legal Representative is not himself a member be as valid as if he had been a member at the time of effecting the transmission.

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| b) | A person becoming entitled as above be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled to exercise any right conferred by membership in relation to Meetings of the Company. | Claimant to be entitled to same advantage |
| 57. a) | If the person so becoming entitled shall elect to register himself as holder of the share, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. | Intimation of election |
| b) | If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. | Manner of testifying election |
| <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within forty five days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p> | | |
| 58. | Every transmission of share shall be verified in such manner as the Board may require and the | Evidence of transmission to be verified |

Company may refuse to register any such transmission until the same be so verified or until and unless an indemnity be given to the Company with regard to such registration which the Board in its discretion shall consider sufficient; provided nevertheless that there shall not be any obligation on the Company or the Board to accept an indemnity.

59. a) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or lunacy or liquidation or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. **Limitations applicable to notice**
- b) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof (as shown or appearing on the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest, or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to attend or give effect to any such notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit. **Company not liable for disregard of notice prohibiting registration of transfer**
60. a) The Board shall, subject to the provisions contained herein, have the right to refuse to **Board's right to refuse to register**

register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in an ordinary transfer presented for registration.

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| b) | The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or lunatic or insolvent member had transferred the share before his death or insolvency. | Board's right unaffected |
| c) | The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer. | Indemnity to the Company |
| 61. | No fee shall be payable to the Company in respect of the transfer or transmission of Shares. | No fee on transfer or transmission |
| 62. | Notwithstanding anything contained herein, in the case of transmission of shares where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply. | Shares in fungible form |
| 63. | The provisions of these Articles relating to transmission shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions to apply mutatis mutandis to debentures, etc. |

ALTERATION OF CAPITAL

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| 64. | The Company may, from time to time, subject to the provisions of the Act, increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. | Power to increase share capital |
| 65. | a) Subject to the provisions of the Act, the Company may, — | Ways to alter Capital |
| | i. consolidate and divide all or any of its share capital into shares of larger amount than its | |

- existing shares;
 - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;
 - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - iv. cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person.
66. a) Where shares are converted into stock: **Transfer of stock**
- the holders of stock may transfer the same or any part thereof in the same manner as, and subject to these Articles under which, the shares from which the stock arose might, before the conversion, have been transferred or as near thereto as circumstances admit.
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at Meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; **Right of stockholders**
- c) Such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "Share" and "Shareholder"/"Member" shall include "stock" and "stock-holder" respectively. **Provisions to apply mutatis mutandis to stock**
67. The Company may, from time to time, as prescribed by the Act and subject to such **Reduction of capital**

consents as may be required under any other law for the time being in force, reduce in any manner:

- i. its share capital; and/or
- ii. any capital redemption reserve account; and/or
- iii. any securities premium account; and/or
- iv. any other reserves in the nature of share capital.

JOINT HOLDERS

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| 68. | a) | Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the provisions contained in these Articles. | Joint holders |
| | b) | Any one of two or more joint-holders may vote at any Meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any Meeting personally or by proxy or by attorney, then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof | Vote of joint holders |
| | c) | The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share. | Liability of Joint holders |
| 69. | a) | On the death of any one or more of such joint-holders, the survivor shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit. | Death of any joint-holder |
| | b) | Nothing in Article a) above shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with any other person. | Estate of deceased member liable |

70. a) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders. **Delivery of certificate and giving of notice to first named holder**
- b) If any shares stand in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the company except voting at the Meeting and the transfer of shares be deemed the sole holder thereof. **The first named of joint holders deemed sole holder**
71. Several Executors or Administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Article be deemed to be joint-holders. **Executors or Administrators deemed to be joint holders**
72. The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names. **Provisions to apply mutatis mutandis to debentures, etc.**

CAPITALISATION OF PROFITS

73. a) The Company, may in accordance with the provisions of the Act, resolve— **Capitalisation of profits**
- i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- ii. that such sum be accordingly set free for distribution in the manner specified in Article b) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.

b)	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article c) below, either in or towards—	Sum how applied
	<ul style="list-style-type: none"> i. paying up any amounts for the time being unpaid on any shares held by such members respectively; ii. paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; iii. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii); 	
c)	A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares or other securities as permissible under the Act.	Application of reserves
d)	The Board shall give effect to the resolution passed by the Company in pursuance of this Article.	Board to give effect
74.	<ul style="list-style-type: none"> a) Whenever such a resolution as aforesaid shall have been passed, the Board shall - <ul style="list-style-type: none"> i. make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and ii. generally do all acts and things required to give effect thereto. 	Powers of the Board for capitalization
	<ul style="list-style-type: none"> b) The Board shall have full power— <ul style="list-style-type: none"> i. to make such provisions, by the issue of fractional certificates or coupons, by payment in cash , by vesting of any shares, certificates, 	Board's power to issue fractional Certificate, coupon, etc.

coupons or cash in trustees or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and also

- ii. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- c) Any agreement made under such authority shall be effective and binding on all such members.

**Agreement
binding on
Members**

WARRANTS

- 75. The Company may issue warrants on preferential basis pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any statutory modifications or re-enactment thereof.

**Issue of
Warrants**

BUY-BACK OF SHARES

- 76. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities whether or not there is any consequent reduction of Capital. If and to the extent permitted by Law, the Company shall also have the power to re-issue the shares so bought back.

**Buy-back of
shares**

GENERAL MEETINGS

- 77. The Company may convene annual General Meeting from time to time in accordance with the

**Annual
General Meeting**

provisions of Act.

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| 78. | a) | All General Meetings other than annual General Meeting shall be called extraordinary General Meeting. | Extraordinary General Meeting |
| | b) | <p>The Board may, whenever it thinks fit, convene an extraordinary General Meeting.</p> <p>If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a Meeting may be called by the Board.</p> | Powers of Board to call extraordinary General Meeting |
| | c) | <p>The Board shall, on the requisition of prescribed number of members of the Company, forthwith proceed duly to call an Extraordinary General Meeting in accordance with the provisions of the Act.</p> <p>Provided that such requisition may consist of several documents in like form, each signed by all the requisitionists or by a requisitionist duly authorised in writing by all other requisitionists on their behalf or by sending an electronic request attaching therewith a scanned copy of such duly signed requisition.</p> | Requisition by members |

PROCEEDINGS AT GENERAL MEETINGS

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| 79. | a) | No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the Meeting proceeds to business. | Presence of Quorum |
| | b) | <p>Save as otherwise provided, the quorum for a General Meeting shall be as provided in the Act.</p> <p>When more than one of the joint holders of a share is present, only one of them shall be counted for ascertaining the quorum.</p> | Quorum for General Meeting |

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| 80. | a) | The Chairperson of the Board shall be entitled to preside as Chairperson at every General Meeting of the Company. | Chairperson of the Meetings |
| | b) | If there is no such Chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for holding such Meeting, or is unwilling to act as chairperson of the Meeting, the Directors present shall elect one of their members to be Chairperson of the Meeting. | Directors to elect a Chairperson |
| | c) | If at any Meeting no Director is willing to act as Chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the Meeting, the members present shall choose one of their members to be Chairperson of the Meeting thereof . | Members to elect a Chairperson |
| 81. | | No business shall be discussed or transacted at any General Meeting, except the election of Chairperson, whilst the chair is vacant. | When chair vacant business confined to election of Chairperson |
| 82. | | Unless a poll be demanded or voting is carried out electronically, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the said fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution. | Chairperson's declaration conclusive |
| 83. | | On any business at any General Meeting, in case of an equality of votes, whether on a show of hands or on poll (if any) or electronically, the Chairperson shall have a second or casting vote. | Casting vote of Chairperson at General Meeting |
| 84. | | The Board may in its absolute discretion, on giving not less than 7 (seven) clear days' notice in accordance with these Articles, postpone or cancel any Meeting of members except a Meeting called pursuant to members requisition. | Postponement or cancellation of Meeting |

85. a) The Company shall cause minutes of the proceedings of every General Meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Act and kept by making within prescribed number of days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. **Minutes of proceedings of Meetings and resolutions passed by postal ballot**
- b) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the Meeting -
 i. is, or could reasonably be regarded, as defamatory of any person; or
 ii. is irrelevant or immaterial to the proceedings; or
 iii. is detrimental to the interests of the Company. **Certain matters not to be included in minutes**
- c) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid Article. **Discretion of Chairperson in relation to Minutes**
- d) The minutes of the Meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. **Minutes to be evidence**
86. a) The books containing the minutes of the proceedings of any General Meeting of the Company or a resolution passed by postal ballot shall be:
 i. kept at the Office of the Company; and
 ii. open to inspection by any member without any charge, during 11.00 a.m. to 1.00 p.m. (provided the office shall otherwise be open for normal inspection) on all working days other than Saturdays. **Inspection of minutes books of General Meeting**
- b) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board or Committee thereof, with a **Members may obtain copy of minutes**

copy of any minutes of General Meeting.

Provided that a member who has made a request for a soft copy of the minutes of any previous General Meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

- c) No document purporting to be a report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by the Act to be contained in the Minutes of the proceedings of such Meeting.

Publication of reports of proceedings of General Meeting

87. The Board, and any person(s) authorised by it, may take such action or steps before the commencement of any General Meeting, or any Meeting of a class of members of the Company, as the Board or such person(s) consider appropriate to ensure that the Meeting is conducted in an orderly manner and proper decorum is maintained thereof. Any decision made in good faith under this Article shall be final and conclusive and shall not be called in question.

Orderly conduct of Meetings

ADJOURNMENT OF MEETING

88. a) Subject to the provisions of the Act, the Chairperson may, with the consent of any Meeting at which a quorum is present, and shall, if so directed by the Meeting, adjourn the Meeting from time to time and from place to place.
- b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
- c) When a Meeting is adjourned for thirty days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting.

Chairperson may adjourn the Meeting

Business at adjourned Meeting

Notice of adjourned Meeting

- d) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

Notice of adjourned Meeting not required

VOTING RIGHTS

89. Subject to any rights or restrictions for the time being attached to any class of shares –
- i. on a show of hands, every member present in person shall have one vote; and
- ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
90. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
91. Where a poll is to be taken, the chairperson of the Meeting shall appoint such number of scrutinizer/s who need not be Members of the Company, to scrutinize the poll process, votes casted by poll and to report thereon to him subject to provisions of Act for the time being in force.
- The Chairperson shall have power, at any time before the result of the poll is declared to remove a scrutiniser from office and to fill vacancies in the office of scrutiniser arising from such removal or from any other cause.
92. A member may exercise his vote by electronic means in accordance with the Act and shall vote only once.
93. a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

Entitlement to vote on show of hands and on poll

Business may proceed pending poll

Scrutinizers at poll

Voting through electronic means

Vote of joint holders

Seniority of names

94. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- How members non compos mentis and minor may vote**
- If any member be a minor, the vote in respect of his share or shares shall be made by his guardian or any one of his guardians.
95. Subject to the provisions of the Act and these Articles, any person entitled under the Transmission Clause to any shares may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such Meeting in respect thereof.
- Vote in case of Transmission**
96. No member shall be entitled in respect of any shares registered in his name to be present or to exercise any voting right on any question at any General Meeting or be reckoned in a quorum whilst any call or other sum presently payable to the Company in respect of such shares, remains unpaid or the Company has exercised any right of lien.
- Restriction on voting rights**
97. No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which vote objected to is given or tendered, and every vote not disallowed at such Meeting shall be valid for all purposes.
- No objection can be raised to the qualification of voter**
- Any such objection made in due time shall be referred to the Chairperson of the Meeting, whose decision shall be final and conclusive.
98. Any member whose name is entered in the register of members of the Company shall enjoy
- Equal rights of members**

the same rights and be subject to the same liabilities as all other members of the same class.

99. The Chairperson of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. **Chairperson sole judge of the validity of a vote**

PROXY

100. a) Any member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that Meeting. **Member may vote in person or otherwise**

A Proxy can act on behalf of Members not exceeding such number and holding in the aggregate not more than such percent of the total share capital of the company carrying Voting Rights as may be prescribed by the Act.

- b) No member not personally present shall be entitled to vote on a show of hands unless such member is a Body Corporate present by proxy or by a representative duly authorised under the Act in which case such proxy or representative of a Body Corporate may vote on a show of hands as if he were a member of the Company. **No voting by proxy on show of hands**

101. a) An instrument appointing a proxy shall be in the form as prescribed in the Act. **Form of proxy**
- b) The instrument appointing a proxy shall be in writing and shall be signed by the appointer or his attorney duly authorized in writing. If the appointer is a Body Corporate such instrument shall be under its Seal, if any or be signed by an officer or an attorney duly authorised by it, or by the persons authorised to act as the representative of such Company under the Article. **Instrument of Proxy to be in writing**
- c) Subject to the provisions of the Act, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power of

Proxies when to be deposited

attorney or authority, shall be deposited at the Office of the Company not less than 48 hours before the time for holding the Meeting or adjourned Meeting, as the case may be, at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

- d) If any such instrument of appointment be confined to the object of appointing an attorney or proxy or substitute, it shall remain permanently and for such time, as the Board may determine, in the custody of the Company and if embracing other objects, a copy thereof examined with original shall be delivered to the Company to remain in the custody of the Company.

Custody of instruments of proxy

102. Any instrument appointing a proxy to vote at a Meeting shall be deemed to include the power to demand or join in the demand for a poll on behalf of the appointer, where a poll has not been ordered to be carried out electronically.

Proxy may demand Poll

103. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Validity of votes by proxies

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used.

In case of e-voting, a Member shall be deemed to have exercised his voting rights by himself, even if any other person had voted using the login credentials of that Member.

BOARD OF DIRECTORS

104.	Subject to the provisions the Act, the number of Directors of the Company shall not be <ul style="list-style-type: none"> i. less than three or ii. until otherwise determined by a General Meeting more than the maximum as may be permissible under the Act. 	Number of Directors
105.	The subscribers to the Memorandum of Association and Articles of the Company shall be the first Directors of the Company.	First Directors
106.	It shall not be necessary for a Director to hold any share in the Company to qualify for the office of a Director.	Qualification shares
107.	The Board shall arrange to maintain at the Office of the Company, a Register in the form prescribed under the Act, containing the particulars of Directors and Key Managerial Personnel. It shall be the duty of every Director and other persons regarding whom particulars have to be maintained in such Registers to disclose to the Company any matters relating to himself as may be necessary to comply with the provisions of the Act.	Register of Directors and disclosure by Directors
108.	The Company, subject to provisions of the Act, shall have the power to determine the directors whose period of office shall be liable to determination by retirement of directors by rotation or not.	Directors not liable to retirement by rotation
109. * ⁵	An individual may be appointed or reappointed to, or hold, the position of Chairperson of the Company and also its Managing Director or Chief Executive Officer (as the case may be) at the same time.	Chairperson may be Managing Director or Chief Executive Officer
110.	a) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of Directors
	b) The remuneration payable to the Directors, including any managing or whole-time Director or manager, if any, shall be determined in	Determination of Remuneration

* 5 The Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited and their respective shareholders and creditors, as sanctioned by the Hon'ble High Court of Gujarat vide Order no. O/31042-31044/2015 had, inter-alia, provided for the insertion of new Article 199A in erstwhile Articles of Association upon scheme being effective i.e. 1st October, 2015 w.e.f. the Appointed date i.e. 1st April, 2014; which Articles of Association was entirely substituted with the extant Articles vide special resolution passed at 11th AGM of the Company held on 4th August, 2015. Accordingly, the present Article 109 shall stand inserted effective from 1st April, 2014.

accordance with and subject to the provisions of the Act.

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| c) | In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses incurred by them— | Travelling and other expenses |
| | <p>i. in attending and returning from meetings of the Board or any committee thereof or General Meetings of the Company; or</p> <p>ii. in connection with the business of the Company.</p> | |
| d) | If any Director, being willing shall be called upon to perform extra services, or to make any special exertion for any of the purposes of the Company, the Company in General Meeting or the Board shall, subject as aforesaid, remunerate such Director or where there is more than one such Director all or such of them together either by a fixed sum or by a percentage of profits or in any other manner as may be determined by the Board and such remuneration may be either in addition to or in substitution for the remuneration above provided. | Remuneration for extra services |
| 111. | All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time determine. | Execution of negotiable instruments |
| 112. | Notwithstanding anything to the contrary contained in these Articles, if the terms of agreement provide, so long as any moneys remain owing by the Company to the Company/financial Institutions which has obtained a certificate of registration under section 3(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 or any other Financial institution as may be notified under section 4A of the Finance | Nominee Director |

Corporation or Credit Corporation or to any other Financing Company or body (hereinafter referred to as 'Lenders') out of any loans granted by them to the Company or so long as they continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lenders holds shares in the Company as a result of underwriting or so long as any liability of the Company arising out of any guarantee furnished by the Lenders on behalf of the Company remains outstanding, the Lenders shall have a right to appoint from time to time, any person or persons as Director(s), Whole-time or Non-Whole time, (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s, provided such right ensues from a specific agreement executed by the Company.

The Board of the Company shall have no power to remove from office the Nominee Director/s. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys owing by the Company to the Lenders or so long as the Lenders hold debentures in the Company as a result of direct subscription or private placement or so long as the Lenders holds shares in the Company as a result of underwriting or the liability of the Company arising out of any guarantee is outstanding and Nominee Director/s so appointed shall ipso facto vacate such office immediately the moneys owing by the Company to the Lenders is paid off or of the Lenders ceasing to hold Debenture/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Lenders.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Lenders and shall accordingly be paid by the Company directly to the Lenders. Any expenses that may be incurred by the Lenders or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Lenders or as the case may be to such Nominee Director/s.

Provided also that in the event of the Nominee Director/s being appointed as whole-time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a Whole-time Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

113.

Any Trust deed for securing debentures may if so arranged provide for the appointment from time to time by the Trustees thereof or by the holders of debentures of a person to be a Director of the Company and may empower such Trustees or holders of debentures or debenture stock from time to time to remove any Director so appointed. A Director so appointed under this Article, is herein referred to as 'Debenture Director' and the term Debenture Director means a Director for the time being in office under this Article. *Such*

**Debenture
Director**

Director shall have all the rights and privileges of an ordinary Director of the Company, except in so far as is otherwise provided for herein or by the Trust Deed securing the-Debentures or the deed creating the mortgage, as the case may be. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

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| 114. | a) | Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the directors including additional director shall not at any time exceed the maximum strength fixed for the Board by the Articles. | Appointment of additional Directors |
| | b) | Such person shall hold office only up to the date of the next annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that Meeting subject to the provisions of the Act. | Duration of office of additional Director |
| 115. | a) | The Board may appoint an alternate Director to act for a Director (hereinafter in this Article called "the "Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate Director for an independent Director unless he is qualified to be appointed as an independent Director under the provisions of the Act. | Appointment of alternate Director |
| | b) | An alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. | Duration of office of alternate Director |
| | c) | If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate Director. | Re-appointment provisions applicable to Original Director |

116. a) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board at its meeting. **Appointment of Director to fill a casual vacancy**
- b) The Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated. **Duration of office of Director appointed to fill casual vacancy**

POWERS OF BOARD

117. a) Subject to the provisions of the Act and these Articles the Board shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. **General powers of the Company vested in Board**
- Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act, or in the memorandum of association or Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting.
- Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under the Act or by the memorandum of association or Articles of the Company or otherwise, to be exercised or done by the Company in General Meeting.
- No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- b) Without prejudice to the general and other powers conferred by these Articles but subject however to the provisions of the Act & the restrictions imposed by the provisions of the Act and other applicable laws, it is hereby expressly declared that the Board shall have the following powers: - **Specific Powers to Board**

- i. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock Company carrying on any business which the Company is authorised to carry on in any part of India;
- ii. to purchase, take on lease, for any term or terms, or otherwise acquire any factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent, and subject to such terms and conditions as the Board may think fit; and in any purchase lease or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory and to appoint an occupier within the meaning of the Factories Act;
- iii. to sell from time to time any articles, materials, machinery, plant, stores and other articles and things belonging to the Company as the Directors may think proper;
- iv. to remove all or any of the machinery, plant and other movable property of the Company for the time being in or upon lands, buildings, or premises of the Company to other lands, buildings, or premises;
- v. At their discretion to pay for any property right or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company or its uncalled capital or not so charged;
- vi. to make advances and loans without any security, or on such security as they may think proper and to take security for already existing debts, and otherwise to invest and

deal with any of the moneys of the Company not immediately required for the purpose thereof in Government or Municipal securities, fixed deposits in banks and in such other manner as they may think fit and from time to time vary or realise such investments, and for the purpose aforesaid to authorise such persons within limits to be fixed from time to time by the Board.

- vii. to secure the fulfillment of any contracts or engagements entered in to by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as they may think fit;
- viii. to accept from any member so far as may be permissible by law, surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- ix. to appoint any person or persons (whether incorporated or not incorporated) to accept and hold in trust for the Company, any property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustees;
- x. to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or allow time for payment or satisfaction of any debts due and of claims or demands by or against the Company to arbitration and observe and perform any awards made thereon.
- xi. to act on behalf of the Company in all matters relating to bankrupts and insolvents.
- xii. to make and give receipts, releases and other discharges for moneys or properties payable or transferred to the Company and for the claims and demands of the Company.
- xiii. to invest and deal with any moneys of the Company not immediately required for

purpose thereof upon such security or without security and in such manner as the Board may think fit and from time to time to vary such investments.

- xiv. to open current overdraft, cash credit and fixed deposit accounts with any bank, company, firm or individual and to operate thereon, whether in India or outside;
- xv. to execute in the name and on behalf of the Company in favour of any Director or other person who may incur, or be about to incur, any personal liability whether as principal or surety for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- xvi. to determine from time to time who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes;
- xvii. to give any officer or other person employed by the Company a commission on the profits of any particular business or transaction and such commission shall be treated as part of the working expenses of the Company;
- xviii. to establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds, for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or service of the Company, or if any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid and the wives, widows, families and dependents of any such persons, and also

establish and subsidise and subscribe to any institution, associations, clubs or funds calculated to be for the benefit of or to advance the interests and wellbeing of the Company or of any such other Company as aforesaid, and make payment to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid;

- xix. To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company or his widow, children, or dependents that may appear to the Board just or proper, whether such employee or his widow, children or dependents have or have not a legal claim upon the Company;
- xx. To contribute to Charitable and other funds and make political contributions
- xxi. To carry out activities, directly or indirectly, those are specified in Schedule VII of the Act, and for this purpose expend / incur the monies of the Company, and all monies so expended or incurred for this purpose shall also be construed to be for the purpose of the Company's business.
- xxii. Before recommending any dividend, to set aside such portion of the profits of the Company as the Board may think fit, to form a fund to provide for such pension, gratuities or compensation or to create any provident or benefit fund in such manner as the Board may deem fit.
- xxiii. Before recommending any dividend, to set aside out of the profit of the Company such sums as the Board may think proper, for depreciation or to be Depreciation Fund, Insurance Fund, Reserve Fund, General Reserve or Sinking Fund, Development Rebate Reserve, Statutory Development Reserve, Reserve or any Special Fund to meet contingencies, or to repay debentures or debenture stock or for special dividends, or for equalising dividends, or for repairing, improving, extending and maintaining any of

the property of the Company and for such other purposes, as the Board may, in their absolute discretion think conducive to the interest of the Company with power from time to time to transfer moneys standing to the credit of one fund or any part thereof to the credit of any other Fund; and to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board, in their absolute discretion, think conducive to the interest of the Company and to divide the Reserve Fund into such special funds as the Board may think fit, and to employ the assets constituting all or any of the above funds including Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock and that without being bound to keep the same separate from the other assets. If the assets constituting any of the above funds are employed in the business of the Company, the Board may pay or allow to the credit of such funds interest at such rate as the Board may think proper;

- xxiv. To appoint and at their discretion remove or suspend such managers, secretaries, officers, technicians, clerks, agents and servants, for permanent, temporary or special services as the Board may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and for such amounts as it may think fit. And also without prejudice as aforesaid from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as the Board may think fit;

- xxv. From time to time and at any time to establish Local Board for managing any of the affairs of the Company in any specified locality in India or out of India, to appoint any person to be members of such Local Board and to fix their remuneration and at any time and from time to time to delegate subject to the provisions of the Act to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their powers to make calls and to issue debentures and to authorise the members for the time being of any such Local Board or any of them, to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions and restrictions as the Board may think fit and the Board may at any time remove any person so appointed and may annul and vary any such delegation
- xxvi. At any time and from time to time, by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subjects to such conditions as the Board may from time to time think fit and any such appointment may, if the Board think fit, be made in favour of the members, or any of the members of any Local Board established as aforesaid or in favour of any Company or the member, Board, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of person, whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit, and may contain powers enabling any such

delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;

- xxvii. For or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter in to all such negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient;
- xxviii. To insure and keep insured against all risks including risks relating to loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or jointly as also all or any part of the goods, produce, machinery and other articles imported or exported by the Company, risks relating to loss of profit and standing charges, risks relating to retrenchment compensation and lay-off liabilities and risks of accidents of all the employees of the Company and to sell, assign surrender or discontinue any policies of assurance effected in pursuance of this power;
- xxix. Subject to hereinabove provided to subscribe or contribute or authorise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any other useful institutions, objects or purposes or for any exhibition.
- xxx. To authorise the issue of securities (including depository receipts), whether convertible to shares or not, as per applicable laws, either as a primary issue or a secondary offering.

- c) Subject to restrictions provided in the Act, the Board may, from time to time at their discretion raise or borrow, or secure the repayment of any loan or advance taken by the Company. Any such

Borrowing Powers

moneys may be raised and the payment or repayment of such moneys may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and, in particular by promissory notes, or by opening current accounts or by receiving deposits and advances at interest, with or without security, or by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, or by mortgaging, charging or pledging any lands, buildings, machinery, plants, goods or other property and securities of the Company (both present and future), or by such other means as to them may seem expedient.

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| 118. | Save as provided by the Act or by these Articles and subject to the restrictions imposed by the Act, the Board may delegate all or any of its powers as conferred by the said Act or by the Memorandum of Association or by these Articles reposed in them. | Power to delegate |
| 119. | Debentures, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. | Securities may be assignable free from equities |
| 120. | If any uncalled capital of the Company is included in or charged by any mortgage or other security the Board may, by instrument under the Company's Seal, authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls, shall <i>mutatis mutandis</i> , apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Board powers or otherwise and shall be assignable if expressed so to be. | Mortgage of uncalled capital |

PROCEEDINGS OF THE BOARD

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| 121. | The Directors may meet together as a Board for the conduct of business from time to time. The Board may adjourn and otherwise regulate their meetings as they think fit. | When meeting to be convened |
| 122. | A Director may, and Manager or Chief Financial Officer or company secretary or any other person so authorised by the Board on the requisition of a Director, shall at any time, summon a meeting of the Board. | Who may summon Board meeting |
| 123. | a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. | Board to elect a Chairperson |
| | b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose amongst themselves a Director to be Chairperson of the meeting. | Directors present to elect a Chairperson |
| 124. | a) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means or any other means, as may be prescribed by the Act. | Participation at Board meetings |
| | b) Every Director present at any meeting of the Board or of a Committee thereof shall sign his/her name in a book to be kept for that purpose. | Attendance at the meeting |
| | c) The quorum for a Board meeting shall be 1/3 rd of the total strength or two Directors whichever is higher or as provided in the Act. | Quorum for Board meetings |
| | d) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes of Directors present. | Questions at Board meeting how decided |
| | e) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. | Casting vote |

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| 125. | The continuing Directors may act notwithstanding any vacancy in the Board, so long as their number is not reduced below the quorum fixed by the Act for a meeting of the Board. In the event the number of continuing Directors is reduced below the quorum fixed by the Act for a meeting of the Board, the Directors may act for the purpose of increasing the number of Directors to that fixed for a quorum or of summoning a General Meeting and for no other purpose. | Directors not to act when number falls below minimum |
| 126. | <p>a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>b) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p> <p>c) The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or other audio visual means, or any other means as may be prescribed by the Act.</p> | <p>Board may delegate its powers to Committee</p> <p>Committee to conform to Board regulations</p> <p>Participation at Committee meetings</p> |
| 127. | <p>a) A Committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of themselves to be Chairperson of the meeting.</p> | <p>Chairperson of Committee</p> <p>Who to preside at meetings of Committee</p> |
| 128. | <p>a) A Committee may meet and adjourn as it thinks fit.</p> <p>b) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.</p> <p>c) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.</p> | <p>When Committee to meet</p> <p>Questions at Committee meeting how decided</p> <p>Casting vote of Chairperson at Committee meeting</p> |

129. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
- Acts of Board or Committee valid notwithstanding defect of appointment
- Provided that nothing herein contained shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
130. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.
- Passing of resolution by circulation
131. The Board shall cause the Board and the Committee minutes to be duly entered in a book provided for the purpose in accordance with the provisions of the Act.
- Minutes of proceedings of the Board and the Committee

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

132. Subject to the provisions of the Act,—
A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board either for a fixed term or without limitation as to the period for which he shall hold such office, at such remuneration and upon such conditions as it may think fit; and any
- Chief Executive Officer, Manager, etc.

chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board. The Board may appoint one or more chief executive officers for its multiple businesses.

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| 133. | a) | A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer. | Director may be Chief Executive Officer, etc. |
| | b) | The Board may from time to time subject to the provisions of the Act entrust to or confer upon the chief executive officer, manager, company secretary and chief financial officer for the time being such of the powers exercisable by him under these Articles or by law, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient and may from time to time revoke, withdraw, alter or vary all or any of such powers. | Power to delegate |

MANAGING DIRECTORS/WHOLE TIME DIRECTORS

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| 134. | Subject to the provisions of the Act, the Board may from time to time appoint one or more of its Directors as Managing Director(s), Whole-time Director of the Company either for a fixed term or without any limitation as to the period for which he/they is/are to hold such office but in any case not exceeding the time limit prescribed in the Act and may from time to time remove or dismiss him/them from office and appoint another/others in his/ their place. | Power to appoint Managing Director |
| 135. | The remuneration of a Managing Director and Whole-time Director shall from time to time be determined by the Board and may be paid by way of salary or commission or participating in profits or by way of any or all of those modes or in any other mode and shall be subject to the limitations prescribed in the Act. | Remuneration of Managing Director and Whole –time Director |

136. a) Subject to the general supervision control and direction of the Board and subject as hereinabove provided the Managing Director and/or Whole-time Director and/or Manager shall have the power to conduct and manage the business and affairs of the Company and shall have power and authority on behalf of the Company to acquire any properties, rights and privileges and to make all purchases and sales and to enter into all contracts and execute all agreements or other documents and to do all other acts and things usual, necessary or desirable in the management of the affairs of the Company or in carrying out its objects; and shall have power to institute, conduct, defend, compromise, refer to arbitration and abandon legal and other proceedings, claims and disputes in which the Company is concerned and shall have power to appoint and employ in or for the purpose of the transaction and management of the affairs and business of the Company or otherwise for the purposes thereof such managers, experts, secretaries, chemists, technicians, engineers, brokers, lawyers, clerks, workmen, servants and other employees as they shall think proper with such powers and duties and upon such terms as to duration of office, remuneration or otherwise as they shall think fit and from time to time to remove and suspend them or any of them and generally to appoint and employ any person or persons in the services or for the purposes of the Company as they shall think fit upon such terms and conditions as they shall think proper.
- b) The Board may from time to time entrust to and confer upon a Managing Director or Whole time Director or Manager for the time being such of the powers exercisable by the Board under these Articles or by law, as it may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as its thinks expedient, and it may confer such powers either collaterally with or to the exclusion of and in substitution for all or any

**Authority of
Managing
Director
and/or
Whole-time
Director
and/or
Manager**

**Board may
delegate
powers to
Managing
Director /
Whole-time
Director /
Manager**

of its powers in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers. Unless and until otherwise determined a Managing Director may exercise all the powers exercisable by the Board, save such powers as by the Act or by these Articles shall be exercisable by the Board itself.

- c) The Managing Director and/or Whole-time Director and/or Manager shall have power to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them and in particular from time to time to provide by the appointment of any attorney or attorneys for the management of any part of the affairs of the Company in such manner as they may think fit.

Managing Director and/or Whole-time and/or Manager Directors to have power to sub-delegate

DOCUMENTS AND NOTICES

137. It shall be imperative on every member to notify to the Company for registration, his place of address in India and if he has no registered address within India to supply to the Company an address within India for giving of notices to him.

Members to notify address for registration

A member may notify his email address if any, to which the notices and other documents of the Company shall be served on him by electronic mode. The Company's obligation shall be satisfied when it transmits the email and the Company shall not be responsible for failure in transmission beyond its control.

138. Subject to the provisions of the Act, a document or notice may be served or given by the Company on any member thereof personally or electronically or by sending it by post (including registered post and speed post) or by courier to him at his registered address or (if he has no registered address in India) to the address, if any, in India provided by him to the Company for serving documents or notices on him. The term courier means person or agency who or which delivers the document and provides proof of its delivery.

Service of documents or notices on the members of the Company

Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the documents or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member and, such service shall be deemed to have been effected in case of a notice of a Meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

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| 139. | Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles shall be sufficiently given, if given by advertisement, once in English and once in a vernacular daily newspaper circulating in the city, town or village in which the Office of the Company is situated. | Notice by
Advertisement |
| 140. | A document or notice may be served or given by the Company on or to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holder named first in the Register in respect of the Share. | Service of
documents
or notices on
Joint-holders |
| 141. | Any notice or document served in the manner hereinbefore provided shall notwithstanding such member be then dead and whether or not the Company has notice of his death, be deemed to have been duly served respecting any share, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof and such service, for all purposes of | Service of
notice good
notwithstan
ding death
of Member |

these Articles be deemed a sufficient service of such notice or documents on his heirs, Executors, Administrators and all persons (if any) jointly interested with him in any such shares.

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| 142. | a) | Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which, previously to his name and address being entered on the Register, shall have been duly served on or given to the person from whom he derives his title to such Share. | Members bound by documents or notices served on or given to previous holders |
| | b) | Any document or notice to be served or given by the Company may be signed (including digitally) by a Director or some person duly authorised by the Board for such purposes and the signature thereto may be written, facsimiled, printed, lithographed or photostated. | Document or notice by Company and signature thereto |
| 143. | | A document or notice may be served by a member on or given to the Company or an Officer thereof by sending it to the Company or Officer at the Office of the Company by post under a certificate of posting or by registered post, or by leaving it at the Office of the Company or by means of such electronic mode or other mode as may be specified in the Act. | Service of Document or notice by member |
| 144. | | Where the Securities are held in Depository, the records of the Beneficial Ownership may be served by such Depositories on the Company by means of Electronic Mode or by delivery of Depository Floppy or Disks. | Service of Document or notice by Depository |

REGISTERS

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| 145. | The Company shall keep and maintain at its Office all statutory registers including, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of Beneficial Owners and annual return, register of loans, guarantees, security and acquisitions, register of | Statutory registers |
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investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, except Saturdays, at the Office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Act.

146. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit with respect to the keeping of any such register.

**Foreign
Register**

The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

SEAL

147. Subject to the provisions of the Act, the Board shall provide a Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for the time being and it shall not be used except by the authority of the Board or a Committee thereof and in the presence of any one of the Directors or the Secretary or Chief Financial Officer or such other person as may be authorised by the Board, who shall sign every instrument or deeds to which the Common Seal is affixed.

**The Seal, its
custody and
use**

DIVIDEND AND RESERVES

148. a) The Company in General Meeting may declare dividend, but no dividend shall exceed the amount

**Company in
General**

- recommended by the Board but the Company in General Meeting may declare a lesser dividend. **Meeting may declare dividend**
- b) Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividend as appears to it to be justified by the profits of the Company subject to the requirements of the Act. **Interim dividend**
149. a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. **Dividend only to be paid out of profits**
- b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. **Carry forward of profits**
- c) The declaration of the Boards to the amount of the net profits of the Company shall be conclusive. **Declaration of Board as to net profit conclusive**
150. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividend shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividend may be declared and paid according to the amounts of the shares. **Division of profits**
151. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. **Notice of dividend**

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| 152. | <p>Dividend may be paid by electronic mode / cheque / warrant sent through the post directly to the registered address of the holder or any other permissible means, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> | <p>Dividend
how
remitted</p> |
| 153. | <p>The Board may, if they think fit, call upon the members, when applying for dividend, to produce their share certificates to such person authorized by them in that behalf.</p> | <p>Production
of share
certificate
when
applying for
dividend</p> |
| 154. | <p>Any one of two or more joint holders of a share may give effective receipts for any dividend, bonuses or other monies payable in respect of such share.</p> | <p>Receipt of
one holder
sufficient</p> |
| 155. | <p>No member shall be entitled to receive payment of any dividend in respect of any share on which the Company has a lien, or whilst any amount due or owing from time to time to the Company, either alone or jointly with any other person, in respect of such share, or on any other account whatsoever, remains unpaid, and the Board may retain, apply and adjust such dividend in or towards satisfaction of all debts, liabilities, or engagements in respect of which the lien exists, and of all such money due as aforesaid.</p> | <p>No member
to receive
dividend
whilst
indebted to
the Company
and
Company's
right to
reimbursement
therefrom</p> |
| 156. | <p>The Board may retain dividend payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.</p> | <p>Retention of
dividend</p> |
| 157. | <p>No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.</p> | <p>No dividend
on payments
in advance</p> |

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| 158. | No dividend shall bear interest against the Company. | No interest on dividend |
| 159. | The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. | Waiver of dividend |
| 160. | Any General Meeting declaring a dividend may make a call on the member of such amount as the Meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call. | Calls & Dividend |
| 161. | A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer. | Effect of transfer |
| 162. | As regards all dividend unpaid or unclaimed the Company shall comply with the provisions of the Act. | Unpaid or Unclaimed dividend |

ACCOUNTS

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| 163. | <p>i. The Board shall keep or cause to be kept at the Office of the Company or at such place in India as it thinks fit, proper books of accounts in respect of:</p> <ul style="list-style-type: none"> ▪ all sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure take place; ▪ all sales and purchase of goods by the Company; and ▪ the assets and liabilities of the Company ▪ the items of cost, if any- as specified in the Act. <p>ii. Proper books of account shall also be kept at</p> | Accounts |
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each branch office of the Company, whether in or outside India, relating to the transactions of that office and proper summarised returns made up to dates at intervals of not more than three months shall be sent by each such branch office at the Office of the Company or the other place referred to in (i) above.

iii. The books of account referred to in (i) and (ii) above shall be such books as are necessary to give a true and fair view of the state of affairs of the Company or such branch office and to explain its transaction.

iv. The books of accounts and other Books and Papers shall be open to inspection by any Director during business hours on all working days.

v. The Board shall comply in all respects with the provisions of the Act.

164.

- i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be kept open for the inspection by the members not being Director.
- ii. No member (not being a Director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

**Inspection
by members
when
allowed**

165.

- a) Subject to provisions of the Act, at every annual General Meeting of the Company, the Board shall lay before the Company Financial Statements for each financial year.
- b) The Financial Statements shall give a true and fair view of the state of affairs of the Company at the end of the period of the account.

**Financial
Statements
to be laid
before the
Member**

**Contents of
Financial
Statements**

Financial Statements shall comply with the provisions of all applicable laws.

- c) The Financial Statements shall be signed in accordance with the provisions of the Act.

**Financial
Statements
how to be
signed**

The Board shall make out and attach to every Balance Sheet laid before the Company in General Meeting a Report of the Board which shall comply with the requirements of the Act and shall be signed in the manner provided in the Act.

WINDING UP

166. Subject to the applicable provisions of the Act –

**Winding up
of Company**

- i. If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY AND INSURANCE

167. i. Subject to the provisions of the Act and other applicable laws, every Director, managing

**Directors'
and officers'**

Director, whole-time Director, manager, chief financial officer, company secretary and any other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, manager, chief financial officer, company secretary and any other officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, manager, chief financial officer, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

right to indemnity

- ii. Subject as aforesaid, every Director, managing director, manager, chief financial officer, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

- 168. Subject to the provisions of the Act and other applicable laws, the Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors, officers and such other persons as may be permitted by law for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted in good faith.

Insurance

GENERAL POWER

- 169. Wherever in the Act or other applicable laws, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorises and

General Power

empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECRECY CLAUSE

170. No Member or other person (not being a Director) shall be entitled to visit or inspect any works of the Company or to require discovery of any information in respect of any detail of the Company's working, trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board would be inexpedient in the interest of the Company to disclose without the prior written permission of the Directors, Chief Financial Officer or Company Secretary or such other senior person, as may be authorised for such purpose.
- Secrecy Clause**

We, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of these Articles of Association.

Sr. No.	Names, addresses, descriptions, occupation and signature of subscribers	Signature, name, address, description and occupation of the witness
1.	<p>Sudhir Mehta S/o Uttamlal Mehta 'AKALPYA', Nr. Karnavati Club, S. G. Highway, Ahmedabad - 380 054</p> <p>Industrialist Sd/- Sudhir Mehta</p>	<p>Common witness for Both Subscribers</p> <p>Jayesh Desai S/o. Narendra Desai Torrent House, Off. Ashram Road, Ahmedabad - 380 009</p>
2.	<p>Samir Mehta S/o. Uttamlal Mehta 'AKALPYA', Nr. Karnavati Club, S. G. Highway, Ahmedabad - 380 054</p> <p>Industrialist Sd/- Samir Mehta</p>	<p>Chartered Accountants MEM. NO. 33795 Sd/- Jayesh Desai</p>

Place : **Ahmedabad**

Dated this **26th** day of **April, 2004.**

**ANNEXURES TO THE
MEMORANDUM OF ASSOCIATION**

Comparing & Copies Charges
Total Rs. 57-00

Section Officers
O.J. Department
Dt. 11-9-2006

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(ORIGINAL JURISDICTION)**

**COMPANY PETITION NO. 70 OF 2006
CONNECTED WITH
COMPANY APPLICATION NO. 222 OF 2006**

Copy applied on 14-7-06
Copy ready on 11-9-06
Copy Delivered on
Sent by
Regd. by Posts

Dy. S.O.

In the matter of
Scheme of Arrangement under Sections
100, 391 and 394 of the Companies Act,
1956

And

In the matter of
Torrent Power Limited.
A Company registered under the
Companies Act, 1956 and having its
registered office at Torrent House, Off
Ashram Road, Ahmedabad - 380 009, in
the State of Gujarat.

And

In the matter of Scheme of Arrangement
including amalgamation of Torrent Power
Limited with Torrent Power AEC Limited,
Torrent Power SEC Limited and Torrent
Power Generation Limited and
reorganization of share capital of Torrent
Power Limited.

Torrent Power Limited.

A Company registered under the Companies
Act, 1956 and having its registered office
at Torrent House, Off Ashram Road,
Ahmedabad - 380 009 in the state of Gujarat.

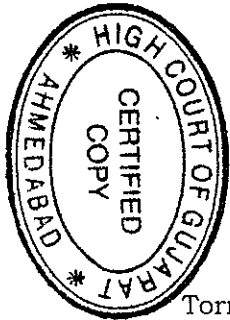
..... Petitioner

BEFORE HONOURABLE Mr. JUSTICE A. S. Dave

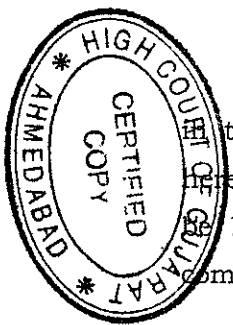
Date : 12th July, 2006

Order On Petition

The above petition coming on for hearing on 12th July 2006, upon reading the said petition, the order dated 1st May 2006 in the Company Application No. 222 of 2006 whereby separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the company were directed to be convened, for the purpose of considering, and if thought fit, approving, with or without modification the scheme of arrangement proposed to be made between the said Company and its members and creditors in the nature of the Scheme of Arrangement including Amalgamation to be made between Torrent Power AEC Limited, Torrent Power SEC Limited and Torrent Power Generation Limited, the Transferor Companies and Torrent Power Limited, the Petitioner Transferee Company as well as the Reorganization of the Share Capital of



the Transferee Company, and annexed to the Application No. 222 of 2006, an affidavit of Shri Jayesh Desai filed on 28th day of April 2006 ^{Swati Adv.} and The Times of India - English daily, and Gujarat Samachar -Gujarati daily dated 10th May 2006 (both Ahmedabad editions) each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated 1st May 2006, the affidavit of Shri Sudhir Mehta filed on the 15th May 2006 showing the publication and dispatch of the notices convening the said meetings, the report of the Chairman of the said meetings dated 9th June 2006 as to the result of the said meetings, and considering the affidavit dated 4th July 2006 filed by the Dy. Registrar of Companies, Gujarat, and upon hearing Shri Saurabh N. Soparkar, learned Senior Advocate appearing with Smt. Swati Soparkar, Advocate for the Petitioner Companies and upon hearing Shri P. J. Malkan, Advocate appearing for the Central Government,



This Court doth hereby sanction the scheme of arrangement the nature of amalgamation as set forth in para 8 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the shareholders and creditors of the abovenamed company and also on the abovenamed company.

And this Court doth further order that parties to the arrangement or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to the working of the arrangement or amalgamation, and

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same, and

This Court doth further order payment of Rs. 3,500/- in aggregate as the cost of this petition awardable to Shri P. J. Malkan, Advocate appearing for the Central Govt.

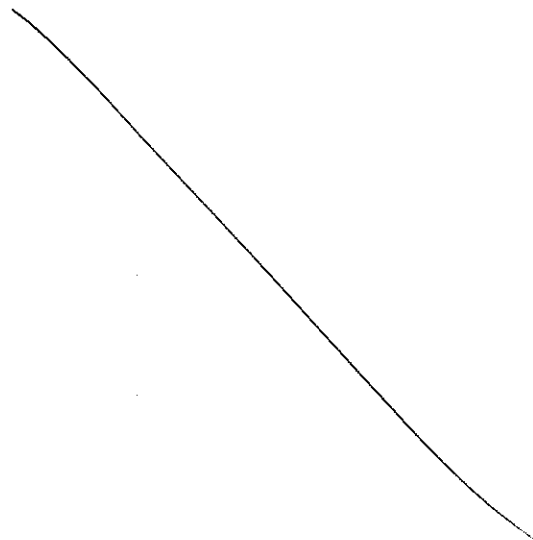
SCHEDULE

Scheme of Arrangement as sanctioned by the court.

Dated this 12th July 2006.

MINUTE UNDER SEC. 103 (1)

"The issued, subscribed and paid up capital of Torrent Power Limited including the Exchange Shares to be issued by it pursuant to the scheme, was by virtue of the Special Resolution of the company dated 9.6.2006 and by virtue of the sanction granted by the High Court of Gujarat/NCLT on 12th day of July 2006, be reduced from Rs. 1889,79,32,280 - (Rs. One Thousand Eight Hundred Eighty Nine Crores, Seventy Nine Lacs, Thirty Two Thousand Two Hundred Eighty only) divided into 188,97,93,228 Equity shares of Rs.10/-each to Rs. 472,44,83,070/- (Rs. Rs. Four Hundred Seventy Two Crores, Forty Four Lacs Eighty Three Thousand and Seventy only) divided into 188,97,93,228 Equity shares of Rs. 2.5 each (Re. Two and Fifty Paise only) and then consolidating every 4 (Four) shares of Rs. 2.5 each in the reduced capital into 1 (One) share of Rs. 10/- each fully paid up. The Issued, Subscribed and Paid Up Capital shall finally be Rs. 472,44,83,070/- (Rs. Four Hundred Seventy Two Crores, Forty Four Lacs Eighty Three Thousand and Seventy only) being 47,24,48,307 shares of Rs. 10/- each."



A composite Scheme of Arrangement including Amalgamation

between

Torrent Power AEC Limited [TPAL]

and

Torrent Power SEC Limited [TPSL]

and

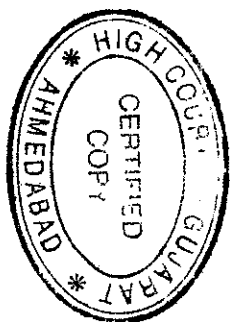
Torrent Power Generation Limited [TPGL]

with

Torrent Power Limited [Torrent Power]

and their respective shareholders and creditors

under Sections 391 to 394 of the Companies Act, 1956



Part I

GENERAL

1) PRELIMINARY

- 1.1 This Scheme of Amalgamation is presented for the amalgamation of Torrent Power AEC Limited (hereinafter referred to as "TPAL") a company incorporated under the Indian Companies Act, 1882 (Act No. VI of 1882) of the Legislative Council of India, having its registered office at Electricity House, Lal Darwaza, Ahmedabad – 380 001, Gujarat, Torrent Power SEC Limited (hereinafter referred to as "TPSL"), a company incorporated under the Indian Companies Act, VII of 1913, having its registered office at Torrent House, Station Road, Surat – 395 003, Gujarat and Torrent Power Generation Limited (hereinafter referred to as "TPGL"), a company incorporated under the Companies Act, 1956, having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, (hereinafter collectively referred to as "the Transferor Companies") with Torrent Power Limited (hereinafter referred to as "Torrent Power" or the

"Transferee Company"), a company incorporated under the Companies Act, 1956, having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat .

- 1.2 The provisions of this Scheme, which are set out in relation to the Transferor Companies, shall, in absence of any indication to the contrary, be applicable to each of the Transferor Companies.

2) DEFINITIONS

In this Scheme, unless repugnant to the context or meaning thereof, the following expressions shall have the meanings respectively assigned to them:

"Act" means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof.

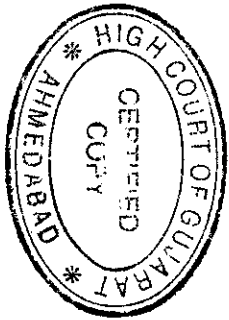
2.2 "Appointed Date" means 1st April 2005.

2.3 "Assets" shall mean and include the Undertaking and the entire businesses of each of the Transferor Companies and shall include without limitation

- (a) all properties wherever situate, whether movable or immovable, tangible or intangible, corporeal or incorporeal, intellectual property, whether possession or reversion, present or contingent, fixed assets including land, pipelines, railway sidings, transmission and distribution systems, capital work-in-progress including expenses incurred to be capitalized and advances for assets, inventories, stock in trade, debtors, current assets, investments, deposits, buildings, offices, furniture, fixtures, office equipment, appliances, accessories, claims, bank accounts and all cash appertaining or relatable to the Transferor Companies as on the Appointed

Date and such additional assets pertaining to the Transferor Companies acquired since the Appointed Date;

- (b) all permits, rights, entitlements including import quotas, rights, industrial and other licenses including licenses for electricity generation, transmission and distribution, sales tax and excise duty licenses, and also with export-import authority including advance licenses and all other licenses, duty entitlement pass books, duty refund against export obligations rights of way, powers, authorities, allotments, approvals and consents, permits, quotas, subsidies and incentives, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, use or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Companies, including but without being limited to all patents, trade marks, trade names, copy rights, brands, goodwill and other commercial rights of any nature whatsoever and licenses in respect thereof, privileges, liberties, easements, advantages, benefits, leases of land properties, plant and machinery, vehicles etc, tenancy rights, ownership flats, authorizations, registrations and entitlements like electricity, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water, gas connections, other fuel and power, and electronic and other services, reserves, provisions, funds, financial assets, benefits of all agreements and deposits, any tax benefits direct or indirect including advance tax paid or any tax deducted in respect of any income received and all other interests belonging to or in the ownership, power or possession or in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies as on the Appointed Date; and



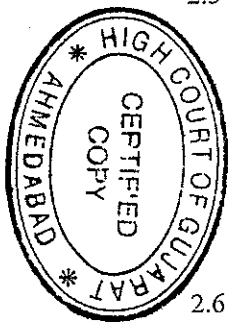
- (c) all records, files, papers, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Transferor Companies as on the Appointed Date.

2.4 "Effective Date" means the date on which the last of conditions precedent stated in Clause 17 hereof are satisfied.

2.5 "Electricity Laws" means the Electricity Act, 2003, and Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 and any rules, regulations, government policy there under and includes any amendments thereto from time to time.

2.6 "Liabilities" shall mean and include all debts, liabilities, loans, borrowings, bills payable, public deposits, security deposits, meter deposits, interest accrued, contingent liabilities and all other liabilities, duties, undertakings, contractual obligations, guarantees given and obligations of each of the Transferor Companies as on the Appointed Date along with any charge, encumbrance, lien or security thereon including

- (a) liabilities on account of loans and advances from secured creditors, unsecured creditors, preference shareholders and contingent liabilities not provided in the books of the Transferor Companies, and such additional liabilities pertaining to the Transferor Companies incurred since the Appointed Date.

- (b) obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment.

2.7 "Record date" means the date to be fixed by the Board of Directors of the Transferee Company and the Transferor Companies, for the purpose of issue of equity shares of the Transferee Company to the shareholders of the Transferor Companies in terms of this Scheme.

2.8 "Scheme of Amalgamation" or "this Scheme" or "the Scheme" means this Composite Scheme of Arrangement including amalgamation of each of the Transferor Companies with the Transferee Company in its present form or as may be modified from time to time or as may be approved or directed to be modified by the High Court of Gujarat at Ahmedabad.

2.9 "Transferor Companies" means "TPAL", "TPSL" and "TPGL" collectively, and where the context requires any of the Transferor Companies.

2.10 "TPAL" means Torrent Power AEC Limited, an existing company under the Act having its registered office at Electricity House Lal Darwaza, Ahmedabad – 380 001, Gujarat.

2.11 "TPSL" means Torrent Power SEC Limited, an existing company under the Act, having its registered office at Torrent House, Station Road, Surat – 395 003, Gujarat.

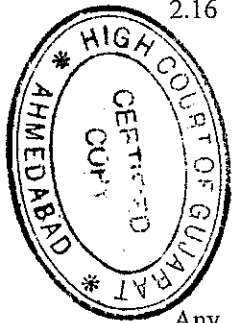
2.12 "TPGL" means Torrent Power Generation Limited, a company incorporated under the Act, having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380009, Gujarat.

2.13 "Transferee Company" means "Torrent Power" a company incorporated under the Act having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380009, Gujarat.

2.14 "Torrent Power" means Torrent Power Limited a company incorporated under the Act, having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat (also referred to as the "Transferee Company").

2.15 "Undertaking" means the respective businesses of the Transferor Companies on a going concern basis and shall also include all the Assets, Liabilities and employees of the Transferor Companies.

2.16 "Unsecured Creditors" means all the unsecured creditors of the Transferor Companies but does not include the consumers of electricity, including with respect to the security deposit placed by them with the Transferor Company / Companies for availing the supply of electricity.



Any words or expressions used and not defined in the Scheme, but defined in the Electricity Laws or the Act or the Depositories Act and other applicable laws, rules, regulations, bye-laws, shall have the meaning respectively assigned to them in those laws.

The words importing the singular include the plural; words importing any gender include every gender.

A reference to a Transferor Company includes reference to the Transferor Companies unless the context specifically requires otherwise.

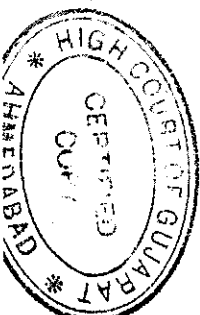
3) OPERATIVE DATE

This Scheme, although effective from the Appointed Date, shall become operative from the Effective Date. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall be to the Effective Date.

Part II

4) SHARE CAPITAL

- 4.1 The authorized, issued, subscribed and paid-up share capital of TPAL as per the audited financial results as at 31st March, 2005 is as under:

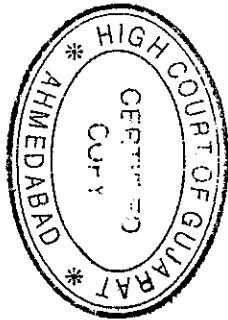


	<i>Rs. Lacs</i>
CAPITAL:	
<i>Authorised:</i>	
20,00,00,000 Equity Shares of Rs. 10/- each	20,000.00
1,00,00,000 Cumulative/ Non-cumulative Redeemable Preference shares of Rs. 100/- each	10,000.00
20,00,00,000 Unidentified Shares of Rs. 10/- each	20,000.00
Total	50,000.00
<i>Issued</i>	
6,32,75,797 Equity Shares of Rs. 10/- each	6,327.58
1,50,000 14% Cumulative Redeemable Preference shares of Rs. 100/- each	150.00
48,50,000 10.75% Cumulative Redeemable Preference shares of Rs. 100/- each	4850.00
Total	11,327.58
<i>Subscribed and Paid-up:</i>	

6,32,75,187 Equity Shares of Rs. 10/- each	6,327.52
Less: Allotment money in arrears from others	(0.09)
Add: paid-up on equity shares forfeited	0.01
Total	6327.44

- 4.2 The authorized, issued, subscribed and paid-up share capital of TPSL as per the audited financial results as at 31st March, 2005 is as under:

	<i>Rs. Lacs</i>
CAPITAL:	
<i>Authorised:</i>	
3,00,00,000 Equity Shares of Rs. 10/- each	3,000.00
Total	3,000.00
<i>Issued, Subscribed and Paid-up:</i>	
93,01,896, Equity Shares of Rs. 10/- each	930.19
Total	930.19



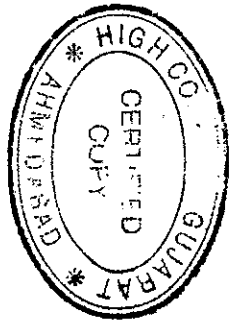
- 4.3 The authorized, issued, subscribed and paid-up share capital of TPGL as per the audited financial results as at 31st March, 2005 are as under:

	<i>Rs. Lacs</i>
CAPITAL:	
<i>Authorised:</i>	
99,50,00,000 Equity Shares of Rs. 10/- each	99500.00
50,00,000 Unidentified Shares of Rs. 10/- each	500.00
Total	100,000.00
<i>Issued</i>	
45,55,00,007 Equity Shares of Rs. 10/- each	45,550.00
Total	45,550.00

<i>Subscribed and Paid –up:</i>	
10,20,00,007 Equity Shares of Rs. 10/- each	10,200.00
35,35,00,000 Equity Shares of Rs. 10/- each – Rs. 5/- called up and paid up.	17,675.00
Total	27,875.00

- 4.4 The issued, subscribed and paid-up share capital of TPGL has been increased after 31st March 2005. The issued, subscribed and paid-up capital of TPGL as on 28th February , 2006 is as under:

	<i>Rs. Lacs</i>
<i>Issued</i>	
45,55,00,007 Equity Shares of Rs. 10/- each	45,550.00
Total	45,550.00
<i>Subscribed and Paid –up:</i>	
45,55,00,007 Equity Shares of Rs. 10/- each	45,550.00
Total	45,550.00



- 4.5 The authorized, issued, subscribed and paid-up share capital of Torrent Power Limited as per the audited financial results as at 31st March, 2005 are as under:

	<i>Rs. Lacs</i>
CAPITAL:	
<i>Authorised:</i>	
100,00,000 Equity Shares of Rs. 10/- each	1,000.00
<i>Issued</i>	
10,000 Equity Shares of Rs. 10/- each	1.00
<i>Subscribed and Paid –up:</i>	
10,000 Equity Shares of Rs. 10/- each	1.00
Total	1.00

- 4.6 The issued and subscribed paid up capital of Torrent Power Limited has been increased after 31st March 2005. As on 28th February 2006, the issued subscribed and paid up capital of Torrent Power Limited is as under

	<i>Rs. Lacs</i>
<u>Issued, Subscribed and Paid-up:</u>	
50,000 Equity Shares of Rs. 10/- each	5.00
Total	5.00

Part III

AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE

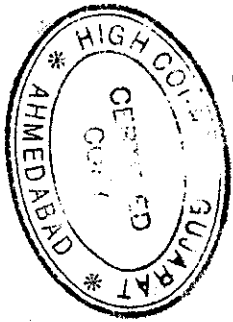
TRANSFeree COMPANY

TRANSFER AND VESTING OF UNDERTAKINGS

- 5.1 Upon this Scheme coming into effect and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertakings of the Transferor Companies as a going concern shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company on and from the Appointed Date in the following manner:

- (i) With effect from the Appointed Date, all the Assets of each of the Transferor Companies, shall, under the provisions of Sections 391 and 394 and all other applicable provisions, if any of the Act, without any further act or deed be transferred to and vested in and deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Assets of the Transferee Company and to vest all the right, title and interest therein to the Transferee Company.

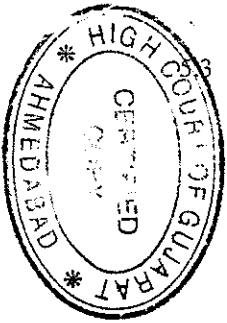
- (ii) With effect from the Appointed Date, all the Liabilities and obligations of every kind, nature and description of the Transferor Companies shall, under the provisions of Sections 391 and 394 of the Act without any further act or deed be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the Liabilities and obligations of the Transferee Company without any notice or other intimation to the creditors and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities and obligations have arisen, in order to give effect to the provisions of this clause.



- (iii) (a) Where any of the Liabilities of the Transferor Companies have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (b) All loans raised and utilized and all the Liabilities and obligations incurred or undertaken by the Transferor Companies in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall

become the Liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

- 5.2 If and to the extent there are inter - corporate loans, deposits or balances inter se between the Transferor Companies or between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of accounts and records of the Transferee company if required, for such adjustments. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such inter-corporate loans, deposits or balances inter-se between the Transferor Companies or between the Transferor Companies and the Transferee Company.

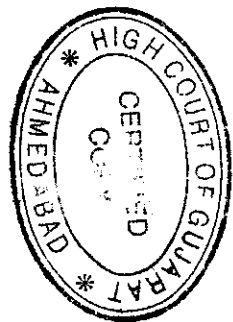


With effect from the Appointed Date, the borrowing limits of the Transferee Company in terms of Section 293 (1) (d) of the Act shall, without further act or deed, stand increased to Rs.50,000,000,000/- (Rupees Five Thousand Crores only), notwithstanding that the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Transferee Company and its free reserves.

It is clarified that the approval of the members of the Transferor Companies and the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the enhancement of the borrowing limit of the Transferee Company as required under Section 293(1) (d) and other applicable provisions of the Act.

- 5.4 The transfer and/ or vesting of the Assets as aforesaid shall be subject to the existing charges, hypothecation and mortgages, if any, in respect of all the Assets or any part thereof of the Transferor Companies.

Provided however, that any reference in any security documents or arrangements, to which any of the Transferor Companies is a party, to the assets of the Transferor Companies which it has offered or agreed to be offered as security for any financial assistance or obligations, to the secured creditors of the Transferor Companies, shall be construed as reference only to the assets pertaining to the assets of the said specific Transferor Company as are vested in the Transferee Company by virtue of the aforesaid clause, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to by the Transferee Company with such secured creditors.



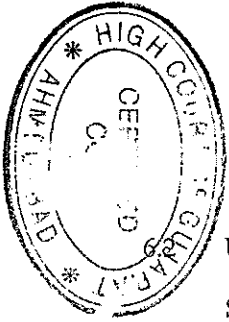
Provided however, that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to the Transferor Companies which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security thereof after the Scheme has become effective or otherwise.

- 5.5 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation/ notice in favour of any other party to any contract or arrangement to which the Transferor Companies are party of any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to implement or carry out all such formalities or compliance referred to above on the part of the Transferor Companies to be carried out or performed.

6) CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

6.1 The Transfer and vesting of the Assets and Liabilities and the continuance of the proceedings mentioned in Clauses 5 and 7 shall not in any manner effect the transactions or proceedings already concluded by or against the Transferor Companies:-

- (a) On or before the Appointed Date; and that the Transferee Company accepts on behalf of itself all acts, deeds, bonds, agreements and other instruments of whatever nature done and executed by the Transferor Companies.
- (b) After the Appointed Date but before the Effective Date; and that the Transferee Company accepts on behalf of itself all acts, deeds, bonds, agreements and other instruments of whatever nature done and executed by the Transferor Companies.



Upon the coming into effect of this Scheme and subject to the provisions of this Scheme all contracts including power purchase agreements with any generating, transmission, distribution or trading company, or any Government, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature including any license or permits to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any multipartite agreements, arrangements, confirmations or novations to which the Transferor Companies will, if necessary,

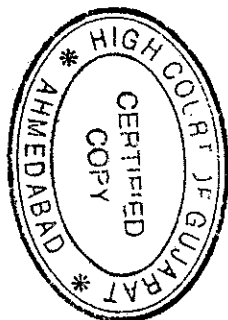
also be a party in order to give formal effect to the provisions of this Clause, if so required or becomes necessary.

6.3 It is clarified that upon the coming into effect of this Scheme and subject to the provisions of this Scheme the power purchase agreements between TPAL and TPGL and, TPSL and TPGL, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature entered into between the Transferor Companies be treated as cancelled and shall cease to operate.

6.4 For avoidance of the doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of such Transferee Company, and such Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to such Transferee Company. For this intent and purpose, if required, pending sanction of the scheme, the Transferor Companies shall make applications to and obtain relevant approvals from the concerned governmental authorities as may be necessary in this behalf.

7) LEGAL PROCEEDINGS

7.1 All suits, actions and proceedings of whatever nature by or against the Transferor Companies pending and/ or arising on or before the Effective Date shall not abate, or be discontinued or be in any way prejudicially affected by reason of the transfer of the businesses of the Transferor Companies pursuant to this Scheme but be continued, prosecuted and enforced by or against the Transferee Company



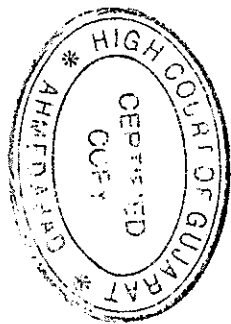
as effectually as if the same had been pending and/ or arising against the Transferee Company.

- 7.2 The Transferee Company undertakes to have all legal and other proceedings initiated by or against the Transferor Companies referred to in Clause 7.1 above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

8) STAFF, WORKMEN AND EMPLOYEES OF THE TRANSFEROR COMPANIES

- 8.1 All staff, workmen and employees of the Transferor Companies on the Effective Date shall become the staff, workmen and employees of the Transferee Company on such date without any break or interruption in their service and on the same terms and conditions as applicable to the employees of the respective Transferor Companies as on the said date. It is clarified that the employees of the Transferor Companies who become employees of the Transferee Company by virtue of this Scheme shall not be entitled to the employment policies, and shall not be entitled to avail of any schemes and benefits that are applicable and available to any of the employees of the other Transferor Companies unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Companies with any union/employee of the Transferor Companies.

- 8.2 It is expressly provided that as far as the provident fund, gratuity fund, superannuation fund or any other special fund or schemes created or existing for the benefit of the staff, workmen and employees of the Transferor Companies ("Transferor Company Funds") are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of the Transferor Company Funds or in relation to the obligation to make



contributions thereto in accordance with provisions thereof as per the terms provided in the respective trust deeds/ other documents. It is the end and intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to the Transferor Company Funds shall become those of the Transferee Company.

- 8.3 The Transferee Company shall create and contribute to provident funds, gratuity funds, superannuation funds or any other special fund or schemes corresponding to the Transferor Company Funds ("Transferee Company Funds") till such time when the name of the Transferee Company is substituted for the Transferor Companies for the administration of the Transferor Company Funds.

- 8.4 It is clarified that on the substitution of the name of the Transferee Company for the Transferor Companies in accordance with Clause 8.2 above, the funds held in that Transferor Company Fund will be merged with the funds accumulated, if any in the corresponding Transferee Company Fund.

- 8.5 It is further clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid funds or provisions.

- 8.6 The Transferor Companies and the Transferee Company shall take all steps necessary to ensure that the name of the Transferee Company is substituted for the name of the Transferor Companies for the purpose of the aforesaid funds including filing requests as necessary with the relevant authorities.

9) CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANIES TILL EFFECTIVE DATE AND RELATED ISSUES

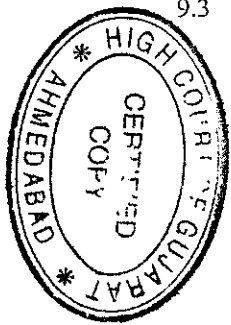
For the period beginning on and from the Appointed Date and ending on the Effective

Date: -



9.1 The Transferor Companies shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and possessed of and shall continue to hold and stand possessed of all the Assets and Liabilities for and on account of and in trust for the Transferee Company. The Transferor Companies hereby undertake to hold the Assets and Liabilities with utmost prudence until the Effective Date.

9.2 All the profits or income accruing or arising to the Transferor Companies and all costs, charges, expenditure, taxes or losses arising or incurred by the Transferor Companies shall, for all purposes, be treated and be deemed to be and accrue as the profits, income, costs, charges, expenditure, taxes or losses of the Transferee Company, as the case may be.



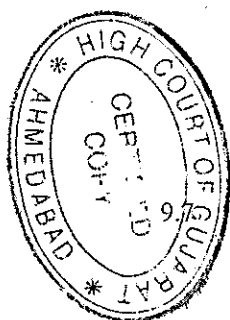
9.3 The Transferor Companies shall carry on its business and activities until the Effective Date with reasonable diligence, and business prudence and shall not, without the prior consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the Assets or any part thereof, except in the ordinary course of business or otherwise expressly stated in the Scheme, or pursuant to any pre-existing obligation undertaken by the Transferor Companies.

Provided however, that the Transferor Companies shall in the ordinary course of business, be entitled to borrow in the form of loans if deemed necessary by it, and further consent for this purpose will not be required of the Transferee Company in that behalf.

9.4 The Transferor Companies shall not, without the prior written consent of the Board of Directors of the Transferee Company, undertake any new business or a substantial expansion of their existing business.

9.5 Neither the Transferor Companies nor the Transferee Company shall make any change in their respective capital structure (paid-up capital), either by increase, (by issue of shares on rights basis, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organization or any other manner, other than changes pursuant to any prior commitments, obligations or arrangements or acts and deeds already made, except by mutual consent of the Boards of Directors of the Transferee Company and the Transferor Companies or as may be expressly permitted under the Scheme.

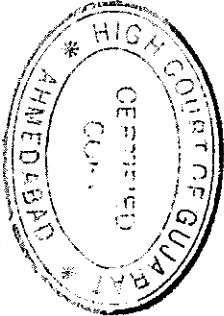
9.6 It is clarified that the restrictions contained in Clauses 9.3, 9.4 and 9.5 hereof shall be applicable from the date of acceptance of the draft of the Scheme by the respective Board of Directors of the Transferor Companies and the Transferee Company and not from the Appointed Date.



In order to carry on the activities currently being carried on by the Transferor Companies, upon the approval of the Scheme by the members of the Transferor Companies and the members of the Transferee Company pursuant to Section 391 of the Act, it shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 149 of the Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by the Transferor Companies in relation to any of the objects contained in the Memorandum of Association of the Transferee Company, to the extent the same may be considered applicable without the Transferee Company requiring to follow the procedure under Section 149 (2) or Section 149 (2A) of the Act.

10) ACCOUNTING

- 10.1 The audited balance sheet of the Transferor Companies and the Transferee Company as on 31st March 2005 are summarized as under:

Summarized Audited Balance Sheet of TPAL as on 31st March 2005


<i>Liabilities</i>	<i>Rs. Lacs</i>	<i>Assets</i>	<i>Rs. Lacs</i>
Share Capital	6327.44	Fixed Assets (Net Block)	94682.47
Reserves & Surplus	63245.55	Capital W-I-P	1830.13
Loan funds	13958.65	Investments	27214.27
Service line and security deposits from customer	13297.98	Current Assets, Loans & Advances	44589.34
Deferred tax liabilities (Net)	12502.16	Miscellaneous Expenditure	145.81
Current Liabilities & Provisions	59130.24		
<i>Total</i>	<i>168,462.02</i>	<i>Total</i>	<i>168,462.02</i>

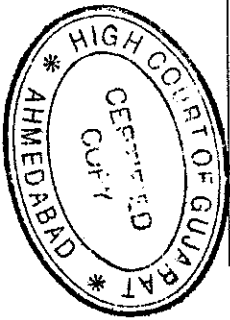
Summarized Audited Balance Sheet of TPSL as on 31st March 2005

<i>Liabilities</i>	<i>Rs. Lacs</i>	<i>Assets</i>	<i>Rs. Lacs</i>
Share Capital	930.19	Fixed Assets (Net Block)	37922.97
Reserves & Surplus	22310.30	Capital W-I-P	668.72
Loan funds	10000.00	Capital advances	51.52
Service line and security deposit from customer	12878.60	Investments	14041.84

Deferred tax liabilities	4252.86	Deferred tax Assets	512.05
Current Liabilities & Provisions	15801.87	Current Assets, Loans & Advances	12976.72
<i>Total</i>	<i>66,173.82</i>	<i>Total</i>	<i>66,173.82</i>

Summarized Audited Balance Sheet of TPGL as on 31st March 2005

<i>Liabilities</i>	<i>Rs. Lacs</i>	<i>Assets</i>	<i>Rs. Lacs</i>
Share Capital	27875.00	Fixed Assets (Net Block)	645.51
Reserves & Surplus	52.18	Capital W-I-P	2558.70
Current Liabilities & Provisions	333.44	Pre-operative expenses	1056.29
		Investments	17261.90
		Current Assets, Loans & Advances	6659.15
		Preliminary expenses	79.07
<i>Total</i>	<i>28,260.62</i>	<i>Total</i>	<i>28,260.62</i>



Summarized Audited Balance Sheet of Torrent Power Limited as on 31st March 2005

<i>Liabilities</i>	<i>Rs. Lacs</i>	<i>Assets</i>	<i>Rs. Lacs</i>
Share Capital	1.00	Fixed Assets (Net Block)	0
Loan Funds	7.59	Capital W-I-P	0
Current Liabilities & Provisions	0.01	Pre-operative expenses	0
		Investments	0

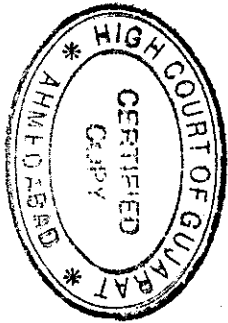
		Current Assets, Loans & Advances	0.93
		Preliminary expenses	7.67
<i>Total</i>	<i>8.60</i>	<i>Total</i>	<i>8.60</i>

10.2 The Transferee Company shall account for amalgamation as under:

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities of the Transferor Companies in the books of the Transferee Company, the fair value of the Assets and Liabilities of the Transferor Companies shall be determined as of the Appointed Date, and accounted appropriately.
- (b) The Transferee Company shall record the following amounts as reserves being the corresponding balance of such reserves of the Transferor Companies as on the Appointed Date under the applicable Laws:
- Dividend and Tariff Control Reserve Rs. 1159.16 lacs
 - Contingency Reserves Rs. 6543.36 lacs

10.3 Pursuant to the Scheme coming into effect, the difference, if any, arising between:

- the value of Assets and Liabilities as recorded in the books of account of the Transferee Company pursuant to clause 10.2 above after taking into consideration the cancellation of equity shares of TPGL pursuant to clause 12.2 below and
- the aggregate value of (i) the equity shares allotted subject to reorganization pursuant to clause 12.4 below and General Reserve arising pursuant to such reorganization (ii) the Dividend and Tariff control



reserve and Contingency Reserve recorded in the books of accounts of the Transferee Company pursuant to clause 10.2 above

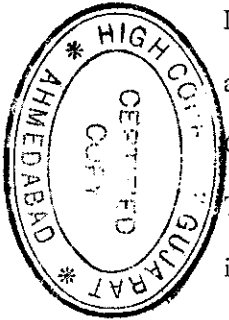
shall be recorded as general reserve in the books of the Transferee Company.

- 10.4 In case of any difference in the accounting policy among the Transferor Companies or between the Transferor Companies and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the general reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

11) TREATMENT OF TAXES

- 11.1 Any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, state sales tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as "Tax Laws") allocable or related to the business of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

- 11.2 Any refund under the Tax Laws due to Transferor Companies consequent to the assessments made on Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

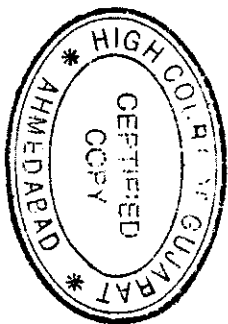


- 11.3 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Companies and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

12) ISSUE OF SHARES BY THE TRANSFEE COMPANY AND REORGANISATION OF ITS SHARE CAPITAL

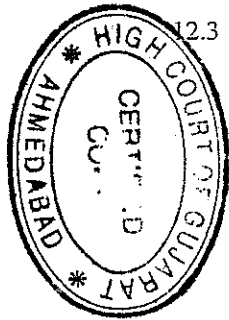
- 12.1 The Board of Directors of the Transferor Companies and the Transferee Company appointed M/s N. M. Raiji & Co., Chartered Accountants as the valuer for determination of fair exchange ratio for issue of shares to the shareholders of the Transferor Companies by the Transferee Company pursuant to the amalgamation of the Transferor Companies with the Transferee Company. A fairness opinion has also been provided by M/s Ernst & Young Private Limited on the valuation done by M/s N. M. Raiji & Co.

- 12.2 Upon coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertaking of the Transferor Companies in the Transferee Company the Transferee Company shall, subject to the subsequent provisions of the Scheme and without any further application or deed, be required to issue and allot to the equity shareholders of the Transferor Companies whose names appear in the Register of Members of the Transferor Companies as on the Record Date, equity shares of the face value of Rs. 10/- each in the Transferee Company, credited as fully paid-up, (hereinafter referred to as the "Exchange Shares"), in the following manner:



- (a) 22 (Twenty Two) equity shares of Rs. 10/- each fully paid-up of Torrent Power Limited for every 1 (One) equity shares of Rs 10/- each fully paid-up held in Torrent Power AEC Limited.
- (b) 47 (Forty Seven) equity shares of Rs. 10/- each fully paid-up of Torrent Power Limited for every 1 (One) equity shares of Rs 10/- each fully paid-up held in Torrent Power SEC Limited.
- (c) 1(One) equity shares of Rs. 10/- each fully paid-up of Torrent Power Limited for every 1 (One) equity shares of Rs 10/- each fully paid-up held in Torrent Power Generation Limited.

It is clarified that on the scheme being effective, the shares of TPGL held by TPAL and TPSL shall be cancelled and no shares shall be issued by the Transferee Company against these shares.

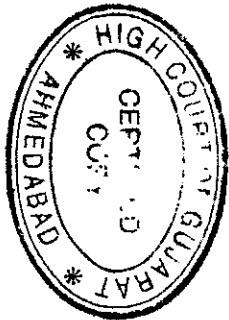


12.3 Upon the Scheme becoming effective, the issued, subscribed and paid up equity share capital of the Transferee Company shall stand reduced with effect from the Appointed Date, in accordance with Section 100 and all other applicable provisions of the Act, if any, in the manner as provided hereunder:

- (a) The issued, subscribed and paid up equity share capital of the Transferee Company including the Exchange Shares shall be reduced by reducing the face value and paid up value of the said shares from Rs.10/- each to Rs. 2.50/- each. Consequent to such reduction in the value of the shares from Rs. 10/- each to Rs. 2.50/- each, value of the shareholding of the shareholders of the Transferee Company, including the allottees of the Exchange Shares, shall be reduced proportionately.
- (b) Simultaneously, 4 (Four) equity shares (including the Exchange Shares), each of Rs. 2.50/-, shall be consolidated into 1 (One) share of Rs. 10/- fully paid up.

- (c) It is hereby clarified that the amount of Rs 1417.35 Crore by which the share capital of the Transferee Company including the Exchange Shares is reduced in terms of Clause 12.3 (a) above, shall not be paid to the shareholders of the Transferee Company but shall be credited to the "General Reserve" account of the Transferee Company.

12.4 In view of Clauses 12.1, 12.2 and 12.3 hereinabove, upon coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertaking of the Transferor Companies in the Transferee Company, the Transferee Company shall actually issue and allot to the equity shareholders of the Transferor Companies whose names appear in the Register of Members of the Transferor Companies as on the Record Date, equity shares mentioned hereunder (hereinafter called the "New Equity Shares") of the face value of Rs. 10/- each in the Transferee Company credited as fully paid-up, in the following manner:



- (a) 5.5 (Five and Half) equity shares of Rs. 10/- each fully paid-up of Torrent Power Limited for every 1 (One) equity shares of Rs 10/- each fully paid-up held in Torrent Power AEC Limited.
- (b) 11.75 (Eleven and Three fourth) equity shares of Rs. 10/- each fully paid-up of Torrent Power Limited for every 1 (One) equity shares of Rs 10/- each fully paid-up held in Torrent Power SEC Limited.
- (c) 0.25 (One Fourth) equity shares of Rs. 10/- each fully paid-up of Torrent Power Limited for every 1 (One) equity shares of Rs 10/- each fully paid-up held in Torrent Power Generation Limited.

It is clarified that on the scheme being effective, the shares of TPGL held by TPAL and TPSL shall be cancelled and no shares shall be issued by the Transferee Company against these shares.

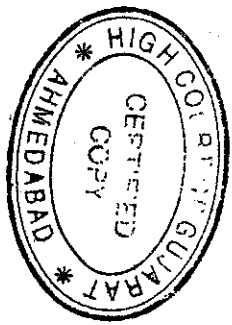
12.4.1 No fractional certificate(s) shall be issued by the Transferee Company in respect of any fractions which the members of the Transferor Companies may be entitled to on issue and allotment of the New Equity Shares as aforesaid by the Transferee Company. The Board of Directors of the Transferee Company shall instead, consolidate all such fractional entitlements and allot New Equity Shares in lieu thereof to a Director or an officer of the Transferee Company or such other person(s) as the Board of Directors of the Transferee Company shall appoint in this regard who shall hold the New Equity Shares in trust on behalf of the members entitled to such fractional entitlements with express understanding that such director or officer or person(s) shall sell the same in market at such time(s) (not later than 6 months upon coming into effect of this Scheme) at such price(s) and to such person(s) as it/ he/ they may deem fit, and pay to the Transferee Company the net sale proceeds thereof. Thereupon the Transferee Company shall distribute the net sale proceeds, after deduction of applicable taxes/ duties/ levies, if any, to the members entitled in proportion to their respective fractional entitlements. In case the number of such shares to be allotted to the Director/officer by virtue of consolidation of fractional entitlements is a fraction, one additional equity share will be issued in the Transferee Company to such Director/officer.

12.5 The reduction of capital of the Transferee Company pursuant to the Scheme shall be given effect as an integral part of the Scheme and the consent given to the Scheme by the shareholders and the creditors of the Transferee Company shall be deemed to be their consent under the provisions of Section 100 and all other applicable provisions of the Act to such reduction of capital of the Transferee Company and the Transferee Company shall not be required to convene any separate meeting for that purpose. The order of the Honorable High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act.



12.6 The total number of New Equity Shares of Transferee Company to be issued and allotted to members of Transferor Companies, credited as fully paid up and shall be on the following terms:

- (a) The New Equity Shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Transferee Company.
- (b) Subject to the provisions of this Scheme, the New Equity Shares to be issued and allotted to the shareholders of the Transferor Companies pursuant to this Scheme shall in all respects, rank *pari passu* with the existing equity shares of the Transferee Company in respect of dividend, bonus, right shares, voting rights and other corporate benefits. Until the Effective Date, the holders of the equity shares of the Transferor Companies shall continue to enjoy their rights under their Articles of Association, including the right to receive dividend if any, declared in accordance with the Act and the Articles of Association of the Transferor Companies.
- (c) Subject to the provisions of the Securities Contracts (Regulations) Act, 1956, the Securities and Exchange Board of India ("SEBI") Act 1992 and the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the Listing Agreement with the stock exchanges where the shares of the Transferor Companies are listed, the equity shares of the Transferee Company (including New Equity Shares to be issued by the Transferee Company pursuant to the Scheme) shall be listed. The Transferee Company shall take steps for listing of these shares on these Stock Exchanges in accordance with the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the Listing Agreement.



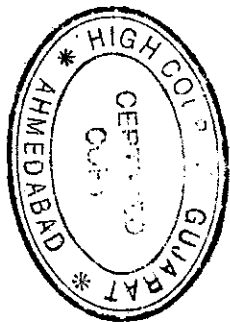
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(d) The New Equity Shares of the Transferee Companies shall be issued in dematerialized form to those shareholders of the Transferor Companies who hold shares in the Transferor Companies in dematerialized form, provided that all details relating to the account with the depository participant are available to the Transferee Company.

(e) All the shareholders of the Transferor Companies who hold shares of Transferor Companies in physical form, will be issued New Equity Shares in physical form (unless otherwise communicated in writing by the shareholders of the Transferor Companies to the Transferee Company), on or before such date as may be determined by the Board of Directors of the Transferee Company. Notwithstanding the foregoing, upon the New Equity Shares being issued and allotted, as aforesaid, the shares held in physical form held in the Transferor Companies shall be deemed to have been automatically cancelled and have no effect.

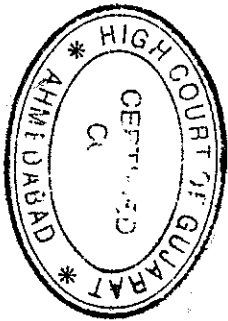
(f) In so far as the forfeited shares of the Transferor Companies are concerned, no shares shall be issued by the Transferee Company in lieu thereof.

(g) (i) The Transferor Companies may declare and pay dividend, whether interim or final, subject to the provisions of the Act, to its equity shareholders for the financial year ending after the Appointed Date but prior to the Effective Date provided the Board of Directors of the Transferor Companies has obtained the prior consent and approval of the Board of Directors of the Transferee Company before making such recommendation to the members of the Transferor Companies.



(ii) The Transferee Company may declare and pay dividend, whether interim or final, subject to the provisions of the Act, to its equity shareholders for the financial year ending after the Appointed Date but prior to the Effective Date and no such dividend shall be payable to the shareholders of the Transferor Companies in respect of their shareholding in the Transferor Companies or their entitlement to the New Equity Shares pursuant to this Scheme if such dividend is declared prior to the Effective Date.

(iii) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and the Transferee Company respectively, and subject to the approval of the shareholders of the Transferor Companies and the Transferee Company respectively.



13) AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEE COMPANY

On the Scheme becoming effective, the authorized capital clause of the Memorandum of Association of the Transferee Company shall be substituted by the following paragraph and approval by the shareholders to the Scheme shall be deemed to be their consent to the alteration of the Memorandum of Association pursuant to Section 16 read with Section 94 and other applicable provisions, if any, of the Act:

The Authorised Share Capital of the Company is Rs. 20,000,000,000/- (Rupees Two Thousand Crore only) divided into 2,000,000,000 (Two Hundred Crore only) Equity Shares of Rs. 10/- (Rupees Ten) each.

The shares in the capital of the Company for the time being, whether original, increased or decreased, may be divided into several classes with any preferential, qualified or other special rights, privileges, conditions or restrictions attached thereto, whether in regard to dividend, voting, return of capital or otherwise. The Company shall have power to issue redeemable preference shares.

The rights of the holders of any class of shares forming part of the capital for the time being of the Company may be modified, affected, varied, extended, surrendered, or abrogated in such manner as is, or may be, provided by the Articles of Association of the Company as originally registered or as altered from time to time.

14) TRANSFEROR COMPANIES DISSOLVED WITHOUT WINDING UP

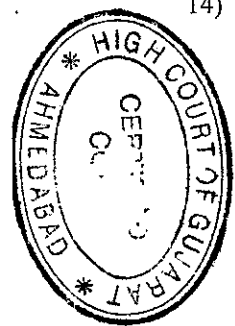
On the Scheme becoming effective, the Transferor Companies shall be dissolved without winding up under Section 394 of the Act.

Part IV

PROVISIONS APPLICABLE TO ALL PARTS OF THE SCHEME

15) APPLICATIONS TO HIGH COURTS

- 15.1 The Transferor Companies shall, with all reasonable dispatch, make applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Gujarat at Ahmedabad for sanctioning of this Scheme and for dissolution of the Transferor Companies without winding up under the provisions of law, and obtain all approvals as may be required under law.



- 15.2 The Transferee Company shall, also with all reasonable despatch, make applications/ petitions under Sections 391 to 394 of the Act, and other applicable provisions of the Act to the High Court of Gujarat at Ahmedabad for sanctioning of this Scheme under the provisions of law, and obtain all approvals as may be required under law.

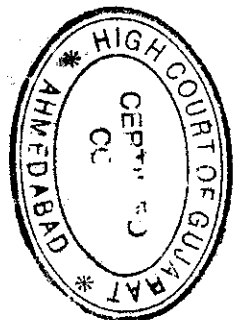
16) MODIFICATION/ AMENDMENT TO THE SCHEME

- 16.1 The Transferor Companies and the Transferee Company through their respective Board of Directors or a committee thereof or authorized officers are hereby empowered and authorized to assent from time to time to any modifications or amendments to this Scheme or to any conditions or limitations which the High Court of Gujarat at Ahmedabad or SEBI or stock exchanges where they are listed or any other statutory authorities may impose and to settle all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things as may be necessary for putting the Scheme into effect or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect.

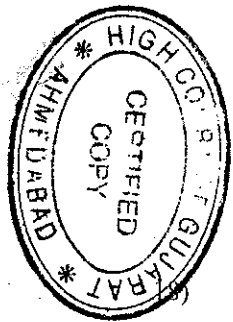
- 16.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, the Directors of the Transferee Company or such authorised officers may give and are authorized to give all such directions as are necessary including directions for settling any question of doubt or difficulty that may arise after the dissolution of the Transferor Companies.

17) SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is specifically conditional upon and subject to:

- (a) The approval of and agreement to the Scheme by the requisite majorities of such classes of persons of the Transferor Companies and the Transferee Company as required under the Act for the purpose and the requisite orders of the High Court of Gujarat at Ahmedabad being obtained.
- (b) Such other sanctions and approvals including sanctions of any statutory or regulatory authority including those required under Electricity Act, 2003 and other electricity laws, creditors, lessors, lenders or contracting parties as may be required by law or contract in respect of the Scheme being obtained; and
- (c) Filing of the certified copy of the Order of the High Court of Gujarat at Ahmedabad sanctioning the Scheme with the Registrar of Companies, Gujarat within such time as may be specified by the High Court or such extended time as approved by the High Court .

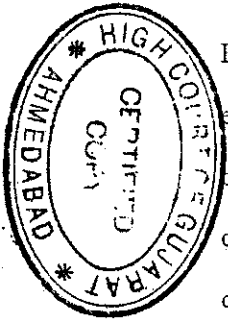


EFFECT OF NON-RECIEPT OF APPROVAL/SANCTION

In the event of any of the aforesaid sanctions and approvals referred to in the preceding Clause 17 above, not being obtained and/ or the Scheme not being sanctioned by the High Court of Gujarat at Ahmedabad within six months of passing of resolution by the Board of Directors of the Transferor Companies and the Transferee Company approving this Scheme or within such further period or periods as the Board of Directors of the Transferor Companies and Transferee Company may agree, the Scheme shall stand revoked, cancelled and become null and void and no rights and liabilities whatsoever shall accrue to or be incurred *inter se* by the parties or their shareholders or creditors or employees or any other person. In such event, each party shall bear its respective costs, charges and expenses in connection with the Scheme.

19) BOARD OF DIRECTORS OF THE TRANSFEROR COMPANIES

The Board of Directors (which includes any committee/ sub-committee thereof) of the Transferor Companies, upon the Scheme becoming effective, shall without any further act, instrument and deed stand dissolved. All the Directors of the Transferor Companies shall cease to be Directors of the Transferor Companies on coming into effect of this Scheme without affecting their rights as shareholders, if any, in the Transferor Companies, however, if any such Director is a Director of the Transferee Company he would continue to hold his office in the Transferee Company.

20) EXPENSES CONNECTED WITH THE SCHEME

Except for the event mentioned in Clause 18 above, all costs, charges and expenses of the Transferor Companies and the Transferee Company in relation to or in connection with this Scheme and for carrying out and implementing/ completing the terms and provision of the Scheme and/ or incidental to the completion of the amalgamation of the Undertaking of the Transferor Companies in pursuance of this Scheme shall, except as specifically provided herein, be borne by the Transferee Company.

Dated this 12th day of July 2006.

WITNESS YAD RAM MEENA Esquire, the ACTING
CHIEF JUSTICE at Ahmedabad aforesaid this 12th day of July Two
Thousand Six.



By the Order of the Court

(G. K. Upadhyay)
Registrar (Judicial)

This 12th day of July 2006

Sealer

(D. B. Dholakia)
Deputy Registrar

This 8th day of September 2006

TRUE COPY

Deputy Registrar
This Day of

Order drawn by:

Swati Saurabh Soparkar

(Swati Saurabh Soparkar)

Advocate

204, Aakanksha, Opp. Vadilal House,
Nr. Mount Carmel Railway Crossing,
Navrangpura, Ahmedabad.

PAGES : 17

CHARGE : 69

O/31042-31044/2015

Read By :

Prepared By : MS. BITTAN RAJPUT

Applied on : 19/08/2015

Examined By :

Prepared on : 15/09/2015

Notified on : 15-9-15

Delivered on : 15-9-15

Dy.S.O.

Section Officer

Decree Department

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION 216 of 2015

In COMPANY APPLICATION 42 of 2015



- 1 TORRENT ENERGY LIMITED
OFFICE AT TORRENT HOUSE, OFF ASHRAM ROAD,
AHMEDABAD.

Petitioner(s)

VERSUS

1 ..

THE HIGH COURT
OF GUJARAT

Respondent(s)

Being Comp - No. 216 of 2015

Appearance on Record:

MRS SWATI SOPARKAR as ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS as ADVOCATE for the Respondent(s) No. 1

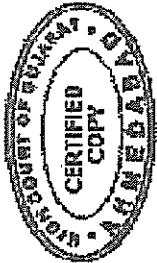
COURT'S ORDER :

CORAM :

HONOURABLE MR.JUSTICE VIPUL M. PANCHOLI

Date of Decision: 13/08/2015

(COPY OF JUDGEMENT ATTACHED HEREWITH)



PAGES : 2

CHARGE : B

Q/31042-31044/2015

Read By :

Prepared By : MS. BITTAN RAJPUT

Applied on : 19/08/2015

Examined By :

Prepared on : 15/09/2015

Notified on :

Delivered on :



Dy.S.O.

Section Officer

Decree Department

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION 217 of 2015

In COMPANY APPLICATION 43 of 2015

- 1 TORRENT CABLES LIMITED
OFFICE AT TORRENT HOUSE, OFF ASHRAM ROAD,
AHMEDABAD.

Petitioner(s)

VERSUS

1 ..

THE HIGH COURT
OF GUJARAT

Respondent(s)

Being - No. 217 of 2015

Appearance on Record:

MRS SWATI SOPARKAR as ADVOCATE for the Petitioner(s) No. 1

COURT'S ORDER :

CORAM :

HONOURABLE MR.JUSTICE VIPUL M. PANCHOLI

Date of Decision: 13/08/2015

(COPY OF JUDGEMENT ATTACHED HEREWITH)



NATIONAL INFORMATICS CENTRE

PAGES : 2

CHARGE : B

Q/31042-31044/2015

Read By :

Prepared By : MS. BITTAN RAJPUT

Applied on : 19/08/2015

Examined By :

Prepared on : 15/09/2015

Notified on :

Delivered on :



Dy.S.O.

Section Officer

Decree Department

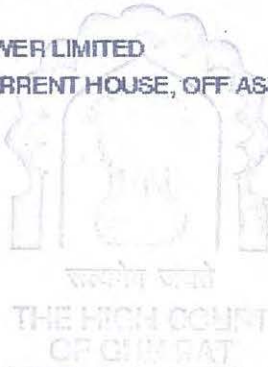
Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION 218 of 2015

In COMPANY APPLICATION 44 of 2015

- 1 TORRENT POWER LIMITED
OFFICE AT TORRENT HOUSE, OFF ASHRAM ROAD,
AHMEDABAD.



Petitioner(s)

VERSUS

1 ..
..

Respondent(s)

Being - No. 218 of 2015

Appearance on Record:

MRS SWATI SOPARKAR as ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS as ADVOCATE for the Respondent(s) No. 1

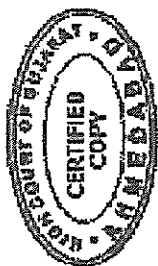
COURT'S ORDER :

CORAM :

HONOURABLE MR.JUSTICE VIPUL M. PANCHOLI

Date of Decision: 13/08/2015

(COPY OF JUDGEMENT ATTACHED HEREWITH)



COMP/21/8/2015

JUDGMENT

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION NO. 216 of 2015

In COMPANY APPLICATION NO. 42 of 2015

With

COMPANY PETITION NO. 217 of 2015

In

COMPANY APPLICATION NO. 43 of 2015

TO

COMPANY PETITION NO. 218 of 2015

In

COMPANY APPLICATION NO. 44 of 2015

FOR APPROVAL AND SIGNATURE:

HONOURABLE MR. JUSTICE VIPUL M. PANCHOLI

ju

1	Whether Reporters of Local Papers may be allowed to see the judgment?	
2	To be referred to the Reporter or not?	
3	Whether their Lordships wish to see the fair copy of the judgment?	970
4	Whether this case involves a substantial question of law as to the interpretation of the Constitution of India or any order made thereunder?	

TORRENT ENERGY LIMITED.....Petitioner(s)

Versus

.....Respondent(s)

Appearance:

MRE SWATI BOPARKAR, ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS, ADVOCATE for the Respondent(s) No. 1

CORAM: HONOURABLE MR. JUSTICE VIPUL M. PANCHOLI



Q3COMP/215/2015

JUDGMENT

Date : 13/08/2015

ORAL JUDGMENT



These are the petitions filed by three companies for the purpose of obtaining sanction of this court to a composite scheme of amalgamation of two transferor companies, i.e. Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited, the Transferee Company, proposed under section 391 to 394 of the Companies Act, 1956.

2. It has been submitted that all the companies in the proposed scheme belong to the same group of management, i.e. Torrent group. They are all engaged into the complimentary commercial activities, i.e. power generation, transmission and distribution activities. Hence, the Board of Directors of these Companies have decided to amalgamate these companies with the primary objective of consolidation of the activities. As contended by the petitioners, the proposed amalgamation is expected to result in the following benefits:

- (i) Enhanced shareholders' value;
- (ii) Alignment of various aspects of the power business of the Torrent Group in a logical group and sequence;
- (iii) Synergies of operations, inter alia, from consolidated fuel and spares procurement, optimization of logistics costs and more refined power generation / distribution models;
- (iv) Integration of business thereby providing significant impetus to the growth;
- (v) Concentrated management focus and improved organizational capability;

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- (vi) Integrated, rationalized and streamlined management structure of the merged business;
- (vii) Strengthening of financial position with wider capital base and increased leverage capacity of the merged entity;
- (viii) Facilitate inter transfer of resources and optimum utilisation of assets;
- (ix) Pooling of human talent in terms of manpower, management, administration and marketing to result in saving of costs.
- (x) Avoiding duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances;
- (xi) Synchronizing of efforts to achieve uniform corporate policy;
- (xii) Improved opportunities for new ancillary businesses, expansion and modernization of existing ancillary business;
- (xiii) Addressing the emerging challenges due to enhanced competitive scenario.

सत्यमेव जयते

3. It has been further pointed out that the two companies, i.e. Torrent Cables Limited and Torrent Power Limited are listed public limited companies, and the shares are listed on Bombay Stock Exchange Limited for both the companies, and National Stock Exchange of India Limited for the Transferee Company. In compliance with clause 24(f) of the listing agreement, the petitioner company had already approached the concerned stock exchanges, and the approvals/clearances obtained from the said exchanges had been placed on record.

4. It has been submitted that vide order dated 24th February 2015 passed in Company Application No. 42 of 2015, meetings of the equity shareholders of Torrent Energy Limited, the first transferor company was dispensed with. This being the wholly owned subsidiary of Torrent Power

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Limited, the transferee company, all the shareholders had granted approval to the scheme in form of written consents, and the same were placed on record. Separate meetings of the unsecured creditors and secured creditors of the company were directed to be convened for the purpose of obtaining their approval to the scheme. Pursuant to the directions, issued with regard to the conduct of the meetings, after service of due notices to all the unsecured creditors and secured creditors, as well as the public notice, the said meetings were duly convened respectively on 30th April 2015 and 1st May 2015. The scheme was considered at the said meetings, and it was approved unanimously by the unsecured creditors as well as secured creditors of the company, present and casting valid votes at the respective meetings. The Chairman's report along with affidavit dated 6th June 2015 has been placed on record, which provides the details of the result of the meeting.

5. It has been further submitted that vide order dated 24th February 2015 passed in Company Application No. 43 of 2015, separate meetings of the equity shareholders, unsecured creditors and secured creditors of Torrent Cables Limited, the second transferor company were directed to be convened for the purpose of obtaining their approval to the scheme. Pursuant to the directions, issued with regard to the conduct of the meetings, after due notices to all the equity shareholders, unsecured creditors and secured creditors as well as the public notice, the said meetings were duly convened respectively on 30th April 2015 and 1st May 2015. The scheme was considered at the said meetings, and it was approved by the requisite statutory majority of 98.59% in number, and 99.99% in value, by the equity shareholders present and casting valid votes at the said meeting. Further, in compliance of clause 5.16 (a) of the Securities and Exchange Board of India Circulars (CIR/CFD/DIL/5/2013

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dated February 4, 2013 and CIR/CFD/DIL/8/ 2013 dated May 21, 2013), the said company had sought the approval from its public shareholders through postal ballot and e-voting. The scheme was approved by requisite majority of 99.92% of the public shareholders through the said procedure. The scheme was duly approved unanimously by the unsecured creditors and secured creditors of the company at the respective meetings. The chairman's report along with affidavit dated 8th June 2015 has been placed on record which provides the details of the result of the meetings as well as Postal ballot and e-voting.

6. It has been further submitted that vide order dated 24th February 2015 passed in Company Application No. 44 of 2015, meetings of the equity shareholders of Torrent Power Limited, the transferee company was directed to be convened for the purpose of obtaining their approval to the scheme. Pursuant to the directions, issued with regard to the conduct of the meeting, after due notices served to all the equity shareholders as well as the public notice, the said meeting was duly convened on 30th April 2015. The scheme was considered at the said meeting, and it was approved by requisite statutory majority of 98.94% in number, and 99.99% in value by the equity shareholders present and casting valid votes at the said meeting. Further in compliance of clause 5.16(a) of the Securities and Exchange Board of India Circulars (CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/ 2013 dated May 21, 2013), the said company had sought the approval from its public shareholders through postal ballot and e-voting. The scheme was approved by requisite majority of 99.967% of the public shareholders through the said procedure. The chairman's report along with affidavit dated 6th June 2015 has been placed on record, which provides the details of the result of the meeting.

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7. It has been further submitted that vide order dated 24th February 2015 passed in Company Application No. 44 of 2015, the meetings of the secured and unsecured creditors of the transferee company were dispensed with by accepting the contention of the company that the scheme does not envisage any compromise with the creditors of the transferee company. Further, in light of substantial positive net worth of the transferee company in post scheme scenario, the rights and interest of these creditors are not likely to be adversely affected. However, in compliance with the terms of the respective loan agreements with its secured creditors, the transferee company had undertaken to obtain the approvals from its secured creditors. Attention of the Court is drawn to the additional affidavit dated 10th August 2015. It has been submitted that all the secured lenders, except one, have given their no-objection to the amalgamation, and the same are placed on record. It has been further submitted that two of the lenders sought repayment of the loans given to the transferee company. One of them, Kotak Mahindra Bank Limited, has been prepaid the total outstanding amount, and No Dues Certificate has been obtained from the said lender, a copy of which has also been placed on record. It has been further submitted that the other lender is a foreign bank viz. KFW, which represents around 5% of total secured debt of the transferee company. The transferee company has made all arrangements to prepay the outstanding to the said lender. However, the actual payment can be effected only after the approval is granted by the Reserve Bank of India. The Reserve Bank of India has granted the permission for the full prepayment of outstanding amount along with the consequent prepayment charges with a ceiling on the latter. The petitioner company is in the process of requesting the modification in the permission for ceiling on such prepayment charges. It has been submitted that the

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petitioner company is presently unable to complete the process of prepayment for the reasons beyond its control. The petitioner company has undertaken to prepay the full amount due to that creditor on receipt of the modified approval of the Reserve Bank of India, and if it is so desired, it is agreeable to deposit the amount payable to that creditor in a separate bank account with an undertaking to this Court to the effect that the said account shall not be used for any purpose other than the prepayment to the said lender.

8. The substantive petitions for the sanction of the scheme were filed by all the petitioner companies, which were admitted on 19th June 2015. The notice for the hearing of the petitions were duly advertised in the all India editions of English daily 'The Times of India', English daily and Gujarati dailies 'Gujarat Samachar' and 'Sandesh' as well as additionally 'Divya Bhaskar' dated 20th July 2015, and the publication in the Government gazette was dispensed with as directed in the said orders. Pursuant to the said publication in the newspapers, no objections were received by the petitioner or its advocate. The said fact has been confirmed vide the common additional affidavit dated 10th August 2015.

9. Notice of the petitions have been served upon the Office of the Official Liquidator for the two Transferor companies. The respective reports dated 30th July 2015 have been filed by the Official Liquidator after taking into account the respective reports of the Chartered Accountant appointed by him out of the panel. It has been observed by the Official Liquidator that the affairs of the respective transferor companies have been conducted within their respective object clauses, and they have not been conducted in any manner prejudicial to the interest of their members or public interest, hence, the petitioner

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transferor companies may be dissolved without following the process of winding up. However, the Official Liquidator has sought directions to be issued to preserve the books of accounts, papers and records and not to dispose of the same without prior permission of the Central Government as per the provisions of Section 396(A) of the Companies Act, 1956. Accordingly, the transferee company is hereby directed to preserve the books of accounts, papers and records of all the transferor companies and not to dispose of the same without prior permission of the Central Government. It is hereby further directed that even after the scheme is sanctioned, the transferor companies shall comply with all the applicable provisions of law and shall not be absolved from any of its statutory liability.

10. Notice of the petitions have been served upon the Central Government and Shri Devang Vyas, learned Assistant Solicitor General appear for the Central Government A common affidavit dt. 29th July 2015 has been filed by Mr. Shambhu Kumar Agarwal, the Regional Director, North-Western Region, Ministry of Corporate Affairs, whereby several observations are made.

11. The attention of this court is drawn to the common additional affidavit dated 10th August 2015 filed by Mr. T. P. Vijayasathy, the Executive Director (Corporate Affairs) and Chief Financial Officer of the petitioner transferee company whereby all the above issues have been dealt with. I have further heard submissions made by the learned counsel appearing for the Central Government, and Mrs. Swati Soparkar, learned advocate appearing for the petitioners on the said observations.

(i) The observations made vide 2 (a), 2 (b) and 2 (c) of the affidavit of

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the Regional Director refer to the factual position and require no response.



(ii) The observation made vide para 2 (d), pertains to the accounting treatment as proposed vide clause 11 (c) of the scheme. It has been observed by the Regional Director that the said clause is not in consonance with the Accounting Standard-14. In this regard, it has been submitted by the petitioner company that perusal of clause 11 (a), makes it clear that the Transferee Company shall account for the amalgamation under the 'Pooling of Interest Method' as prescribed under Accounting Standard 14. The transfer of assets and liabilities of the Transferor Companies are proposed at their book values. It has been further submitted that a company is entitled to prescribe under the Scheme itself, a specific treatment to be given to its reserves. Further, Section 211 (3B) of the Companies Act, 1956 and corresponding section 129 (5) of the Companies Act, 2013, also provides that if the practice adopted for such accounting entry, varies from the said standard, necessary disclosure should be made in the first financial statements of the transferee company. The said issue is already settled by several decisions of various High Courts, including the Gujarat High Court. The petitioner has undertaken that in case of deviation from the aforesaid accounting standard or practice, the transferee company shall make necessary disclosures in its first financial statements after the scheme is made effective. Further, the Regional Director has sought an undertaking that reserves so created, if any, shall not be available for distribution of dividend. In this regard, it has been pointed out that the decision of the Hon'ble Division Bench of the Gujarat High Court has concluded the said issue vide order passed in O.J. Appeal No. 33 of 2012 in the matter of **Adishree Tradelinks Private Limited (176 Company Cases 67 Guj.)**.

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Reliance has been placed on the said decision and considering the ratio of the said decision, this court does not think it necessary to issue any such direction or condition on the petitioner company to restrict distribution of dividend out of such reserves.



(iii) Vide para 2 (e), it has been observed by the Regional Director that the transferor company-2, viz. Torrent Cables Limited and the Transferee Company, viz. Torrent Power Limited, being the listed companies had approached the concerned stock exchanges, viz. BSE Limited and National Stock Exchange of India Limited, and obtained the requisite observation letters from the said exchanges. However, under the SEBI circulars dated 4th February 2013 and 21st May 2013, the approval from SEBI has to be obtained. In this regard, it has been submitted that the said petitioner companies were required to obtain SEBI approval through the stock exchanges only and the said exchanges have actually granted the observation letters only after obtaining clearance from SEBI, which is clearly evident from the observation letters.

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(iv) Further, it has been pointed out that the petitioner transferor company-2 as well as the petitioner transferee company, being the listed companies in the proposed scheme; had obtained the approval of the public shareholders through postal ballot and e-voting, as envisaged under clause 5.16(a) of the above referred SEBI circulars and the result of the votes cast by postal ballot and e-voting has been presented to the court along with the respective Chairman's reports. This clarifies the complete factual position with regard to the compliances made by the petitioner company with regard to SEBI circulars and in view of this, no further directions are required to be issued in this regard.

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(v) The next observation made vide para 2 (f) of the affidavit, pertains to the compliance with the provisions of FEMA and RBI guidelines. It has been clarified, that under the said Acts, no prior approval is required to be obtained for the proposed scheme of amalgamation. As the petitioner companies have confirmed, the transferee company is directed to take all necessary actions to comply with the applicable provisions of the said acts in form of intimation to the concerned authorities at the time of actual issue and allotment of shares to the said NRI/ foreign individuals pursuant to the scheme.

(vi) The next observation made vide para 2(g) pertains to the licences, approvals and other permissions from the concerned regulatory authorities. In this regard, it has been submitted that the scheme has defined the 'Undertakings' elaborately and has specifically included the transfer of all the existing licences, approvals and permissions from the concerned regulatory authorities existing with the transferor companies to be transferred to the transferee company. Further, clause 17.1.7 and 17.1.8 of the scheme has specific reference to the requisite approval from Central Electricity Regulatory Commission under Section 17 of the Electricity Act, 2003; as well as from Gujarat Electricity Regulatory Commission under Section 17 of the Electricity Act, 2003 and Regulation 27 of Gujarat Electricity Regulatory Commission (Licensing of Distribution of Electricity) Regulations, 2005 and section 25 of Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 to the extent they are not inconsistent with the provisions of Electricity Act, 2003 for the implementation of the scheme. It has been submitted that the petitioner company had approached the said authorities before initiating the proceedings before the High Court and that the Central Electricity Regulatory Commission vide the order dated 7th January, 2015 has

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approved the amalgamation of first transferor company with the transferee company as required under section 17 of the Electricity Act, 2003. Similarly, Gujarat Electricity Regulatory Commission vide the order dated 1st April, 2015 has approved the amalgamation of Transferor Company – 1 with the transferee company. Taking note of the same, no further directions are required in this regard.



(vii) The next observation of the Regional Director vide para 2(h) pertains to the letter dated 2nd July 2015 sent to the Income Tax Dept. to invite their objections, if any. The response received from the Income Tax dept. dated 22nd July 2015 provides information about the assessments and outstanding demands for assessment years 2010-11, 2011-12 and 2012-13. In this regard, it has been submitted that the outstanding demands, being disputed, have been challenged by the petitioner companies and the same are pending before the appellate authorities. The petitioner companies have undertaken that, subject to the final adjudications of the tax liabilities, the petitioner companies shall fulfill their tax liabilities.

(viii) It has been further observed by the Regional Director that all the petitioner companies have filed returns for the Assessment year 2014-15 claiming current losses. The petitioners have pointed out the factual errors and further submitted that the scheme is proposed for the commercial benefits of achieving operational synergy by consolidation of activities of all the three companies. The resultant adjustments in the books of accounts and consequentially in the tax liabilities are permissible under the existing provisions of the Income Tax Act. The petitioner companies have undertaken to comply with applicable provisions of Income Tax Act and Rules. At the time of hearing, attention of the court is drawn to the

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observations of the Apex Court in the matter of Vodafone Essar Gujarat Limited on the plea of the Income Tax Dept. relating to the Scheme of Arrangement, whereby the Apex Court, while dismissing the special leave petition no. 29819/2012 filed by the Income Tax Department against the Division Bench judgment of this Court in the case of Vodafone Essar Gujarat Ltd. V. Department of Income Tax reported at 353 ITR 222 observed that 'the Department is entitled to take out appropriate proceedings for recovery of any tax statutorily due from the transferor or transferee company or any other person who is liable for payment of such tax due.' In light of the same, subject to the direction in the above terms viz. 'the Department is entitled to take out appropriate proceedings for recovery of any tax statutorily due from the transferor or transferee company or any other person who is liable for payment of such tax due', it is not necessary for this court to issue any further directions.

(ix) The petitioner companies have further undertaken to address the complaints, if any received from any shareholders in respect of the unpaid dividend.

12. Considering all the facts and circumstances and taking into account all the contentions raised by the affidavits and reply affidavits, the reliance placed on the judgments of this High Court and Apex court, and the submissions during the course of hearing, I am satisfied that the observations made by the Regional Director, Ministry of Corporate Affairs, do not survive. I have come to the conclusion that the present scheme of amalgamation is in the interest of the shareholders and creditors of all the companies as well as in the public interest and the same deserves to be sanctioned. As regards the observations made in

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paragraph 7 above as to non payment to one of the creditors of the Transferee Company, in view of the judgment of the division bench of this Court in the case of **Union of India V. Ambalal Sarabhai Enterprise Ltd. (1984) 55 Company Cases 623 at page 660**, strictly it may not be necessary to obtain its consent at all. Therefore, the transferee company is hereby directed to deposit the amount payable to that creditor in a separate bank account with an undertaking to this court to the effect that the said account shall not be used for any purpose other than the prepayment to the said lender. The aforesaid direction shall be complied within four weeks from the date of this order.

13. In the facts and circumstances of the case and having heard the learned advocates for the petitioners, the prayer in terms of paragraph 21 (a) of the Co. Petition No. 216 of 2015, paragraph No. 23 (a) of Company Petition No. 217 of 2015, and Company Petition No. 218 of 2015 are hereby granted.

14. The petitions are disposed of accordingly. So far as the costs to be paid to the Central Government Standing Counsel is concerned, I quantify the same at Rs. 10,000/- per petition for the second Transferor Company, and the Transferee Company being listed company, and at Rs. 7,500/- per petition for the first Transferor company. The same may be paid to the learned Standing Counsel appearing for the Central Government. Costs to be paid to the Office of the Official Liquidator is quantified at Rs. 7,500/- per petition payable only by the transferor companies. The same may be paid to the Office of the Official Liquidator.

15. The petitioner companies are further directed to lodge a copy of

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this order, the schedule of immovable assets of all the transferor companies as on the date of this order and the Scheme duly authenticated by the Registrar, High Court of Gujarat, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, on the same within 60 days from the date of the order.



16. The Petitioner companies are directed to file a copy of this order along with a copy of the scheme with the concerned Registrar of Companies, electronically, along with INC-28 in addition to physical copy as per relevant provisions of the Act.

17. Filing and issuance of drawn up order is hereby dispensed with.

18. All concerned authorities to act on a copy of this order along with the scheme duly authenticated by the Registrar, High Court of Gujarat. The Registrar, High Court of Gujarat shall issue the authenticated copy of this order along with Scheme as expeditiously as possible.

smd/vu

(VIPUL M. PANCHOLI, J.)

By Order of the Court
s/- G. G. Prajapati
 19-8-15
 Deputy Registrar

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DEPUTY / ASSISTANT REGISTRAR
 THIS 15-9-15 DAY OF

Page 15 of 15

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY PETITION NO. 216 OF 2015

CONNECTED WITH

COMPANY APPLICATION NO. 42 OF 2015

31042-31044/15
H/o. No. (Hr.) 93
Comparing & Copies Charges
Total Rs. 375 = 00

Rel 15-9-15
Section Officers
Decree Department
Dt. 15-9 / 2015

Copy Applied on 19-08-15
Copy Ready on 15-09-15
Notified on 15-9-15
Copy Delivered on 15-9-15
Sent by
Regd. By Post

Dy. S. O.

In the matter of Composite Scheme of
Amalgamation under Sections 391 to 394 of the
Companies Act, 1956

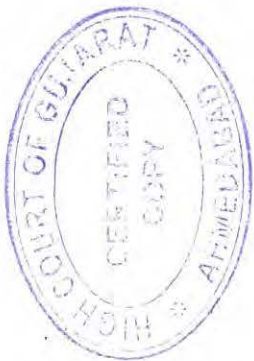
And

In the matter of Torrent Energy Limited.

A company registered under the Companies Act,
1956 and having its registered office at Torrent
House, Off Ashram Road, Ahmedabad - 380 009,
in the State of Gujarat.

And

In the matter of Composite Scheme of
Amalgamation of Torrent Energy Limited and
Torrent Cables Limited with Torrent Power
Limited.



②
Torrent Energy Limited.
A company registered under the Companies
Act, 1956 and having its registered office at
Torrent House, Off Ashram Road, Ahmedabad -
380 009, in the State of Gujarat Petitioner Transferor Company-1



- 2 -

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY PETITION NO. 217 OF 2015

CONNECTED WITH

COMPANY APPLICATION NO.43 OF 2015

In the matter of Composite Scheme of
Amalgamation under Sections 391 to 394 of the
Companies Act, 1956

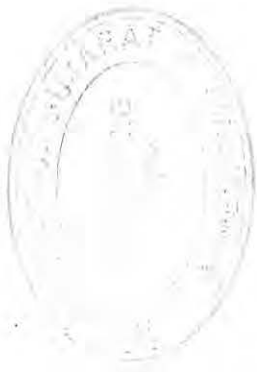
And

In the matter of Torrent Cables Limited.

A company registered under the Companies Act,
1956 and having its registered office at Torrent
House, Off Ashram Road, Ahmedabad - 380 009,
in the State of Gujarat.

And

In the matter of Composite Scheme of
Amalgamation of Torrent Energy Limited and
Torrent Cables Limited with Torrent Power
Limited.



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Torrent Cables Limited.

A company registered under the Companies
Act, 1956 and having its registered office at
Torrent House, Off Ashram Road, Ahmedabad -
380 009, in the State of Gujarat Petitioner Transferor Company-2



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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY PETITION NO. 218 OF 2015

CONNECTED WITH

COMPANY APPLICATION NO. 44 OF 2015

In the matter of Composite Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956

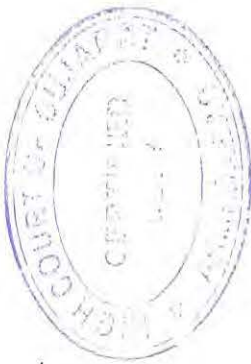
And

In the matter of Torrent Power Limited.

A company registered under the Companies Act, 1956 and having its registered office at Torrent House, Off Ashram Road, Ahmedabad - 380 009, in the State of Gujarat.

And

In the matter of Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited.



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Torrent Power Limited.

A company registered under the Companies Act,

1956 and having its registered office at Torrent

House, Off Ashram Road, Ahmedabad - 380 009,

in the State of Gujarat Petitioner Transferee Company



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COMPOSITE SCHEME OF AMALGAMATION
 (UNDER SECTIONS 391 TO 394 AND OTHER APPLICABLE PROVISIONS
 OF THE COMPANIES ACT, 1956)
OF
TORRENT ENERGY LIMITED
AND
TORRENT CABLES LIMITED
WITH
TORRENT POWER LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND THE CREDITORS

This Composite Scheme of Amalgamation provides for:
 Amalgamation of Torrent Energy Limited and Torrent Cables Limited
 with Torrent Power Limited pursuant to Sections 391 to 394 and other
 applicable provisions of the Companies Act, 1956.

A DESCRIPTION OF THE COMPANIES

- (a) Torrent Energy Limited (hereinafter referred to as "**TEL**" or "**Transferor Company 1**") is a public unlisted company incorporated under the provisions of the Companies Act, 1956 having its registered office at Torrent House, Off Ashram Road, Ahmedabad - 380 009, Gujarat. Transferor Company 1 is a wholly owned subsidiary of Torrent Power Limited. It has also been granted the status of co-developer by the Ministry of Commerce and Industry, Government of India, and as a co-developer; it is responsible for catering to the entire power requirement of entities coming up in the Dahej Special Economic Zone (SEZ). It is also eligible to avail various exemptions from taxes, cess, duties, fees, or any other levies under various Central & State laws. It is engaged in developing the DGEN Mega Power Project, viz. 1196.85 MW gas based combined cycle power project and associated transmission facility for power evacuation; as also the power distribution infrastructure at Dahej SEZ area. It is also a distribution licensee for Dahej SEZ area.
- (b) Torrent Cables Limited (hereinafter referred to as "**TCL**" or "**Transferor Company 2**") is a public company incorporated under the provisions of the Companies Act, 1956 having its registered office at Torrent House, Off Ashram Road, Ahmedabad - 380 009, Gujarat. Shares of Transferor Company 2 are listed on BSE Limited. Transferor Company 2 is an established manufacturer and supplier



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of power cables since 1989 and is one of the market leaders in HT Power Cable segment.

The Transferor Company 1 and Transferor Company 2 shall hereinafter be collectively referred to as the "**Transferor Companies**")

- (c) Torrent Power Limited (hereinafter referred to as "**Torrent Power**" or the "**Transferee Company**") is a public company incorporated under the provisions of the Companies Act, 1956 having its registered office at Torrent House, Off Ashram Road, Ahmedabad - 380 009, Gujarat. Shares of the Transferee Company are listed on National Stock Exchange of India Limited and BSE Limited. The Transferee Company is an integrated utility engaged in the business of power generation, transmission and distribution of electricity with operations in the States of Gujarat, Maharashtra and Uttar Pradesh.

B RATIONALE FOR AMALGAMATION

- (a) The Transferor Companies and Transferee Company are part of the same business group. Transferor Company 1 is a wholly owned subsidiary of the Transferee Company and both, Transferor Company 1 and Transferee Company, are engaged in the similar business. Transferor Company 2 is one of the major suppliers of power cables for the power transmission and distribution activities of Transferee Company as well as Transferor Company 1.
- (b) In view of similar business of Transferor Company 1 and the Transferee Company and complementary business relationship between Transferor Company 2 on one hand and Transferor Company 1 and Transferee Company on the other hand, it is proposed to consolidate the activities of the Transferor Companies and the Transferee Company by way of amalgamation of Transferor Companies with the Transferee Company.
- (c) The proposed amalgamation would result in the following benefits to the Transferor Companies and the Transferee Company, their respective shareholders and creditors and will be in long-term interest of customers, employees and other stakeholders:
- Enhanced shareholders' value;
 - Alignment of various aspects of the power business of the Torrent Group in a logical group and sequence;

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- Synergies of operations, *inter alia*, from consolidated fuel and spares procurement, optimization of logistics costs and more refined power generation / distribution models;
- Integration of business thereby providing significant impetus to the growth;
- Concentrated management focus and improved organisational capability;
- Integrated, rationalised and streamlined management structure of the merged business;
- Strengthening of financial position with wider capital base and increased leverage capacity of the merged entity;
- Facilitate inter transfer of resources and optimum utilisation of assets;
- Pooling of Human talent in terms of Manpower, Management, Administration and marketing to result in saving of costs
- Avoiding duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances;
- Synchronizing of efforts to achieve uniform corporate policy;
- Improved opportunities for new ancillary businesses, expansion and modernization of existing ancillary business;
- Addressing the emerging challenges due to enhanced competitive scenario

Moreover, it would lead to enhanced reputation of the brand "Torrent" as a reliable and serious player in all spheres in the power sector in India.

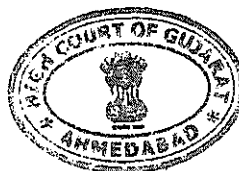
1 DEFINITIONS AND INTERPRETATION

1.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings ascribed against them:

"Act" means the Companies Act, 1956 and/or the Companies Act, 2013 as in force from time to time; it being clarified that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Companies and Transferee Company, Section 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions the Companies Act, 1956.

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Upon such provisions standing re-enacted by enforcement of provisions of Companies Act, 2013, such references shall, unless a different intention appears, be construed as reference to the provisions so re-enacted.

"Applicable Law" shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.

"Appointed Date" means the opening hours of the business on 1 April 2014.

"Appropriate Authority" means any governmental, statutory, departmental or public body or authority in India, including Securities and Exchange Board of India; stock exchanges in India; Registrar of Companies, Company Law Board in India, Competition Commission of India, National Company Law Tribunal in India ("**NCLT**"), the High Court of Judicature at Gujarat.



"Board of Directors" or "Board" shall mean the Board of Directors of Transferee Company, Transferor Company 1, or Transferor Company 2, as the case may be or any committee thereof duly constituted or any other person duly authorised by the Board for the purpose of this Scheme;

"Effective Date" means the date on which all the conditions and matters referred to in the Scheme including Clause 17.1 have been fulfilled.

"High Court" or "Court" means the Hon'ble High Court of Judicature at Gujarat or the NCLT as the case may be.

"Lender" or "Lenders" means any person or entity that has granted or will grant any credit facility whether fund based or non-fund based and whether secured or unsecured, to the Transferor Companies or the Transferee Company.

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"Parties" or "Parties to the Scheme" means Transferor Companies and the Transferee Company, collectively.

"Party" shall mean Transferor Company 1, Transferor Company 2 or Transferee Company, individually.

"Record Date" means the date to be fixed by the Board of the Transferee Company in consultation with the Board of the Transferor Company 2 for the purpose of reckoning names of the equity shareholders of Transferor Company 2 who shall be entitled to shares of the Transferee Company in accordance with Clause 7.1 of this Scheme.

"Scheme", "the Scheme", "this Scheme" means this composite scheme of amalgamation in its present form submitted to the High Court or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the High Court or any other Appropriate Authority may direct.

"SEBI Circular" means the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013 and CIR/CFD/DIL/1/2014 dated March 25, 2014 (which provides clarifications with respect to the aforementioned circular), issued by the Securities and Exchange Board of India;

"the Undertaking" shall mean and include all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of each of Transferor Companies, on a going concern basis, together with all their assets and liabilities and employees and shall mean and include (without limitation):

- (a) all assets and properties, whether movable and immovable (whether freehold, leasehold or otherwise), tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress including expenses incurred to be capitalized and advances for assets, equipment,

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furniture, fixtures, vehicles, stocks and inventory, any other leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, other fixed assets, current assets including loans, advances, inventory and work in progress cash in hand, amounts lying in the banks to the credit of each of the Transferor Companies, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, Development Rights including advances paid to any parties for acquisition of development rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses including licenses for electricity transmission and distribution, sales tax and excise duty licenses, and also with export-import authority including advance licenses and all other licenses, duty entitlement pass books, duty refund against export obligations, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges concerning the business of the Transferor Companies and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief/benefit available/to be available to the eligible units including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted/ collected at



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source, brought forward accumulated tax losses, unabsorbed depreciation, Minimum Alternate Tax Credit ("MAT"), deduction under Chapter VI-A for the eligible period) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Companies as on the Appointed Date or any other benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, use or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies;

- (b) All the debts, liabilities, duties and obligations including contingent liabilities, present or future, whether secured or unsecured, of the Transferor Companies as on the Appointed Date; and
- (c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Companies.
- (d) Without limitation to the generality of the foregoing, all the properties of the Transferor Company 1 related to the power transmission business, including without limitation, power transmission equipment, sub stations, terminal stations, foundations for tower structures/switch yards/substations, insulators, towers, transmissions accessories, appliances, tools and plants.
- (e) all permanent employees, staff and workmen of Transferor Companies.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting singular shall include plural and vice versa;

1.2.2 reference in the Scheme to "coming into effect of the Scheme" or "effectiveness of the Scheme" or "upon the Scheme being effective" shall mean from the Effective Date;

1.2.3 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;



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- 1.2.4 references to the word "include" or "including" shall be construed without limitation;
- 1.2.5 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 1.2.6 unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 1.2.7 references to dates and times shall be construed to be references to Indian dates and times;
- 1.2.8 reference to an act, regulation, circular, notification or a document includes an amendment or supplement to, or modification or replacement or novation or re-enactment of such act, regulation, circular, notification or document; and
- 1.2.9 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

1.3 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall have legal effect and force from the Appointed Date but shall be operative from the Effective Date.

2 SHARE CAPITAL OF THE COMPANIES

2.1 The share capital of Transferor Company-1 as on 31st March 2014 is as under:

	Rs (in crores)
AUTHORISED SHARE CAPITAL	
2,300,000,000 Equity Shares of Rs. 10/- each	2300.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
1,988,220,000 Equity shares of Rs. 10/- each fully paid up	1988.22

After 31 March 2014, there has been no change in the authorised, issued, subscribed and paid-up share capital of Transferor Company 1. The entire paid up share capital of Transferor Company 1 is held by the Transferee Company and its nominees and the Transferor Company 1 is therefore a wholly owned subsidiary of the Transferee Company.

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2.2 The share capital of the Transferor Company 2 as on 31 March 2014 is as under:

	Rs (in crores)
AUTHORISED SHARE CAPITAL	
70,000,000 Equity Shares of Rs. 10/- each	70.00
ISSUED SHARE CAPITAL	45.00
45,000,011 Equity shares of Rs. 10/- each	
SUBSCRIBED AND PAID-UP SHARE CAPITAL	8.60
8,598,395 Equity shares of Rs. 10/- each fully paid up	

After 31st March 2014, there has been no change in the authorised, issued, subscribed and paid-up share capital of Transferor Company-2.

2.3 The share capital of Transferee Company as on 31 March 2014 is as under:

	Rs (in crores)
AUTHORISED SHARE CAPITAL	
2,000,000,000 Equity Shares of Rs. 10/- each	2000.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	472.45
472,448,308 Equity Shares of Rs. 10/- each	

After 31st March 2014, there has been no change in the authorised, issued, subscribed and paid-up share capital of Transferee Company.

3 TRANSFER AND VESTING OF THE UNDERTAKINGS

3.1 Upon the Scheme being effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Undertakings of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in Transferee Company, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting any of the Transferor Companies or any part thereof, and which shall be deemed to have been vested in Transferee Company by virtue of the amalgamation. After coming into effect of this Scheme in cases where the required security has not been created and in such case if the terms thereof

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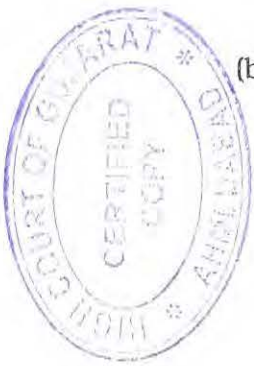


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require, Transferee Company will create the security in terms of the issue or arrangement in relation thereto.

3.2

- (a) Upon the Scheme being effective, with respect to the assets forming part of the Undertakings of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same shall stand transferred and vest in, without any further act or execution of an instrument with the intent of vesting such assets in Transferee Company as on the Appointed Date. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialised form) upon its transfer and vesting in Transferee Company.
- (b) Subject to the provisions of Clause 3.2(c) below, with respect to the assets of the Undertakings of the Transferor Companies other than those referred to in Clause 3.2(a) above, including sundry debtors, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, development rights, advances paid to any parties for acquisition of development rights, earnest money and deposits, if any, with government, semi-government, local and other authorities and bodies or with any company or other person, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company on the Effective Date pursuant to the provisions of Section 394 of the Act, with effect from the Appointed Date. It is hereby clarified that all the investments made by Transferor Companies and all the rights, title and interests of Transferor Companies in any leasehold properties in relation to the Undertakings of the Transferor Companies shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Transferee Company.



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- (c) Upon the Scheme being effective, with respect to the immovable properties (including land, buildings and any other immovable property) comprised in the Undertakings of the Transferor Companies and situated within the States of Gujarat and Maharashtra whether owned or leased, and any documents of title, rights and easements in relation thereto, and forming part of the Undertakings of the Transferor Companies, shall stand transferred and vest in the Transferee Company, without any act or deed done by the Transferor Companies or the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Court and the Scheme becoming effective in accordance with the terms hereof. The Transferor Companies shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of their immovable property is given to the Transferee Company.
- (d) For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of Transferor Companies, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by Transferor Companies, be transferred to and vested in Transferee Company.
- (e) Upon the Scheme being effective and subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Transferor Companies is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of Transferee Company and shall be binding on and be



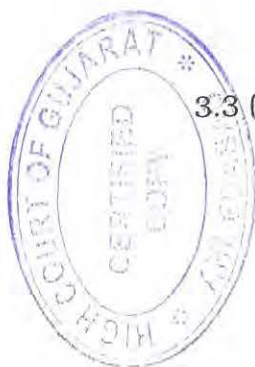
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enforceable by and against Transferee Company as fully and effectually as if Transferee Company had at all times been a party thereto. Any inter-se contracts between any of the Transferor Companies on one hand and Transferee Company on the other hand shall stand cancelled and cease to operate in Transferee Company upon the coming into effect of this Scheme. It is clarified that upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements (including the power purchase agreements), arrangements and other instruments of whatsoever nature entered into between the Transferor Companies be treated as cancelled and shall cease to operate.

- (f) In so far as the various incentives, tax exemption and benefits, subsidies, grants, special status and other benefits or privileges enjoyed including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax etc., granted by any Appropriate Authority, or availed of by Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to Transferee Company on the same terms and conditions with effect from Appointed Date upon the Scheme being effective.



- 3.3 (a) Upon the Scheme being effective, all debts, liabilities, duties and obligations of Transferor Companies as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Transferor Companies which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of Transferee Company.

- (b) Upon the Scheme being effective, where any of the liabilities and obligations attributed to any of the Transferor Companies on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of Transferee Company. Where after the Appointed Date, Transferor Companies has taken any further loans, liabilities or obligations, such further loan shall also be deemed to have been for and on behalf of Transferee Company and Transferee Company will assume liability for the same.

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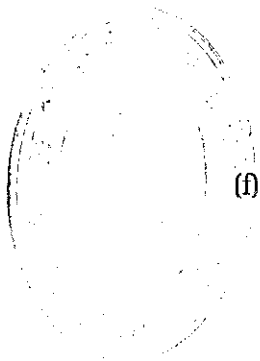
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- (c) Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, Transferor Companies and Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat and other relevant Appropriate Authorities to give formal effect to the above provisions.
- (d) If and to the extent there are loans, deposits or balances inter-se between Transferor Companies and Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of Transferee Company upon the Scheme being effective. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between any of the Transferor Companies and Transferee Company from the Appointed Date.
- (e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between any of the Transferor Companies and Transferee Company from the Appointed Date.
- (f) Upon the Scheme being effective, any tax liabilities under the Income Tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, entertainment tax as applicable in any State in which Transferor Companies operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or Corporation Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Transferor Companies' accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted/collected at source as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to Transferee Company.
- (g) Any amount including refund under the Tax Laws due to Transferor Companies consequent to the assessment proceedings or otherwise



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and which have not been received by the Transferor Companies as on the date immediately preceding the Appointed Date shall also belong to and be receivable by Transferee Company upon the Scheme being effective.

- (h) Without prejudice to the generality of the above, all benefits including under Tax Laws, to which Transferor Companies is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in Transferee Company upon the Scheme being effective.

3.4 Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been transferred to and vested in Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of Transferee Company on the same terms and conditions as were applicable to the Transferor Companies and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.



3.5 Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the Undertaking of the Transferor Companies in accordance with the provisions of Sections 391 to 394 of the Act. The Transferor Companies and the Transferee Company shall be jointly and severally authorised to execute any writings and / or carry out any formalities or compliance or do any act, thing or deed in this regard.

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3.6 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertakings of the Transferor Companies occurs by virtue of this Scheme, Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite

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arrangements with any party to any contract or arrangement to which any of the Transferor Companies are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Companies to carry out or perform all such formalities or compliances referred to above on the part of any of the Transferor Companies, as the case may be, to be carried out or performed.

4 PERMITS, CONSENTS AND LICENSES

All the licenses, permits, quotas, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), no-objection certificates, incentives, permissions, registrations, tax exemptions, accumulated tax losses, MAT Credit entitlement, tax benefits including benefits under Chapter VI A of Income Tax Act, 1961, concessions or deferrals, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed by and all rights and benefits that have accrued or may accrue to Transferor Companies before or after the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the Undertakings of the Transferor Companies, pursuant to the provisions of Section 394(2) of the Act and all other applicable provisions, if any, shall without any further act, instrument or deed, cost or charge, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to Transferee Company so as to become on and from the Appointed Date the licenses, permits, quotas, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), no-objection certificates, incentives, permissions, registrations, tax exemptions, accumulated tax losses, MAT Credit entitlement, tax benefits including benefits under Chapter VI A of Income Tax Act, 1961, concessions or deferrals, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges of Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law.

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Upon the Effective Date and until the licenses, permit, quotas, approvals, (including, but not limited to, environmental approvals, statutory and regulatory approvals), no-objection certificates, incentives, permissions, registrations, tax exemptions, accumulated tax losses, MAT Credit entitlement, tax benefits including benefits under Chapter VI A of Income Tax Act, 1961, concessions or deferrals, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and / or perfected, in the record of the Appropriate Authority, in favor of Transferee Company, Transferee Company is authorized to carry on business in the name and style of Transferor Companies and under the relevant license and or permit and or approval, as the case may be, and Transferee Company shall keep a record and/or account of such transactions, as if the Transferor Companies have not been wound up

5 **EMPLOYEES, STAFF AND WORKMEN**

Upon transfer to and vesting of the Undertakings of the Transferor Companies unto Transferee Company taking place, as provided herein, Transferee Company undertakes to engage on and from the date on which this Scheme becomes operative all the employees, staff and workmen of Transferor Companies on the same terms and conditions on which they are engaged by Transferor Companies without any interruption of service as a result of the transfer and vesting of the Undertakings of the Transferor Companies into Transferee Company. Transferee Company agrees that the services of all such employees, staff and workmen with Transferor Companies prior to the transfer and vesting of the Undertakings of the Transferor Companies into Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund, and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund, superannuation funds, or such other special funds or trusts created for the benefit of the staff, workmen or employees nominated by Transferee Company and/or such new provident fund, gratuity fund, superannuation fund, or such other special funds or trusts created for the benefit of the staff, workmen or employees to be established and caused to be recognised by the concerned authorities by Transferee



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Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund, superannuation fund, or such other special funds or trusts respectively.

6 LEGAL PROCEEDINGS

6.1 Upon the Scheme being effective, if any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "**the Proceedings**") by or against Transferor Companies be pending before the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies pursuant to this scheme or by anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if the Scheme had not been made. On and from the Effective Date, Transferee Company shall and may initiate any legal proceedings which were earlier in the names of the Transferor Companies.

6.2 The transfer and vesting of the Undertakings of the Transferor Companies under the Scheme and the continuance of the proceedings by or against Transferee Company under Clause 6.1 shall not affect any transaction or proceeding already completed by Transferee Company on and after the Appointed Date and prior to this Scheme becoming effective to the end and intent that Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of Transferor Companies as acts, deeds and things done and executed by and on behalf of Transferee Company.

7 CONSIDERATION

7.1 Upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertakings of the Transferor Companies in Transferee Company pursuant to this Scheme, the Transferee Company shall without any further application, act, instrument or deed, issue and allot to each equity shareholder of Transferor Company 2 whose name is recorded in the register of members of the Transferor Company 2 on the Record Date in the following ratio ("Share Exchange Ratio"): 19 (Nineteen) equity shares of face value of Rs.10/- at par each



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fully paid-up of Transferee Company for every 20 (Twenty) equity shares of face value of Rs.10/- each fully paid-up held in Transferor Company 2.

For avoidance of doubt, it is clarified that in respect of equity shareholders of the Transferor Company 2 who, on the Record date do not hold equity shares in the Transferor Company 2 in multiple of 20 (Twenty) shall be allotted number of fully paid-up equity shares of Rs. 10/- each at par of the Transferee Company in the same ratio as the actual number of equity shares held by the member in the Transferor Company 2 on the Record Date, bear to the Share Exchange Ratio. It is further clarified that any fraction arising thereon shall be dealt with as per clause 7.5 of the Scheme.

7.2 Since the entire share capital of the Transferor Company 1 is held by the Transferee Company, it is the wholly owned subsidiary of the Transferee Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company 1 shall get automatically cancelled/ extinguished. The Transferee Company shall not be required to issue and allot any shares against these shares as the Transferee Company is the only shareholder of the said Transferor Company.

7.3 The Share Exchange Ratio has been arrived at on basis of the valuation report prepared by M/s. Price Waterhouse & Co. LLP, Independent Chartered Accountants. Further, M/s. IDFC Securities Limited, Merchant Bankers, has provided a fairness opinion on the fairness and reasonableness of the Share Exchange Ratio determined for the vesting of the Undertakings of the Transferor Companies into Transferee Company. The valuation report and fairness report as aforesaid have been duly approved by the Board of Directors of each of the Transferor Companies and Transferee Company.

7.4 The equity shares to be issued and allotted by Transferee Company as above shall be subject to the provisions of the memorandum and articles of association of Transferee Company and shall rank *pari passu* in all respects with the existing equity shares of Transferee Company. It is hereby clarified that the new equity shares allotted by Transferee Company to the shareholders of the Transferor Company 2 pursuant to this Scheme shall not be entitled to any dividend declared, distributed by Transferee Company before the Effective Date.

7.5 No fractional shares shall be issued by Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of Transferor Company 2 may be entitled to under the Scheme and all



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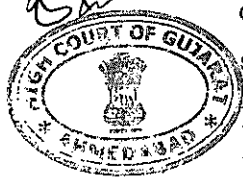
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such fractional entitlements shall be consolidated into whole shares and be allotted to such person, persons or entities (including one or more of the directors and/or officers of Transferee Company) as may be nominated by the Board of Directors of Transferee Company as trustee(s) for sale thereof, in open market through SEBI registered share broker at such price as may be approved by such trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements.

7.6 Equity shares of Transferee Company issued in terms of Clause 7.1 above shall be listed on the relevant stock exchange/s, where the existing equity shares of Transferor Company 2 are listed (besides where the shares of Transferee Company are listed) and Transferee Company shall pay the appropriate fee and incur all costs for the same. Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Law for complying with the formalities of the relevant stock exchanges;

7.7 The new equity shares issued pursuant to Clause 7.1 above shall be issued in the dematerialized form by Transferee Company unless otherwise notified in writing by the shareholders of Transferor Company 2 to Transferee Company on or before such date as may be determined by the Board of Directors of Transferee Company. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company 2, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Transferor Company 2 shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Transferee Company shall issue and directly credit the dematerialized securities account of such members of Transferor Company 2.

In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company 2 that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then Transferee Company shall issue the new equity shares in certificate form in such number.



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Such physical share certificates (if any) shall be sent by Transferee Company to such equity shareholders of Transferor Company 2 at their respective registered addresses, as appearing in the register of members maintained by Transferor Company 2 as of Record Date with respect to their respective shareholders (or in the case of joint shareholders - to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit

7.8 Where equity shares of the Transferee Company are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company 2, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title, satisfactory to the Board of Directors of the Transferee Company.

7.9 Unless otherwise determined by the Board of Directors of Transferor Companies and the Board of Directors of Transferee Company, allotment of shares in terms of Clause 7.1 above shall be done within the prescribed statutory period from the Effective Date.

7.10 The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company 2 which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.

7.11 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company 2, the Board of Directors of Transferee Company at the sole discretion shall be empowered in appropriate cases, even subsequent to the Record Date as the case may be to effectuate such a transfer in Transferor Company 2 as if such changes in registered holder were operative as on the Record Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Transferee Company on account of difficulties faced in the transition period.

7.12 The issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company 2 as provided in this



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Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with.

8 TREATMENT OF SCHEME FOR THE PURPOSES OF THE INCOME TAX ACT, 1961

8.1 This Scheme complies and comes within the definition and conditions relating to "Amalgamation" as specified under Section 2(1B), Section 47 and other relevant sections of the Income Tax Act, 1961. The carried forward losses and depreciation under Income Tax Act, 1961 of the Transferor Companies would be carried forward and available to the Transferee Company subject to provisions of Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Sections of the Income Tax Act, 1961, at a later date, including resulting from an amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall stand modified / amended to the extent determined necessary to comply and come within the definition and conditions relating to "Amalgamation" as specified in the Income Tax Act, 1961. In such an event the clauses which are inconsistent shall be modified or if the need arises be deemed to be deleted and such modification / deemed deletion shall however not affect the other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company and each of the Transferor Companies, which power shall be exercised reasonably in the best interests of the companies concerned.

9 AMENDMENT TO THE MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF THE TRANSFEE COMPANY

AMENDMENT TO THE MEMORANDUM OF ASSOCIATION

A. CAPITAL CLAUSE

9.1 Upon the Scheme being effective, the authorised share capital of each of the Transferor Companies will get consolidated with that of Transferee Company without any further act or deed and without payment of any additional fees and duties. For this purpose the stamp duty and fees already paid on the authorised capital of the Transferor Companies shall be utilised and applied to the increased authorised share capital of Transferee Company and there would be no



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requirement for any other further payment of stamp duty and / or fee by Transferee Company for increase in the authorised share capital to that extent. The authorised share capital of Transferee Company will thus be increased to that effect by virtue of the scheme becoming effective and no separate procedure shall be required to be followed under the Act. Thus, the authorised share capital of Transferee Company will amount in aggregate to Rs. 4370,00,00,000 (Rupee Four thousand three hundred and seventy crore only) divided into 437,00,00,000 (Four hundred thirty seven crore only) equity shares of Rs. 10/- each.

9.2 Consequently, the Clause V of Memorandum of Association of Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:

"The Authorised Share Capital of the Company is Rs. 4370,00,00,000 (Rupees Four thousand three hundred and seventy crore only) divided into 437,00,00,000 (Four hundred thirty seven crore only) equity shares of Rs. 10/- each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to affect, vary, extended, modify, surrender or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."



B. OBJECTS CLAUSE

9.3 With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions the Act as set out below:

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(a) The current Clause III.(A).1. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety and be substituted with the following paragraph:

- i) "To generate, transmit, distribute, purchase, procure, sell, import, export or accumulate or otherwise deal in all forms of electrical power in all

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aspects, to own, promote, set up, establish, develop, maintain, run, operate, manage and acquire generating company, generating station or stations of every kind and description, and to own, promote, set up, establish, develop, maintain, run, operate and manage transmission and distribution networks or systems and to acquire, in any manner, these networks or systems and to act as agent or representative of any person engaged in the planning, development, generation, transmission, distribution, supply or financing of power and to investigate, research, design and prepare feasibility, appraisal or project reports and to build and execute projects for generation, transmission, distribution, supply, purchase, sale, import, export, storage and accumulation of all forms of electrical power and to engage in all activities incidental thereto.

- ii) To carry on the business of establishment and management of fuel systems and to search for, obtain, acquire, mine, explore, buy, sell, import, export or otherwise deal in oils, gases, coals, naphtha, liquefied natural gas, raw petroleum stock or any other fuel in solid, liquid or gas form, whether found in natural state or obtained by processing from other substances and to carry on the production, storage, processing and manufacturing of these products and any related materials.
- iii) To carry on the business of manufacturers, sellers and distributors of electrical apparatuses and appliances, electric, magnetic, galvanic and other articles and things of all kinds including electric wires and cables of all descriptions, insulators, conductors, tapes, ropes, poles, galvanisers, switch gears, distribution accessories and all other kinds of electrical goods and materials and the business of electrical, mechanical, civil, sanitary, railway, nautical, aero-nautical and general engineers in all their respective branches.
- iv) To carry on business as manufacturers, importers, exporters, whole-sellers, retailers, repairers, buyers and sellers of and dealers in all kinds of goods, substances, preparations, materials, articles, things, apparatuses, fittings, appliances, accessories and component parts for or in connection with the civil, electrical, mechanical and textile engineering, electrical and cable industries, made wholly or in part out of rubber, synthetic rubber, cork, plastics, asphalt, glass and any other natural and synthetic materials of all descriptions and to compound, fabricate, mould, extrude or otherwise process goods made wholly or partially from thermoplastic and thermosetting substances or other materials of any nature.



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The current Clause III.(B).2. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety.

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- (c) The current Clause III.(B).3. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety and be substituted with the following paragraph:

"To plan, promote and take up necessary developmental work, selection of prospective/ established Independent Power Producers/ generating/ transmission/ distribution companies/ utilities and enter into contracts/ Power Purchase Agreements/ Other Agreements with them; to act as catalyst and also to provide connected services to them so as to augment power generation, transmission, distribution and optimum utilisation of electrical power."

It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum of Association of Transferee Company as required under applicable provisions of the Act.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

9.4 With effect from the Appointed Date and upon the Scheme becoming effective, the Articles of Association of the Transferee Company shall stand amended without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:

The following article shall be inserted after Article 199 of the Articles of Association of the Transferee Company as Article 199A:

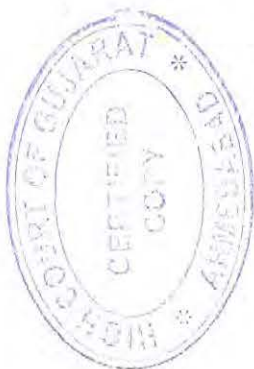
"199A. Chairperson may be Managing Director or Chief Executive Officer

An individual may be appointed or reappointed to, or hold, the position of Chairperson of the Company and also its Managing Director or Chief Executive Officer (as the case may be) at the same time."

It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Articles of Association of Transferee Company as required under applicable provisions of the Act.

DIVIDENDS

Following provisions will apply with regard to any distribution or declaration or payment of dividend or interim dividend, as the case may be, by the Board of Directors of the Transferor companies and / or the Transferee Company:



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10.1 The Transferor Companies and Transferee Company shall be entitled to declare and pay dividends subject to the provisions of the Act to their respective shareholders out of the profits available for distribution as dividend for the accounting period prior to the Appointed Date where such declaration of dividend is on or before the sanction of the Scheme by the Board of Directors at their respective Board Meetings. It is hereby clarified that the shareholders of Transferor Companies shall not be entitled to any dividend from the Transferee Company under this sub-clause.

10.2 The Transferor Companies may declare and pay dividend subject to the provisions of the Act, to its equity shareholders for the accounting period commencing on or after the Appointed Date but prior to the Effective Date provided the Board of Directors of the Transferor Companies has obtained the prior consent and approval of the Board of Directors of the Transferee Company before making such declaration or payment to the members of the Transferor Companies.

10.3 The Transferee Company may also declare and pay dividend subject to the provisions of the Act, to its equity shareholders for the accounting period commencing on or after the Appointed Date but prior to the Effective Date. It is hereby clarified that the shareholders of Transferor Companies shall not be entitled to any dividend from the Transferee Company under this sub-clause.

10.4 The Transferee Company may, on or after the Effective Date but on or before the Record Date, declare and pay dividend to its equity shareholders subject to the provisions of the Act provided the shareholders of the Transferor Companies who are entitled to receive shares of the Transferee Company shall also be entitled to such dividend in the same manner and to the same extent as if they were shareholders of the Transferee Company on the date of such declaration by the Board of Directors of the Transferee Company. In such event, the shareholders of the Transferor Companies who are entitled to receive shares of the Transferee Company shall, on the Record Date, also be eligible to receive an amount representing such dividend proportionate to the shares they are entitled to receive. For this purpose, the Transferee Company shall, at the time of declaration of dividend to its shareholders as aforesaid, reserve the amount required for payment of dividend to such Transferor Companies' shareholders. The Board of Directors of the Transferee Company will declare the aforesaid reserved amount as dividend to such Transferor

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Companies' shareholders after the Record Date and the amount set apart will be appropriated towards such declaration. For the avoidance of doubt it is clarified that no interest shall be payable by the Transferee Company to such Transferor Companies' shareholders in relation to such amount to be applied towards payment of such dividend.

10.5 Subject to the provisions of the Scheme, the profits of the Transferor Companies, for the period beginning from the Appointed Date, shall belong to and be the profits of Transferee Company and will be available to Transferee Company for being disposed of in any manner as it thinks fit.

10.6 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and/or Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Board of Directors of the Transferor Companies and Transferee Company, subject to such approval of their respective shareholders at their respective annual general meetings, as may be required.

11 ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF TRANSFEE COMPANY

On the Scheme becoming effective, Transferee Company shall account for the amalgamation in its books at the close of business on the day immediately preceding the Appointed Date as under:

- (a) Amalgamation of Transferor Companies shall be accounted for in accordance with Pooling of Interest Method of accounting as per the Accounting Standard 14 as notified under Section 211(3C) of the Act.
- (b) All assets and liabilities, including reserves, of Transferor Companies transferred to Transferee Company under the Scheme shall be recorded in the books of account of Transferee Company at the book value as recorded in books of account of Transferor Companies, at the close of business on the day immediately preceding the Appointed Date, except to ensure uniformity of accounting policies.
- (c) The difference between Share Capital of Transferor Company 2 and face value of new equity shares issued in terms of Clause 7.1 above to the shareholders of Transferor Company 2 (other than Transferee



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Company) shall be adjusted in reserves of Transferee Company. If such difference is a surplus, then the same shall be credited to the General reserve of Transferee Company and if such difference is a deficit, then the same shall be first adjusted against the General reserve of Transferee Company and balance, if any, shall be debited to the Goodwill account of Transferee Company.

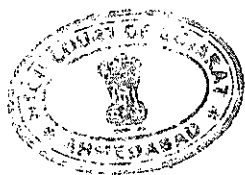
- (d) Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations amongst the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be. For the removal of doubt, it is clarified that in view of the above there would be no accrual of interest or other charges in respect of any such inter-company loans, advances, deposits, balances or other obligations.

12 BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR TRANSFEE COMPANY

Unless otherwise stated herein under, with effect from the Appointed Date and up to and including the Effective Date:

- 12.1 The Transferor Companies shall be deemed to have been carrying on and shall carry on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the respective Undertaking of the Transferor Companies for and on account of, and in trust for Transferee Company and shall account for the same to the Transferee Company. The Transferor Companies hereby undertake to hold the said Undertaking with utmost prudence until the Effective Date.

- 12.2 With effect from the date of the Board meeting of Transferor Companies approving the Scheme and up to and including the Effective Date, the Transferor Companies shall preserve and carry on their businesses and activities with reasonable diligence and business prudence and shall not, without the prior consent in writing of any of the persons authorised by the Board of Directors of Transferee Company, alter or diversify their respective businesses or venture into any new business, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of



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comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Companies prior to the date of acceptance of the Scheme by their respective Boards.

12.3 All the profits, income, taxes (including MAT credit, advance tax paid and tax deducted/collected at source) or any costs, charges, expenditure accumulated losses, costs, charges or expenditure accruing to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purpose be treated and be deemed to be and accrue as the profits, income, taxes (including MAT credit, advance tax paid and tax deducted/collected at source) or any costs, charges, expenditure accumulated losses, costs, charges or expenditure of Transferee Company, as the case may be.

12.4 With effect from the date of the Board meeting of Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Companies shall not, without the prior consent in writing of any of persons authorised by the Board of Directors of Transferee Company, undertake (i) any material decision in relation to their businesses and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business, or discontinue any existing business or change the installed capacity of facilities.

12.5 With effect from the date of the Board meeting of Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Companies shall not vary the terms and conditions of employment of any of their employees, without the prior consent in writing of any of the persons authorised by the Board of Directors of Transferee Company, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the date of the said Board meeting.

12.6 With effect from the date of the Board meeting of Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Companies and Transferee Company shall not, without the prior written approval of the Board of Directors of the Transferor Companies and Transferee Company, make any change in their capital structure i.e. Share Capital, whether by way of increase, decrease, reduction, re-classification, sub-division or consolidation, re-



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organisation, or in any other manner which may, in anyway, affect the Share Exchange Ratio (as provided in this Scheme).

12.7 Transferee Company shall be entitled to depute its employees and/or representatives to the office(s) of the Transferor Companies to ensure compliance with the provisions of this Scheme.

12.8 Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the concerned authorities and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company may require to carry on the business of the Transferor Companies and to give effect to the Scheme.

13 SAVING OF CONCLUDED TRANSACTIONS

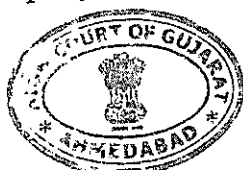
Subject to the terms of the Scheme, the transfer of the Undertaking, licences, permits, registrations, memberships and approvals as specified under this Scheme and the continuance of Proceedings by or against the Transferee Company under Clause 6 above shall not affect any transaction or Proceedings already concluded by the Transferor Companies on or before the Appointed Date, or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

14 BORROWINGS OF THE TRANSFEROR COMPANIES AND TRANSFEE COMPANY

14.1 It is clarified that upon the Scheme coming into effect and without any further act of the parties, all loan agreements, rupee facility agreements, working capital facility agreements, mortgage deeds, hypothecation deeds, pledge agreements, security trustee agreements, demand promissory notes, letters of comfort and any other such borrowing or security instruments of whatsoever nature to which the Transferor Companies are a party and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company, under the same terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.

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14.2 With effect from the date of the Board meeting of Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Companies and Transferee Company shall be entitled to undertake such financial commitments, borrow monies, create any charge, mortgage, encumber or deal with its movable and immovable assets, issue any guarantees, indemnities, undertakings, letters of comfort or commitments or such other instruments, as may be necessary or required by the lenders / security trustees, pursuant to the new loan facilities proposed to be availed from the existing or new lenders subject to Clause 12.2.

14.3 Notwithstanding anything to the contrary contained in this Scheme, pending the sanction of the Scheme by High Court, the Transferor Companies and the Transferee Company shall be entitled jointly, to avail one or more loan facilities from the existing as well as new Lenders, from time to time, and offer their assets as security, on such terms as may be mutually agreed, in order to reorganise their consolidated long term financing arrangements including under an obligor co-obligor structure. Such re-organisation of consolidated financial arrangements is expected to have an appropriate moratorium and longer repayment tenure (of around 15 years). The Board of Directors of respective Transferor Companies and Transferee Company shall finalize and approve the terms and conditions for availing such proposed loan facility. The indicative key terms of the proposed obligor co-obligor structure, *inter alia*, are as under:

- a. The Transferor Companies and Transferee Company will jointly become the obligors to such re-organised loan facility.
- b. The obligors shall make a joint and several promise to repay such re-organised loan facility.
- c. Each of the obligors shall create security for the total value of the re-organised loan facility on their entire respective assets.
- d. The Lenders will have recourse to the assets of all or any of the obligors to recover the entire amount of such re-organised loan facility from all or any of the obligors in case of any event of default including payment default.

For the avoidance of doubt, it is clarified that upon the Scheme being effective, such re-organised loan facility shall continue to be in full force and effect in relation to the Transferee Company, under the same

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terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor.

15 **VALIDITY OF EXISTING RESOLUTIONS, ETC**

Upon the coming into effect of this Scheme, the resolutions of the Transferor Companies, as are considered necessary by the Board of Directors of Transferee Company and which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of Directors of Transferee Company shall be added to the limits, if any, under like resolutions passed by Transferee Company and shall constitute the aggregate of the said limits in Transferee Company.

16 **DISSOLUTION OF THE TRANSFEROR COMPANIES**

On the Scheme becoming operative or effective, each of the Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act and no further procedure shall be required to be followed under the Act.

17 **APPLICATIONS/PETITIONS TO THE HIGH COURT AND SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

17.1 This Scheme is conditional upon and subject to obtaining the following approvals/sanctions, taking actions and performance of the conditions stated below:

17.1.1 The approval of the Scheme by the requisite majorities of such classes of shareholders and creditors of the Transferor Companies and the Transferee Company as required under the Act for the purpose;

17.1.2 Obtaining shareholders' approval through special resolution passed through postal ballot and e-voting and the votes cast by public shareholders in favor of the Scheme are higher than the number of votes cast by public shareholders against it in terms of SEBI Circular.



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- 17.1.3 The sanctions of the High Court being obtained under Sections 391 and 394 and other applicable provisions of the Act on behalf of the Transferor Companies and the Transferee Company;
- 17.1.4 The Parties executing loan agreement(s) with Lenders for re-organisation of the consolidated long term financing arrangements (as mentioned in Clause 14) and fulfilling all pre-disbursement conditions (unless modified/altered/waived by lenders as applicable) for such arrangements;
- 17.1.5 The Parties obtaining consent and no-objection certificates from all of their existing lenders of term loans and working capital facilities;
- 17.1.6 Approval being obtained from Development Commissioner, Dahej SEZ Ltd and Board of Approval, Ministry of Commerce for transfer of sub lease rights & co-developer rights issued in the name of Transferor Company 1 in favour of the Transferee Company;
- 17.1.7 Approval being obtained from Central Electricity Regulatory Commission under Section 17 of the Electricity Act, 2003;
- 17.1.8 Approval being obtained from Gujarat Electricity Regulatory Commission under Section 17 of the Electricity Act, 2003 and Regulation 27 of Gujarat Electricity Regulatory Commission (Licensing of Distribution of Electricity) Regulations, 2005 and section 25 of Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 to the extent they are not inconsistent with the provisions of Electricity Act, 2003;
- 17.1.9 Obtaining of such other sanctions and approvals including sanctions of any statutory or regulatory authority under the Applicable Law;
- 17.1.10 Obtaining approval of the designated stock exchange as required under the SEBI Circular;
- 17.1.11 Approvals being obtained from creditors, lessors, Lenders or contracting parties as may be required by Applicable Law or contract; and
- 17.1.12 The certified copy of the order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat.

In the event of any of the said sanctions approvals not being obtained and / or the Scheme not being sanctioned by the High Court, this Scheme shall stand revoked, cancelled and be of no effect, save and



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except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

If any Clause of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such Clause shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the companies involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including, but not limited to, such clause.

17.2 Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., to own each of the Undertakings of the Transferor Companies and to carry on the business of the Transferor Companies.

18 MODIFICATIONS/AMENDMENTS TO THE SCHEME

18.1 Transferee Company and each of the Transferor Companies, through their respective Boards of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations which the High Court and any other competent authority may deem fit to suggest/impose/direct and effect any other modification or amendment which the High Court and any other competent authority may consider necessary or desirable and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or



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insolvent shareholder of the Transferor Companies or Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

18.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Companies and/or Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. Notwithstanding anything stated in this Clause, no amendments or changes to the Scheme shall be carried out or be permissible unless and until the same is approved by the High Court.

18.3 Each of the Transferor Companies and/or Transferee Company acting through their respective Boards of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Hon'ble High Court or any authority/person or Lenders is unacceptable to any of them or otherwise if so mutually agreed.

19 General Terms and Clauses

19.1 Upon the Scheme being effective, the Transferee Company is expressly permitted to revise its financial statements to give effect to the provisions of the Scheme.

19.2 Upon the coming into effect of this Scheme, Transferee Company is expressly permitted to revise its Income Tax returns, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, etc. to the extent required. Transferee Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates on or after the Appointed Date by each of the Transferor Companies.

19.3 It is hereby clarified that submission of the Scheme to the High Court and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that the Transferee Company and the Transferor Companies may have under or pursuant to all appropriate and Applicable Law.

19.4 All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses if any (save as expressly



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otherwise agreed) of the each of the Transferor Companies and Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid solely by Transferee Company.

19.5 The issue and allotment of shares by Transferee Company to persons resident outside India, if any, will be subject to the obtaining of necessary permissions, if any under the provisions of the Foreign Exchange Management Act, 1999 (including any modification or reenactment thereof), as required.

In view of para 18 of the order dated 13th August 2015, passed by the Hon'ble court (Coram: Hon'ble Mr. Justice Vipul M. Pancholi) in Company Petitions No. 216, 217 & 218 of 2015, the Scheme is hereby authenticated.

Adulgh 10/9/15
Registrar (Judicial)

This 10th day of September 2015

Radhika
(R.R. Pillay)
D.Y.S.O.

[Signature]
S.O.

Alum (M)
(A.K. P.P.)
[Signature]
D.R.

10/9/15
Sealer and Deputy Registrar

This 10th day of September 2015

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on 15/9/15
ASSISTANT REGISTRAR
THIS 15-9-15 DAY OF

PAGES : 16

CHARGE :88

O/39093/2016

Prepared By : K.K. JOSHI

Applied on : 17/10/2016

Prepared on : 16/11/2016

Notified on : 16/11/16

Delivered on : 16/11/16

Read By :

Examined By :



By.S.O.

Decree Department

Section Officer

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION 412 of 2016

In COMPANY APPLICATION 395 of 2016

- 1 TORRENT SOLARGEN LIMITED
TORRENT HOUSE, OFF ASHRAM ROAD,
AHMEDABAD - 380 009, IN THE STATE OF GUJARAT

VERSUS

Petitioner(s)

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सत्यमेव जयते
THE HIGH COURT
OF GUJARAT

Comp
Being - No. 412 of 2016

Respondent(s)

Appearance on Record:

MRS SWATI SOPARKAR as ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS as ADVOCATE for the Respondent(s) No. 1

COURT'S ORDER :

CORAM :

HONOURABLE MR.JUSTICE R.M.CHHAYA

Date of Decision: 14/10/2016

(COPY OF JUDGEMENT ATTACHED HEREWITH)



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GUJARAT HIGH COURT

O/COMP/412/2016

JUDGMENT

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION NO. 412 of 2016

In

COMPANY APPLICATION NO. 395 of 2016



FOR APPROVAL AND SIGNATURE:

HONOURABLE MR.JUSTICE R.M.CHHAYA *ml*

1	Whether Reporters of Local Papers may be allowed to see the judgment ?
2	To be referred to the Reporter or not ?
3	Whether their Lordships wish to see the fair copy of the judgment ?
4	Whether this case involves a substantial question of law as to the interpretation of the Constitution of India or any order made thereunder ?

No

TORRENT SOLARGEN LIMITED....Petitioner(s)

Versus

.....Respondent(s)

Appearance:

MRS SWATI SOPARKAR, ADVOCATE for the Petitioner(s)

MR DEVANG VYAS, ASSISTANT SOLICITOR GENERAL OF INDIA with MR KSHITIJ AMIN, CENTRAL GOVERNMENT COUNSEL for the Respondent(s)

CORAM: HONOURABLE MR.JUSTICE R.M.CHHAYA

Date : 14/10/2016

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JUDGMENT

ORAL JUDGMENT

1. This is a petition filed by Torrent Solargen Limited, for the purpose of obtaining the sanction of this court to a Scheme of Arrangement in the nature of Transfer and vesting of the Solar Energy Undertaking as well as Wind Energy Undertaking of Torrent Solargen Limited, the Transferor Company, by way of slump sale to Torrent Power Limited, the Transferee Company; proposed under section 391 to 394 of the Companies Act, 1956.

2. It has been submitted that Torrent Solargen Limited (TSL), the Petitioner Transferor Company is a wholly owned subsidiary of Torrent Power Limited, (TPL), the Transferee Company. It is engaged in the business of generation of electrical power from non-conventional and renewable sources mainly Solar and Wind energy and to explore strategic opportunities in the renewable energy sector. It has commenced the commercial operations with regard to Solar Power Project and is in the process of implementation of Wind Power Project, both in the state of Gujarat. Whereas Torrent Power Limited, the Transferee Company is an integrated utility engaged in the business of power generation, transmission and distribution of electricity with operations in the states of Gujarat, Maharashtra and Uttar Pradesh. It is also engaged in the business of manufacturing and supply of power cables. It has been pointed out that



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the Transferor Company is a wholly owned subsidiary of the Transferee Company. The Board of Directors of these Companies thought it appropriate to transfer and vest the two undertakings of Torrent Solargen Limited to Torrent Power Limited. Since the holding company, is the pioneer of the integrated activities of power sector, its project development and management bandwidth can help Torrent Group's renewable energy ventures(existing and proposed) also to grow quickly. The petition provides the details of the benefits envisaged out of the proposed Scheme.

3. It has been submitted that vide order dated 29th August,2016 passed in Company Application No.395 of 2016, the meetings of the Equity Shareholders and the sole Unsecured Creditor of the Transferor Company were dispensed with in view of the written consent letters from all of them, approving the proposed scheme, being placed on record. There are no Secured Creditors of the Transferor Company.

4. In case of the Transferee Company, dispensation of the separate proceedings was sought based on the contention that the Transferee Company being the sole holding company of the Transferor Company, no shares were proposed to be issued towards consideration as the consideration is being paid in cash, for the transfer and vesting of the



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undertaking of the Transferor Company. As a result, the rights and interests of the existing shareholders of the Transferee Company were not likely to be prejudicially affected. Considering the settled legal issue supported by decisions of several High Courts, inter alia Sharat Hardware Industries P. Ltd., 48 Company Cases 23 (Del.) and Mahaamba Investments Limited v. IDI Limited, 105 Company Cases 16 (Bom.), and series of decisions of Gujarat High Court, the said prayer was granted vide the order dated 29th August 2016 passed in Company Application No. 396 of 2016.

5. It was further pointed out that pursuant to Clause 10 of the Scheme, a lump sum consideration, shall be paid by the Transferee Company for the said Transfer of the Solar Energy Undertaking as well as Wind Energy Undertaking of the Transferor Company. The same has been worked out as per the Valuation Report provided by M/s SSPA & Co., Independent Chartered Accountants. Further, M/s Kotak Mahindra Capital Company Limited, SEBI Registered Merchant Bankers, has provided a fairness opinion on the fairness and reasonableness of said valuation from a financial point of view. Since, no new shares shall be issued by the Transferee Company, the present Capital Structure of the Transferee Company shall not undergo any change and the rights of the existing shareholders of the Transferee Company are not affected in any manner.



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6. It was further submitted that Torrent Power Limited, the Transferee Company is a financially strong company. A copy of the Net Worth Certificate by Statutory Auditor of the Transferee Company in Pre Scheme and Post Scheme scenario was placed on record. The same indicated that the Net Worth of the Company is not affected as a result of the Scheme. The net worth of the Company in Post scheme scenario shall be approx. Rs. 6089 Crores. In view of the same, it was submitted that the rights and interests of the creditors of the Transferee Company shall not be prejudicially affected as a result of the said scheme of Arrangement. However, in compliance with the contractual terms of the agreements with the Secured Lenders of the Transferee Company, it was undertaken that the approvals to the proposed Scheme shall be obtained from all its Secured Creditors and the same shall be placed on record before the final sanction is granted by this Hon'ble Court. The consent letters of all the Secured Lenders of the Transferee Company are now placed on record alongwith the Additional Affidavit dated 13th October 2016.

7. The Transferee Company being a listed public limited company, pursuant to SEBI circular dated 30th November 2015 as well as regulation 37 of the SEBI (LODR) Regulations, 2015, the Company had placed on record the requisite approval from the concerned

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stock exchanges pursuant to the approval of the scheme by SEBI. Further, the Transferee Company had submitted a certificate from the Statutory Auditor as well as the requisite undertaking in relation to non-applicability of requirements prescribed in Clause 9(a) of Paragraph I (A) of Annexure I of SEBI Circular No. CLR/CFD/CMD/16/2015 dated November 30, 2015 and since the SEBI had approved the Scheme after considering the same, the Transferee Company was not required to undertake the prescribed procedure for taking the approval from its Public shareholders through e voting and/or Postal Ballot.

8. The substantive petition for the sanction of the scheme was filed by the Transferor company which was admitted on 7th September 2016. The notice for the hearing of the petition was duly advertised in the newspapers being 'Times of India' English daily, and 'Gujarat Samachar' and 'Sandesh', Gujarati dailies, all Gujarat editions and additionally in Divya Bhaskar, Gujarati daily, dated 17th September, 2016 and the publication in the Government gazette was dispensed with as directed in the said order. Affidavit dt. 10th October 2016 confirm the same. No one has come forward with any objections to the said petition even after the publication and the same has been further confirmed by the additional affidavit dated 13th October 2016.



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9. Notice of the petition has been served upon the Central Govt. and Mr. Kshitij Amin, learned Central Government Standing Counsel has appeared for Mr. Devang Vyas, learned additional solicitor general for the Central Govt. An affidavit dt. 5th October 2016 has been filed by Mr. Jatinder Kumar Jolly, the Regional Director, North-Western Region, Ministry of Corporate Affairs, whereby some observations are made.

10. The attention of this court is drawn to the Additional Affidavit dated 13th October 2016 filed by Mr. T. P. Vijayasathy, the Director and Chief Executive Officer and Authorised Signatory of the Petitioner Company, whereby all the above issues have been dealt with. I have further heard submissions made by the learned counsel appearing for the Central Govt. and Mrs. Swati Soparkar, learned advocate appearing for the petitioner as follows:

- (i) It has been submitted that the observations made vide para 2 (a), (b) and (c) refer to the nature of the proposed Scheme, rationale of the scheme, and relationship between the two companies, one being the Wholly owned subsidiary of the other which are the factual aspects of the proposed scheme and they do not need any response from the petitioner.



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(ii) The observation made vide para 2(d) of the said affidavit refers to the valuation report of M/s SSPA & Co., Independent Chartered Accountants for working of the cash consideration for the undertakings being transferred under slump sale arrangement to Torrent Power Limited, which is the holding company of the petitioner transferor company. This too being the factual, does not need any response.

(iii) The observation made vide para 2(e) of the said affidavit pertains to non disclosure of the details of the assets and liabilities of the undertakings being transferred to the Transferee Holding Company under the proposed Scheme. The requisite details of assets and liabilities of undertakings being transferred were submitted to Regional Director. A copy of the same is also placed on record alongwith the said affidavit. The Transferor Company shall submit the complete list of the immovable assets as on the date of the sanction of the Scheme, with the copy of the order for adjudication of stamp duty.

(iv) The observation made vide para 2(f) of the said affidavit pertains to Clauses 11 and 12 of the proposed Scheme. It has been observed by the Regional Director that the Scheme does not provide for compliance of Accounting Standard



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14 and does not deal with the treatment proposed for the excess of assets over liabilities in the books of the Transferee Company. In this regard, it has been submitted that the present scheme is not a Scheme of Amalgamation. In view of this, the Accounting Standard 14 is not applicable for recording the value of assets and liabilities. It has been further submitted on behalf of the Company that it shall comply with the new applicable accounting standards i.e. IND AS, which are in force since 1st April 2016. It has been further pointed out that the cash consideration is worked out after the valuation of the said undertakings and hence, there is no difference between the value of net assets and the amount of consideration being paid by the Transferee Company. It is therefore respectfully submitted that the Company is not required to create any Reserves or give any undertaking regarding the use of such Reserves.

- (v) Vide Para 2 (g) of the affidavit, it has been observed by the Regional Director that Torrent Power Limited, the Transferee Company being a listed company had approached the concerned stock exchanges, viz. BSE, and NSE, and the observation letters state that the Transferee Company is required to comply with the SEBI circulars dated 4th February 2013 and 21st May

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2013, and that the approval from SEBI has to be obtained. In this regard, has been submitted that the said Transferee company was required to obtain SEBI approval through the stock exchanges only and the said exchanges have actually granted the observation letters only after obtaining clearance from SEBI which is clearly evident from the observation letters. It is hereby further clarified that the Transferee Company has not disputed the applicability of the SEBI circulars. It has taken all requisite actions for the said compliance. It has been further submitted that since no shares are proposed to be issued under the present scheme, the Applicant Company had submitted the requisite Undertaking and the Statutory Auditor's certificate to the SEBI in relation to non-applicability of requirements prescribed in Clause 9(a) of Paragraph I (A) of Annexure I of SEBI Circular No. CLR/CFD/CMD/16/2015 dated November 30, 2015. The said Transferee Company has undertaken to comply with the said circulars after the Scheme is sanctioned by the Hon'ble court and made effective. Since the Transferee Company has already complied with the said SEBI circulars, no further directions are required to be issued.

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(vi) Vide para 2(h) of the affidavit, it has been

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observed by the Regional Director that part of the Share Capital of the Transferee Company is held by Foreign Corporate or Individual investors and hence compliance with FEMA and RBI guidelines should be ensured. It has been pointed out that no shares are being issued and hence compliance of FEMA and RBI guidelines with respect to Non resident shareholders is not relevant in the present case. However, it has been clarified that the said Transferee Company has so far complied with the applicable provisions and shall continue to comply with the applicable provisions. Hence, no further directions are required to be issued.

- (vii) The observation made vide para 2(i) of the said affidavit pertains to the licences, approvals and other permissions from the concerned regulatory authorities as both the companies are engaged in activities relating to power generation. In this regard, it has been submitted that the scheme has defined the 'Undertakings' elaborately and has specifically included the transfer of all the existing licences, permits, permissions and approvals from the concerned regulatory authorities existing with the Transferor company to be transferred to the Transferee Company. Further, the Transferee Company has obtained all the applicable licenses, permits, approvals etc.

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from the concerned regulatory authorities. In view of the same no further directions are required to be issued to the Petitioner Company.



(viii) The next observation made vide para 2(j) pertains to the letter dated 15th September 2016 from the Regional Director to the Chief Commissioner of Income Tax, Ahmedabad, Gujarat in order to obtain their objections if any. Since no response is received within the statutory period of 15 days as envisaged by the relevant circular of the Ministry of Corporate Affairs, it can be presumed that the Income Tax dept. has no objection to the proposed scheme of arrangement. However, the Petitioner Company has agreed to comply with applicable provisions of Income Tax Act and Rules.

(ix) It is further submitted that there are no complaints received by the Registrar of Companies as contended vide para 2 (k) and the Regional Director has vide the observation 2 (l) confirmed that he has no other objection to the scheme.

11. Considering all the facts and circumstances and taking into account all the contentions raised by the affidavits and reply affidavits, undertakings

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provided vide the additional affidavit dated 13th October 2016, and submissions made at the time of hearing, I am satisfied that the observations made by the Regional Director, Ministry of Corporate Affairs, do not survive. They have been satisfactorily addressed and no further directions are required to be issued. I have come to the conclusion that the present scheme of arrangement is in the interest of its shareholders and creditors as well as in the public interest and the same deserves to be sanctioned and the same is hereby sanctioned.

12. Prayers in terms of paragraph 18(a) of the Company Petition No.412 of 2016 are hereby granted.

13. The petition is disposed of accordingly. So far as the costs to be paid to the Central Govt. Standing Counsel is concerned, I quantify the same at Rs. 10,000/-. The same may be paid to the learned Standing Counsel appearing for the Central Govt.

14. The petitioner company is further directed to lodge a copy of this order, the detailed schedule of immovable assets of the Transferred Undertakings of the Transferor Company as on the date of the order and the Scheme duly authenticated by the Registrar, High Court of Gujarat, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, on the same within 60 days from the date of the order.



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15. The Petitioner company is directed to file a copy of this order alongwith a copy of the scheme with the concerned Registrar of Companies, electronically, along with INC-28 in addition to physical copy as per relevant provisions of the Act.

16. Filing and issuance of drawn up order is hereby dispensed with.

17. All concerned authorities to act on a copy of this order along with the scheme duly authenticated by the Registrar, High Court of Gujarat. The Registrar, High Court of Gujarat shall issue the authenticated copy of this order alongwith Scheme as expeditiously as possible.

mrp

THE HIGH COURT
OF GUJARAT

(R.M.CHHAYA, J.)

By Order of the Court
sd. - *cr. m. mukpalli*
18-10-16.
Deputy Registrar

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DEPUTY / ASSISTANT REGISTRAR
THIS DAY OF

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Authenticated Scheme

No. No. (fls.) - 135

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY PETITION NO. 412 OF 2016

CONNECTED WITH

COMPANY APPLICATION NO. 395 OF 2016

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16/11/16
17/01/16Section Officer's
Decease Department
DL...../201

Dr. S. O.

In the matter of Scheme of Arrangement under Sections
391 to 394 of the Companies Act, 1956;

And

In the matter of Torrent Solargen Limited.

A Company registered under the Companies Act, 1956
and having its registered office at Torrent House, Off
Ashram Road, Ahmedabad - 380 009, in the state of
Gujarat.

And

In the matter of Scheme of Arrangement in the nature
of Transfer and vesting of the Solar Energy Undertaking
as well as Wind Energy Undertaking of Torrent Solargen
Limited by way of slump sale to Torrent Power Limited.



Torrent Solargen Limited.

A Company registered under the Companies Act,
1956 and having its registered office at Torrent House,
Off Ashram Road, Ahmedabad - 380 009,
in the state of Gujarat..... Petitioner Transferor Company

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SCHEME OF ARRANGEMENT

(UNDER SECTIONS 391 to 394 OF THE COMPANIES ACT, 1956 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956/COMPANIES ACT, 2013)

BETWEEN

TORRENT SOLARGEN LIMITED

AND

TORRENT POWER LIMITED

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This Scheme of Arrangement provides for transfer and vesting of the Solar Energy Undertaking as well as Wind Energy Undertaking of Torrent Solargen Limited, (formerly known as Torrent Power Bhiwandi Limited), to Torrent Power Limited pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956/Companies Act, 2013 (to the extent notified) with effect from the Appointed Date on a going concern basis by way of a Slump Sale as defined in Section 2(42C) of the Income Tax Act, 1961 for a lumpsum cash consideration on the agreed terms and conditions as set out herein.

A. Description of the Companies:**1. Torrent Solargen Limited, the Transferor Company:-**

Torrent Solargen Limited (hereinafter referred to as "TSL" or "Transferor Company") is an unlisted public limited company having its registered office at Torrent House, Off Ashram Road, Ahmedabad 380 009 in the state of Gujarat.

TSL having Company Registration Number: 055000 and Corporate Identification Number: U40102GJ2008PLC055000 is a company incorporated on September 9, 2008 under the provisions of the Companies Act, 1956 with Registrar of Companies, Gujarat in the name and style of Torrent Power Distribution Services Limited. TSL was originally promoted by Torrent Power Limited with the object to undertake inter-alia the activities of electricity generation, transmission and distribution. The name of the Company was changed to Torrent Power Bhiwandi Limited vide certificate dated December 11, 2008 with the intention to provide electricity distribution related services at Bhiwandi. On June 29, 2010, the shares of TSL were sold by Torrent Power Limited and its nominees to

Torrent Private Limited (the holding company of Torrent Power Limited) and its nominees. On November 5, 2014, with an intention to engage in

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the business of generation of electrical power from non-conventional and renewable sources mainly Solar and Wind energy and to explore strategic opportunities in the renewable energy sector, the entire share capital of TSL was acquired by Torrent Power Limited and consequently, the company was renamed as Torrent Solargen Limited vide the certificate dated November 17, 2014. Thus, at present TSL is the wholly owned subsidiary of Torrent Power Limited.

The company had entered into Contracts to develop, setup and maintain the 51 MW Solar Power Project at Charanka Solar Park, Santalpur Taluka, Patan District in the State of Gujarat, which has commenced its commercial operations in March, 2015. The Company has also entered into Contracts to develop, setup and maintain the 136.8 MW Wind Power Project at Mahidadin Rajkot and Surendranagar districts in the state of Gujarat. The said Wind Power Project is presently under implementation and is expected to achieve commercial operation progressively by March 31, 2017. Power generated from the said projects is for supplying to the TPL's Licensed Power Distribution business for fulfilment of Renewable Power Obligations.

2. Torrent Power Limited, the Transferee Company:-

Torrent Power Limited (hereinafter referred to as "TPL" or the "Transferee Company") is a public company incorporated under the provisions of the Companies Act, 1956 having its registered office at Torrent House, Off Ashram Road, Ahmedabad - 380 009, Gujarat.

TPL (having Company Registration Number: 044068 and having Corporate Identification Number: L31200GJ2004PLC044068) is the flagship company of Torrent group in the Power Sector.

TPL is a listed public limited entity and the equity shares are currently listed on BSE Limited as well as the National Stock Exchange of India Limited. TPL is an integrated utility engaged in the business of power generation, transmission and distribution of electricity with operations in the states of Gujarat, Maharashtra and Uttar Pradesh. It is also engaged in the business of manufacturing and supply of power cables.

B. Rationale for the Scheme of Arrangement:

The Transferor Company is a wholly owned subsidiary of the Transferee Company and both, Transferor Company and Transferee Company, are engaged in the similar business. It has been contemplated by the Board of Directors of both the companies that since the holding company, is the



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pioneer of the integrated activities of power sector, its project development and management bandwidth can help Torrent Group's renewable energy ventures (existing and proposed) also to grow quickly.

In this context, the Board of Directors of both the Transferor and Transferee Company have considered and proposed the present Scheme of Arrangement under the provisions of Section 391 to Section 394 of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956 / Companies Act, 2013 (to the extent notified).

The transfer of the Solar and Wind Energy undertakings to the holding Company would inter-alia result into following benefits to the Transferor Company and the Transferee Company, their respective shareholders and creditors and will be in the long-term interest of the Companies, its customers, employees and other stakeholders:-

- (a) Improved visibility of the Generation Portfolio of the Company
- (b) Facilitate the Growth Plans of the Company; particularly Generation through Renewable Energy Sources
- (c) Ensure a focussed approach for the group in the line of its business activities.
- (d) Achieve administrative convenience including avoiding duplication of administrative functions;
- (e) Achieve economies of scale;
- (f) More productive and optimum utilisation of various resources;
- (g) Concentrated management focus and improved Asset base;
- (h) Pooling of Human talent in terms of Manpower, Management and Administration to result in saving of costs and;

C. Operation of the Scheme:

(a) The Transfer of the Undertakings of the Transferor Company and vesting of the same to Torrent Power Limited, pursuant to this Scheme shall take place with effect from the Appointed Date on a going concern basis by way of Slump Sale as defined in Section 2(42C) of the Income Tax Act, 1961.

(b) For the said transfer, a lumpsum consideration in cash based on valuation recommended by an Independent Chartered Accountant will be paid by the Transferee Company.

(c) The scheme shall be in compliance with the Applicable Laws including the SEBI Circular bearing no. CIR/CFD/CMD/16/2015 dated November 30, 2015 and other applicable provisions of RBI Guidelines as well as FEMA Regulations, as applicable to this Scheme of



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Arrangement.

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1. DEFINITIONS:

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meaning given hereunder: -

- 1.1 **"Act"** means the Companies Act, 1956 (and to the extent applicable the Companies Act, 2013) including any statutory modifications, re-enactments or amendments thereof from time to time;
- 1.2 **"Applicable Law"** means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.
- 1.3 **"Appointed Date"** means the opening hours of the business on April 1, 2015.
- 1.4 **"Appropriate Authority"** means any governmental, statutory, departmental or public body or authority in India, including Securities and Exchange Board of India; stock exchanges in India; Registrar of Companies, Company Law Board in India, Competition Commission of India, National Company Law Tribunal in India (**"NCLT"**), the High Court of Judicature at Gujarat.
- 1.5 **"Board of Directors" or "Board"** shall mean the Board of Directors of Transferee Company or Transferor Company, as the case may be or any committee thereof duly constituted or any other person duly authorised by the Board for the purpose of this Scheme;
- 1.6 **"Cash"** means in cash or by way of a demand draft or by way of cheque or by way of NEFT/RTGS.
- 1.7 **"Effective Date"** means the last of the dates on which all conditions, matters and filings referred to in clause 16 hereof have been fulfilled.
- 1.8 **"High Court"** means the Hon'ble High Court of Gujarat at Ahmedabad, and shall include the National Company Law Tribunal, as applicable.



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- 1.9 **"Lender" or "Lenders"** means any person or entity that has granted or will grant any credit facility whether fund based or non-fund based and whether secured or unsecured, to the Transferor Company or the Transferee Company.
- 1.10 **"Remaining Business"** shall mean and include all the activities and assets and liabilities of TSL other than the Solar Energy Undertaking and the Wind Energy Undertaking.
- 1.11 **"Scheme", "the Scheme", "this Scheme"** means this Scheme of Arrangement made under Section 391 to 394 of the Act between TSL and TPL and their respective shareholders and creditors, or with any modification(s) or amendment(s) made under clause 15 of this Scheme and submitted to the High Court or any other Appropriate Authority in the relevant jurisdictions.
- 1.12 **"Slump Sale"** means Slump Sale as defined under Section 2 (42C) of the Income Tax Act, 1961 as amended from time to time.
- 1.13 **"Solar Energy Undertaking"** shall mean the 51 MW Solar Energy Project at Charanka Solar Park, Santalpur Taluka, Patan District in the State of Gujarat viz. a division of business activity of Torrent Solargen Limited, as a going concern, and includes (without limitation):
- a. all assets and properties, whether movable or immovable (whether freehold, leasehold or otherwise), tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress including expenses incurred to be capitalized and advances for assets, equipment, furniture, fixtures, vehicles, stocks and inventory, any other leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, other fixed assets, current assets including loans, advances, inventory and work in progress cash in hand, amounts lying in the banks to the credit of Solar Energy Business, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights,



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credits, titles, interests, benefits, club memberships, advantages, leasehold rights, Development Rights including advances paid to any parties for acquisition of development rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial licenses, sales tax and excise duty licenses, and also with export-import authority including advance licenses and all other licenses, duty entitlement pass books, duty refund against export obligations, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges related to Solar Energy Business and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief / benefit available/to be available to the eligible units including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted/ collected at source, brought forward accumulated tax losses, unabsorbed depreciation, Minimum Alternate Tax Credit ("MAT Credit"), deduction under Chapter VI-A for the eligible period) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Solar Energy Business as on the Appointed Date or any other benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, use or possession and in the control of or vested in or granted in favour of or enjoyed by the Solar Energy Business;

- b. All the debts, liabilities, duties and obligations including contingent liabilities, present or future, whether secured or unsecured, of the Solar Energy Business;



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- c. All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Solar Energy Business, and
- d. all permanent employees, staff and workmen of Solar Energy Business.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to Solar Energy Business or whether it arises out of the activities or operations of Solar Energy Business shall be decided by the Board of Directors of TSL and TPL by mutual agreement.

1.14 **"Transferor Company"** means Torrent Solargen Limited, or "TSL", a company incorporated under the Companies Act, 1956 and having its registered office at Torrent House, Off Ashram Road, Ahmedabad - 380 009 in the State of Gujarat.

1.15 **"Transferee Company"** means Torrent Power Limited, or "TPL", a company incorporated under the Companies Act, 1956 and having its registered office at Torrent House, off Ashram Road, Ahmedabad 380 009 in the State of Gujarat.

1.16 **"Undertakings"** shall mean collectively the Solar Energy Undertaking and the Wind Energy Undertaking.

1.17 **"Wind Energy Undertaking"** shall mean the 136.80 MW Wind Energy Project under-implementation at Mahidadin Rajkot and Surendranagar districts in the State of Gujarat viz. a division of business activity of Torrent Solargen Limited, as a going concern and includes (without limitation):

- a. all assets and properties, whether movable or immovable (whether freehold, leasehold or otherwise), tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress



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including expenses incurred to be capitalized and advances for assets, equipment, furniture, fixtures, vehicles, stocks and inventory, any other leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, other fixed assets, current assets including loans, advances, inventory and work in progress, cash in hand, amounts lying in the banks to the credit of Wind Energy Business, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, Development Rights including advances paid to any parties for acquisition of development rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial licenses, sales tax and excise duty licenses, and also with export-import authority including advance licenses and all other licenses, duty entitlement pass books, duty refund against export obligations, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges related to Wind Energy Business and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief / benefit available/to be available to the eligible units including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted/collected at source, brought forward accumulated tax losses, unabsorbed depreciation, Minimum Alternate Tax Credit ("MAT Credit"), deduction under Chapter VI-A for the eligible period)



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and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Wind Energy Business as on the Appointed Date or any other benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, use or possession and in the control of or vested in or granted in favour of or enjoyed by the Wind Energy Business;

- b. All the debts, liabilities, duties and obligations including contingent liabilities, present or future, whether secured or unsecured, of the Wind Energy Business;
- c. All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Wind Energy Business, and
- d. all permanent employees, staff and workmen of Wind Energy Business

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to Wind Energy Business or whether it arises out of the activities or operations of the Wind Energy Business shall be decided by the Board of Directors of TSL and TPL by mutual agreement.

2. INTERPRETATIONS

In this Scheme, unless the context otherwise requires:

- 2.1 words denoting singular shall include plural and vice versa;
- 2.2 reference in the Scheme to "coming into effect of the Scheme" or "effectiveness of the Scheme" or "upon the Scheme being effective" shall mean from the Effective Date;
- 2.3 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 2.4 references to the word "include" or "including" shall be construed without limitation;
- 2.5 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 2.6 unless otherwise defined, the reference to the word "days" shall mean calendar days;



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- 2.7 references to dates and times shall be construed to be references to Indian dates and times;
- 2.8 reference to an act, regulation, circular, notification or a document includes an amendment or supplement to, or modification or replacement or novation or re-enactment of such act, regulation, circular, notification or document; and
- 2.9 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall have legal effect and force from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL OF THE COMPANIES

- 4.1 The authorised, issued, subscribed and paid up share capital of TSL as on March 31, 2015 is as under:

Particulars	Rs.
Authorised :	
12,50,00,000 Equity Shares of Rs.10/- each .	125,00,00,000
Issued, Subscribed and Paid - Up:	
8,00,50,000 Equity Shares of Rs.10/- each fully paid up	80,05,00,000

There has been no change in the authorised, issued, subscribed and paid up share capital of the company since the aforesaid date of balance sheet.

- 4.2 The authorised, issued, subscribed and paid up share capital of TPL as on March 31, 2015 is as under:

Particulars	Rs.
Authorised :	
4,37,00,00,000 Equity shares of Rs. 10/- each	43,70,00,00,000
Issued, Subscribed and Paid up:	
47,24,48,308 Equity shares of Rs. 10/- each fully paid up	4,72,44,83,080

The Issued, Subscribed and Paid up capital of TPL has been increased after March 31, 2015 on account of the allotment of shares pursuant to amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited; allotment date being 23rd October, 2015.

Accordingly, the Issued, Subscribed and Paid up Capital of TPL as on March 31, 2016 is as under:

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Particulars	Rs.
Authorised :	
4,37,00,00,000 Equity shares of Rs. 10/- each	43,70,00,00,000
Issued, Subscribed and Paid up:	
48,06,16,784 Equity shares of Rs. 10/- each fully paid up	4,80,61,67,840

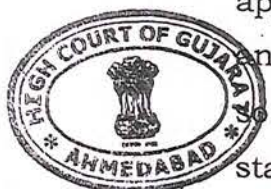
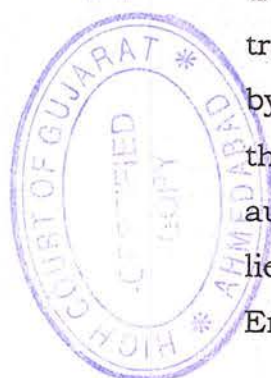
There has been no change in the authorised, issued, subscribed and paid up share capital of the company since the aforesaid date of balance sheet.

5. TRANSFER AND VESTING OF THE UNDERTAKINGS

Upon the Scheme being effective and in accordance with the terms of the Scheme in relation to the mode of transfer and vesting, the Solar Energy Undertaking and Wind Energy Undertaking of the Transferor Company, shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in Transferee Company on a going concern basis by way of Slump Sale, so as to become on and from the Appointed Date, the Undertakings including the estate, assets, rights, title, interest and authorities of Transferee Company along with all encumbrances, mortgage, liens and charges if any, subsisting over the assets of the said Solar Energy Undertaking and Wind Energy Undertaking.

5.1 All assets, estate, rights, title, interest and authorities acquired by the Transferor Company i.e. TSL for the said Solar and Wind Energy Undertakings after the Appointed Date and prior to the Effective Date, shall also stand transferred to and vested in TPL upon the coming into effect of this Scheme.

5.2 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by TSL required to carry on operations of Solar Energy Undertaking and Wind Energy Undertaking shall stand vested in or transferred to TPL without any further act or deed, and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of TPL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses etc. shall vest in and become available to TPL as if they were originally obtained by TPL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by TSL relating to Solar Energy Undertaking and Wind Energy Undertaking,



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are concerned, the same shall vest with and be available to TPL on the same terms and conditions as applicable to TSL, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to TPL.

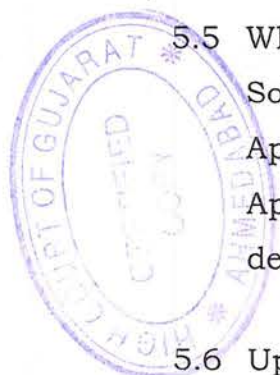
5.3 All patents, trademarks, copyrights, or any kind of intellectual property, if any, registered with the concerned authority or application submitted at any time on or before the Effective Date or being used by TSL, pertaining to Solar Energy Undertaking and Wind Energy Undertaking shall stand transferred and vested in the name of TPL without any further act or deed. TPL, however, shall after the scheme becoming effective file the relevant intimation with the concerned statutory authorities.

5.4 Upon the coming into effect of this Scheme on the Appointed Date such of the general and multipurpose borrowings as ascertainable to the Solar Energy Undertaking and Wind Energy Undertaking of TSL as identified by the Board of Directors of TSL, shall without any further act or deed be and stand transferred to TPL, and shall thereupon become the debts and liabilities of TPL, which shall meet, discharge and satisfy the same.

5.5 Where any of the debts, liabilities, duties and obligations attributed to the Solar Energy Undertaking and the Wind Energy Undertaking on the Appointed Date has been discharged by TSL on behalf of TPL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of TPL.

5.6 Upon the Scheme being effective, any tax liabilities attributed to the Solar Energy Undertaking and the Wind Energy Undertaking under the Income Tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, entertainment tax as applicable in any State in which Transferor Company operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or Corporation Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "Tax Laws") to the extent not provided for or covered by tax provision in the Transferor Company's accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted/collected at source as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to Transferee Company.

5.7 Any amount pertaining to the Solar Energy Undertaking and the Wind Energy Undertaking including refund under the Tax Laws due to



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Transferor Company consequent to the assessment proceedings or otherwise and which have not been received by the Transferor Company as on the date immediately preceding the Appointed Date shall also belong to and be receivable by Transferee Company upon the Scheme being effective.

- 5.8 Without prejudice to the generality of the above, all benefits attributed to the Solar Energy Undertaking and the Wind Energy Undertaking including under Tax Laws, to which Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in Transferee Company upon the Scheme being effective.

6. CONTRACTS, DEEDS, ETC.

- 6.1 Without prejudice to the other provisions of this Scheme, TPL may, at any time, after the Scheme comes into effect in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which TSL is a party for the said Solar Energy Undertaking and Wind Energy Undertaking or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. TSL will, if necessary, also be a party to the above. TPL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of TSL and to carry out or perform all such formalities or compliances referred to above on the part of TSL to be carried out or performed.

- 6.2 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that:-

- a. All the licenses, permits, quotas, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), no-objection certificates, incentives, permissions, registrations, tax exemptions, accumulated tax losses, MAT Credit entitlement, tax benefits including benefits under Chapter VI A of Income Tax Act, 1961, concessions or deferrals, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed by and all rights and benefits that have accrued or may accrue to Transferor Company before or after the Appointed Date and prior to the Effective Date in connection



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with or in relation to the operation of the Undertakings of the Transferor Company, pursuant to the provisions of Section 394(2) of the Act and all other applicable provisions, if any, shall without any further act, instrument or deed, cost or charge, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to Transferee Company so as to become on and from the Appointed Date the licenses, permits, quotas, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), no-objection certificates, incentives, permissions, registrations, tax exemptions, accumulated tax losses, MAT Credit entitlement, tax benefits including benefits under Chapter VI A of Income Tax Act, 1961, concessions or deferrals, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges of Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law.;

- b. Upon the Effective Date and until the licenses, permit, quotas, approvals, (including, but not limited to, environmental approvals, statutory and regulatory approvals), no-objection certificates, incentives, permissions, registrations, tax exemptions, accumulated tax losses, MAT Credit entitlement, tax benefits including benefits under Chapter VI A of Income Tax Act, 1961, concessions or deferrals, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and / or perfected, in the record of the Appropriate Authority, in favor of Transferee Company, Transferee Company is authorized to carry on business in the name and style of Transferor Company and under the relevant license and or permit and or approval, as the case may be, and Transferee Company shall keep a record and/or account of such transactions, as if the Undertaking of the Transferor Company have not been transferred.
- c. if any of the assets, rights, title, interest in or authorities relating to such or, any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Solar Energy Undertaking and Wind Energy Undertaking which TSL owns or to which it is a party



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to, cannot be transferred to TPL for any reason whatsoever, TSL shall hold such assets or contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust and for the benefit of TPL, until the same are transferred and vested in TPL;

- d. the Remaining Business shall continue to be owned or owed by TSL.

7. LEGAL PROCEEDINGS

All legal or other proceedings by or against TSL pending on the Effective Date and relating to the transferred undertakings, i.e. Solar Energy Undertaking and Wind Energy Undertaking, including property rights, powers, liabilities, obligations and duties of TSL shall not abate and shall continue and be enforced by or against TPL in the same manner and to the same extent as it would or might have been continued and enforced by or against TSL. Any other legal or other proceedings relating to the Solar Energy Undertaking and Wind Energy Undertaking pending on the Effective Date shall continue and remain enforced by or against TPL.

8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

- 8.1 With effect from the Appointed Date and upto and including the Effective Date:

TSL shall be deemed to have been carrying on and shall carry on all business and activities relating to the Solar Energy Undertaking and Wind Energy Undertaking and stand possessed of the properties to be transferred, for and on account of and in trust for TPL.

- a. all profits accruing to TSL or losses arising or incurred by it relating to the said Solar Energy Undertaking and Wind Energy Undertaking shall, for all purposes, be treated as the profits or as the case may be losses, of TPL.
- b. TSL hereby undertakes, from the Appointed Date upto and including the Effective Date to carry on the business of the said undertaking with proper prudence and not to alienate or otherwise deal with or dispose of the said undertakings or any part thereof otherwise than in the ordinary course of the business.
- c. TPL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Governments and all other



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agencies, departments and authorities concerned as are necessary under any law, for such consents, approvals and sanctions, which TPL may require to own and operate the Solar Energy Undertaking and Wind Energy Undertaking.

- d. TSL shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees related to Solar Energy Undertaking and Wind Energy Undertaking, except in the ordinary course of business.
- e. TSL shall not vary the terms and conditions of any agreements or contracts in relation to the Solar Energy Undertaking and Wind Energy Undertaking, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by them, as the case may be without the prior consent of TPL.

9. STAFF, WORKMEN & EMPLOYEES

9.1 TPL undertakes to engage, on and from the Effective Date, all employees of the Solar Energy Undertaking and Wind Energy Undertaking, on the same terms and conditions on which they are engaged as on the Effective Date by TSL without any interruption of service as a result of the transfer or on terms and conditions not less favorable than those subsisting with reference to TSL as on the said date, as if they were in continuous service.

9.2 The accounts of the employees of Solar Energy Undertaking and Wind Energy Undertakings specified in sub-clause (a) above, relating to the superannuation fund, provident fund, gratuity fund and other funds including any surplus in such funds shall be identified, determined and transferred to the trustees of the respective funds of TPL and/or such new provident fund, gratuity fund, superannuation fund, or such other special funds or trusts created for the benefit of the staff, workmen or employees to be established and caused to be recognised by the concerned authorities by Transferee Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund, superannuation fund, or such other special funds or trusts respectively.

9.3 Any question that may arise as to whether any employee belongs to or does not belong to the Solar Energy Undertaking and Wind Energy

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Undertaking shall be mutually decided by the Board of Directors or Committee thereof of TSL and TPL.

10. CONSIDERATION PAYABLE BY TPL

In consideration of the transfer of the Undertakings from TSL on a going concern basis by way of Slump Sale and consequent vesting thereof into TPL in terms of this Scheme, TPL shall within 60 days from the Effective Date or such other period as may be decided by Board of Directors of both companies, pay to TSL a lumpsum consideration of Rs.80.63 Crores representing the Net Asset Value of the Undertakings being transferred as on the Appointed Date. The Net Asset Value would be discharged by the Transferee Company in Cash.

The Consideration has been arrived at on basis of the valuation report prepared by M/s SSPA & Co., Independent Chartered Accountants. Further, M/s Kotak Mahindra Capital Company Limited, SEBI Registered Merchant Bankers, has provided a fairness opinion on the fairness and reasonableness of said valuation from a financial point of view.

11. ACCOUNTING TREATMENT IN THE BOOKS OF TSL

11.1 Upon the coming into effect of this Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Solar Energy Undertaking as well as Wind Energy Undertaking shall stand closed on transfer to TPL.

11.2 It is clarified that all taxes payable by TSL, relating to Solar Energy Undertaking as well as Wind Energy Undertaking, from the Appointed Date onwards including all or any refund and claims shall, for all purposes, be treated as the tax liabilities or refund or claims of TPL. Accordingly, upon the Scheme becoming effective, TPL is expressly permitted to revise its financial statements prepared under the Act for the Financial Year 2015-16 and any subsequent year, if required, tax returns and other returns, if any, and to claim refunds / credits pursuant to the provisions of this Scheme for the relevant year.

11.3 TSL shall account for the transfer and vesting of Solar Energy Undertaking as well as Wind Energy Undertaking in accordance with applicable Accounting Standards.

12. ACCOUNTING TREATMENT - IN THE BOOKS OF TPL

12.1 Upon the coming into effect of this Scheme, TPL shall record the assets and liabilities vested in it pursuant to this Scheme, in accordance with the applicable Accounting Standards.



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- 12.2 Inter - corporate loans or balances, if any, belonging to or relating to the said undertakings, between TSL and TPL and the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of TPL for the cancellation / reduction of such assets or liabilities, as the case may be.

13. REMAINING BUSINESS

The Remaining Business shall continue to belong to and be vested in and be managed by TSL.

14. TAXES/ DUTIES / CESS ETC.

- 14.1 The Transferee Company will be successor of the Transferor Company so far as the Solar Energy Undertaking as well as Wind Energy Undertaking is concerned. The unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Company as well as the unutilized credits relating to service tax paid on input services consumed by the Transferor Company or any VAT Credit lying to the account of Transferor Company shall be transferred to the Transferee Company automatically without any specific approval or permission as an integral part of the Scheme.

- 14.2 Income taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, Minimum Alternative Tax, wealth tax, if any, paid by the Transferor Company and deductions, benefits or profit linked incentives under Chapter VI-A of Income Tax Act, 1961 as available to the Transferor Company for the eligible period in respect of the Solar Energy Undertaking as well as Wind Energy Undertaking shall be treated as paid by, or available to the Transferee Company and the Transferee Company shall be entitled to claim the eligibility, credit, refund, adjustment for the same. MAT credit available with the Transferor Company under Income Tax Act, 1961, if any, shall be available to the Transferee Company.

- 14.3 If the Solar Energy Undertaking as well as Wind Energy Undertaking of the Transferor Company is entitled to any benefits under incentives schemes and policies including under any Act, it is declared that the benefits under all such incentives schemes and policies shall be transferred to and vested in the Transferee Company. The Transferee Company shall be entitled to deduction of book losses or depreciation of the Transferor Company, whichever is lower, (if any) for the purpose of calculation of MAT for the Transferee Company.



Mr. B. B. Bhatt
Advocate

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14.4 Upon this Scheme being effective, the Transferee and Transferor Companies are expressly permitted to revise their financial statements prepared under the Act for the Financial Year 2015-16, their income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns and such other returns, as may be applicable and has expressly reserved the right to make necessary changes in its returns and to claim refunds or credits etc., if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

15. APPLICATION TO HIGH COURT

15.1 TSL and TPL shall with all reasonable dispatch make applications to the High Court under Sections 391 of the Act, seeking orders for dispensing with or convening as the case may be, the holding and conducting of the meetings of the respective classes of the members and/or creditors of TSL and TPL as may be directed by the High Court.

15.2 On the Scheme being agreed to by the requisite majorities of the classes of the members and/or creditors of TSL and TPL as directed by the High Court, both companies shall respectively with reasonable dispatch, apply to the concerned High Court for sanctioning the Scheme of Arrangement under Sections 391 to 394 of the Act, and for an order or orders as the concerned High Court may deem fit for carrying this Scheme into effect.

16. MODIFICATION OR AMENDMENTS TO THE SCHEME

TSL and TPL by their respective Board of Directors (including any Committee of Directors) or through their authorised representative(s) may make any modifications / amendments as may be essential or necessary or may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors or any committee thereof). TSL and TPL by their respective Board of

Directors (including any Committee thereof) or through their authorised representative(s) be and are hereby authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directives or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. In the event that any conditions are imposed by the High Court which



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Advocate

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TSLand/or TPL finds unacceptable for any reason whatsoever then they shall be entitled to withdraw from the Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.

17. CONDITIONALITY OF THE SCHEME

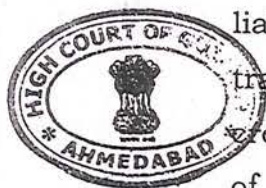
17.1 This Scheme is and shall be conditional upon and subject to:

- a. The Scheme being cleared by the Designated Stock Exchange in compliance with the terms of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and guidelines issued by Securities and Exchange Board of India and in particular vide Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 with any amendment;
- b. The Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of TSL and TPL as required under the Act (unless waived by the High Court or exempted under the applicable loan agreements);
- c. The sanction of the High Court under Sections 391 to 394 of the Act, being obtained;
- d. The requisite sanctions or approvals including but not limited to in-principle approvals, sanctions of any governmental or regulatory authority, as may be required by law in respect of the Scheme being obtained;
- e. The certified copies of the orders of the High Court referred to in Clauses (b) above being filed with the Registrar of Companies, Gujarat and;
- f. Such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.

In the event of any of the said sanctions and approvals referred to in above clause not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the transferor and transferee companies or their respective shareholders or creditors or employees or any other person and save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in



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accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

If any Clause of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such Clause shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the companies involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including, but not limited to, such clause.

- 17.2 Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., to own each of the Undertakings of the Transferor Company and to carry on the business of the Transferor Company.

18. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Undertakings of the transferor company as per this Scheme and the continuance of the proceedings by or against the transferee company relating to Solar Energy Undertaking & Wind Energy Undertaking, shall not affect any transaction or proceedings already concluded by transferor company on or before the Effective Date, to that end and intent that transferee company accepts and adopts all acts, deeds and things done and executed by transferor company as acts, deeds and things done and executed by and on behalf of transferee company.

19. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of transferor and transferee company, arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by transferee company.

20. General Terms and Clauses

- 20.1 Upon the Scheme being effective, the Transferee Company is expressly permitted to revise its financial statements to give effect to the provisions of the Scheme.



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20.2 Upon the coming into effect of this Scheme, Transferee Company is expressly permitted to revise its Income Tax returns, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, etc. to the extent required. Transferee Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates on or after the Appointed Date by the Transferor Company.

20.3 It is hereby clarified that submission of the Scheme to the High Court and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferee Company and the Transferor Company may have under or pursuant to all appropriate and Applicable Law.



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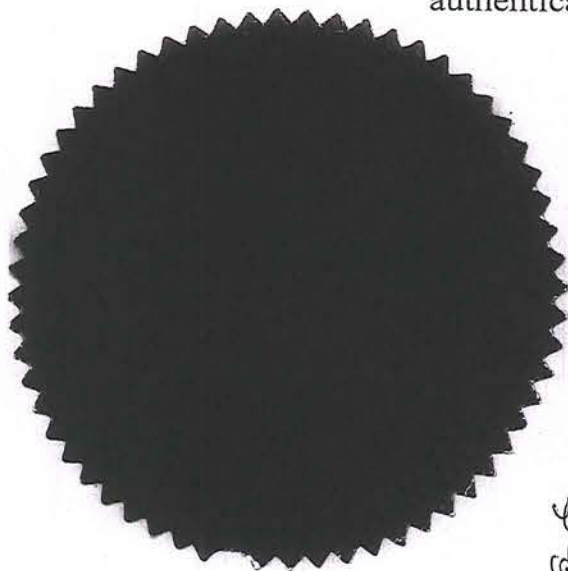
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In view of para 17 of the order dated 14th October, 2016, passed by the Hon'ble Court (Coram: Honourable Mr. Justice R.M. Chhaya) in Company Petition No.412 of 2016 connected with Company Application No.395 of 2016, the Scheme is hereby authenticated.



Manjiv
(Manjiv)

Chandrapada
(Chandrapada)

Chandrapada
(Chandrapada)

Chandrapada
(Chandrapada)

Adhikar
15/11/2016
Registrar (Judicial)
This 15th day of November, 2016

Chandrapada
15/11/2016
Sealer and Deputy Registrar
This 15th day of November, 2016



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16/11/16
ASSISTANT REGISTRAR
THIS DAY OF



CO. NO. 04-44068
 Fresh Certificate of Incorporation Consequent on
C O N V E R S I O N
 IN THE OFFICE OF
 THE REGISTRAR OF COMPANIES,
 GUJARAT,
 DADRA AND NAGAR HAVELI
 [Under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF
TORRENT POWER PRIVATE LIMITED

I hereby certify that

TORRENT POWER PRIVATE LIMITED

which was originally incorporated on **29/04/2004** under the Companies Act, 1956
 and under the name

TORRENT POWER TRADING PRIVATE LIMITED

having duly passed the necessary Resolution on **01/02/2006** in terms of
 section 31/44 of the Companies Act, 1956, the name of the said Company is
 this day changed to

TORRENT POWER LIMITED

And the Certificate is issued pursuant to Section 23(1) of the Companies Act.

GIVEN UNDER MY HAND AT **AHMEDABAD**

DATED : 08/02/2006.



Sd/-
[N. K. BHOLA]
 Registrar of Companies, Gujarat
 Dadra & Nagar Haveli



Co. No. U31200GJ2004PTC44068
Fresh Certificate of Incorporation Consequent on
CHANGE OF NAME
IN THE OFFICE OF
THE REGISTRAR OF COMPANIES,
GUJARAT, DADRA AND NAGAR HAVELI.
[Under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF

TORRENT POWER TRADING PRIVATE LIMITED

I certify that

TORRENT POWER TRADING PRIVATE LIMITED

which was originally incorporated on **29/04/2004** under the Companies Act, 1956 and under the name

TORRENT POWER TRADING PRIVATE LIMITED

having duly passed the necessary resolution on **21/01/2006** in terms of Section 21 of the Companies Act, 1956, and the approval of the Central Government signifies in writing having been accorded thereto by the Registrar of Companies, Gujarat, vide his letter dated **25/01/2006** in terms of Government of India, Ministry of Law, Justice & Company Affairs (Department of Company Affairs) Notification No. GSR 507(E) dated 24-06-1985 the name of the said Company is this day changed to

TORRENT POWER PRIVATE LIMITED

and this certificate is issued pursuant to Section 23(1) of the said Act.

Dated : 25/01/2006

Ahmedabad



Sd/-
[N. K. BHOLA]
 Registrar of Companies, Gujarat
 Dadra & Nagar Haveli



FORM I. R.

CERTIFICATE OF INCORPORATION

No. U31200GJ2004PTC44068

I hereby certify that **TORRENT POWER TRADING PRIVATE LIMITED** is this day incorporated under the Companies Act, 1956 (No.1 of 1956) and that the Company is Limited.

Given under my hand at **AHMEDABAD** this **TWENTYNINTH** day of **APRIL, TWO THOUSAND FOUR.**



Sd/-

[SHASHI RAJ DARAJ

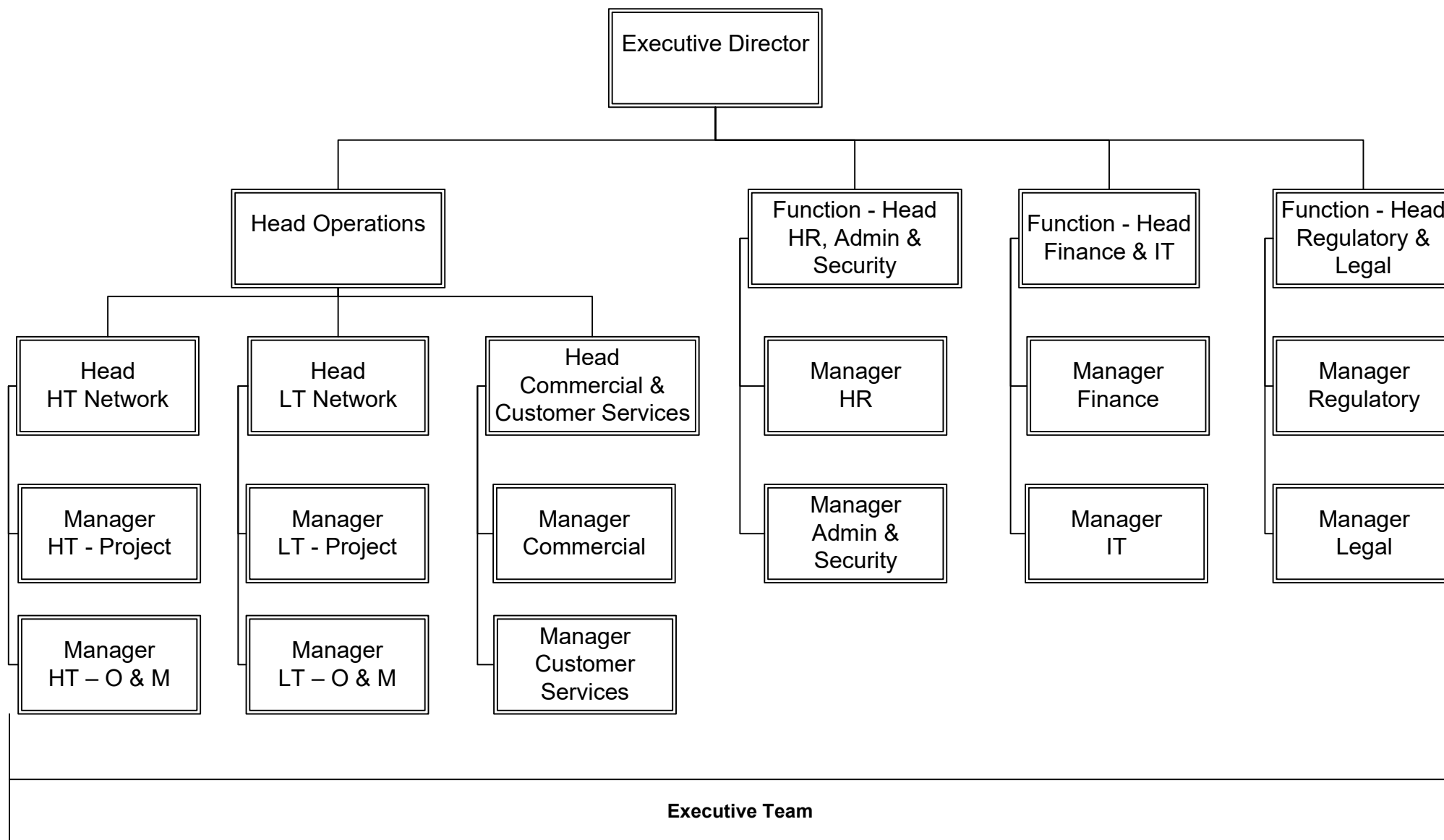
Asstt. Registrar of Companies,

GUJARAT,

Dadra & Nagar Haveli

ANNEXURE-4 & 4A

Proposed Organization Structure



Senior Executive Management Details

Sr. No.	Name of Executive	Designation	Qualification	Area of Experience	Years of Experience
1	Lalit Malik	CFO	FCA,ICWA,CS, CPA,LLB	Experience in the field of financial planning and strategy, accounting under USGAAP, IFRS & Indian GAAP, corporate restructuring, mergers, takeovers, treasury, tax planning & execution, budgeting, corporate governance, risk management and compliances	31
2	Chetan Bundela	VP	BE-Elect, MBA	Rich experience in generation, transmission and distribution. Active role in conceptualization and implementation of various initiatives in power purchase, tariff determination, renewable power, licensing and regulations. Specialization in areas of Regulatory & Corporate Affairs	28
3	Kashyap Desai	VP	BE (Elec.)	Experience in generation, transmission and distribution. Involved in development, operation & maintenance as well as project execution of electrical distribution networks	39
4	Naimesh Shah	VP	B.Com., CA	Core functional experience in Finance and Accounts of electricity business. Handling Project finance & Accounts functions to handling commercial matters with focus on basic financial planning, processes & systems. Strong capabilities in designing & developing key business processes with System (IT) based backbones & controls, business strategic analysis & forecasting, Cost management, regulatory compliances, budgetary estimates so as to support the growth of the organization. Experience of routine functions including financial analysis, reporting, audit, tax compliances, commercial and General Management	36
5	Umang Dutt	VP	Bsc,MBA	Diverse experience in Power Distribution operations including commercial operations, metering, recovery and customer services. Specialties include Customer Services, Call Center, Branding, Marketing, Electricity Distribution, Power Distribution, Public Relations	22
6	L.N.Mishra	VP	Btech-Mach,MBA-IIT-Delhi	Experience in Business Development, Project Management and Operation & Maintenance in Power Transmission and Distribution	36
7	Rajiv Saraf	VP	Bsc,BE-Electronics & Telecomm,PGDBM,P GPM	Diverse experience in utility, infrastructure and telecom industries. Accomplished IT and Business Consulting professional	33
8	Abhay Waikar	VP	MBA-HR,Bsc	Rich experience in the field of Human Resource Management and Industrial Relation, Labour Management, Salary & Payroll, Training, Recruitment, Performance Appraisal activities	29

BOARD OF DIRECTORS

Sr. No.	Name	Designation	Qualification	Profile
1	Sudhir Mehta	Director	Bachelor of Science from Gujarat University	<p>Mr. Sudhir Mehta, 68 years, Chairman Emeritus of ₹22,500 Crore Torrent Group, is the driving force behind its strong presence in Pharma and Power sectors. Mr. Sudhir Mehta formally joined the family business in the early 70s.</p> <p>The astute businessman in Mr. Mehta was quick to foresee the emerging opportunities in the power sector. He led Torrent's foray into this sector by acquiring the ailing Mahendra Cables in the late 80's, TCL Cables Private Limited. This was followed by the acquisition of Ahmedabad Electricity Company and Surat Electricity Company in the early 90's, now part of Torrent Power Limited. Under the able leadership of Mr. Mehta, Torrent Group has since grown into a leading business group. Torrent Power today has a strong foothold in generation, distribution and transmission segments.</p>
2	Samir Mehta	Chairman	Masters in Business Management	<p>Mr. Samir Mehta, 58 years, is the Chairman of ₹22,500 Crore Torrent Group.</p> <p>Mr. Mehta has guided the Group's entry and growth in the power sector. Torrent Power has systematically improved its performance on all efficiency parameters and ranks amongst the best run power utilities in the country. His emphasis on efficiency and reliability has led the Company to demonstrate exemplary operational capabilities and high customer orientation, thus setting new benchmarks in the sector and attracting many accolades.</p> <p>In a move to expand its business presence, Mr. Mehta mentored the Group's entry into the emerging City Gas Distribution (CGD) sector by participating in bidding rounds for new areas and acquiring existing CGD entities. In a short span, Torrent has established an investment plan of ₹10,000 Crore and started rolling out its network across 17 geographical areas in India.</p>

BOARD OF DIRECTORS

Sr. No.	Name	Designation	Qualification	Profile
3	Pankaj Patel	Independent Director	Masters in Pharmaceuticals and Pharmaceutical Technology from Gujarat University and BA in Science and Law from the University of Mumbai	<p>Mr. Pankaj Patel, 69 years, is the Chairman of Zydus Lifesciences Limited, an innovation-driven, global healthcare company with operations in more than 50 countries worldwide. A stalwart and a visionary, Mr. Pankaj Patel combines both research and techno-commercial expertise. Mr. Patel is also the Past President of the Federation of Indian Chamber of Commerce & Industry (FICCI).</p> <p>He is Member of the Board of Governors of the Indian Institute of Management (IIM), Ahmedabad, IIM, Udaipur and various other renowned educational institutions.</p>
4	Keki Mistry	Independent Director	C.A., C.P.A. (USA)	<p>Mr. Keki Mistry is a Member of the Audit Committee of the Board.</p> <p>Born in 1954, Mr. Keki M. Mistry is a Fellow member of The Institute of Chartered Accountants of India. A renowned professional with over four decades of varied work experience in the banking and financial services domain, he is currently the Vice Chairman and CEO of Housing Development Finance Corporation Limited (HDFC). He is also the Non-Executive Chairman on the Board of Directors of HDFC ERGO General Insurance Company Ltd.</p>
5	Usha Sangwan	Independent Director	Postgraduate in Economics, a postgraduate Diploma holder in Human Resource Management and a Licentiate from the Insurance Institute of India	<p>Smt. Usha Sangwan, 63 years, was the first ever woman Managing Director of LIC of India, the largest life insurer in the world in terms of number of customers.</p> <p>Her expertise lies in analytics, strategy, execution, people skill, customer centricity, use of technology, particularly in marketing and servicing and setting up of systems.</p>

BOARD OF DIRECTORS

Sr. No.	Name	Designation	Qualification	Profile
6	Radhika Haribhakti	Independent Director	Graduated in Commerce from Gujarat University, Post Graduate in Management from the Indian Institute of Management, Ahmedabad (IIMA)	Smt. Radhika Haribhakti, 63 years, has over 30 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch. She has advised several large corporates and led their Equity and Debt offerings in Domestic as well as International Capital Markets.
7	Mamta Verma, IAS	Non-Executive Director	MA with Psychology, Masters of Public Policies from Minneapolis Hubert H. Humphrey School of Public Affairs, U.S.A, Senior IAS Officer	<p>Smt. Mamta Verma, IAS, 49 years, is Principal Secretary, Energy & Petrochemicals Department, Gandhinagar.</p> <p>She has held various positions in GoG such as Collector, District Development Officer, Commissioner Principal Secretary in various departments. She was instrumental in implementation and execution of some of the most path-breaking reforms and initiatives of government of India such as “Ease of Doing Business Reforms” as well as “Competitive Ranking of Startups”.</p>
8	Ketan Dalal	Independent Director	Chartered Accountant	<p>Mr. Ketan Dalal, 65 years, is a veteran Chartered Accountant with 40 years of extensive experience in taxation, corporate and investment structuring, including mergers and acquisitions. He was the Joint Head, Tax, All India and the Managing Partner (West) and a member of the India Leadership Team at PwC India. Since April’17, he has been independently pursuing his professional interests and runs a boutique Structuring and Tax firm, Katalyst Advisors Pvt. Ltd.</p> <p>He has been listed among India’s leading tax advisors in International Tax Review, a leading global magazine on international tax policy and offers advice around the world.</p>

BOARD OF DIRECTORS

Sr. No.	Name	Designation	Qualification	Profile
9	Jinal Mehta	Managing Director	Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) from the University of Technology Sydney (UTS), Sydney, Australia.	<p>Jinal Mehta, 39 years, has more than 15 years of experience across all facets of the power sector – generation, transmission and distribution. He was involved during the project and operations phases of the 1,147.5 MW SUGEN Mega Power Project and 382.5 MW SUGEN Expansion (i.e. UNOSUGEN). Subsequently, he was responsible for the implementation of the 1,200 MW DGEN Mega Power Project. Thereafter, he took charge of the Company's distribution business in April'14 and led significant operational improvements in both the licensed and franchised distribution businesses.</p> <p>Under his leadership, the Company grew its Distribution business further by obtaining a distribution license for various areas and was appointed as the Distribution Franchisee by MSEDCL for Shil, Mumbra & Kalwa (SMK) in Thane District. He has contributed significantly in increasing the Company's footprint in the Renewable Energy Sector.</p>
10	Varun Mehta	Whole-time Director	BSc (with honours) in Management from University of Warwick, UK and an MBA from INSEAD, France	<p>Varun Mehta, 34 years, has worked across different business segments of the company – namely Renewables, Thermal Generation and Distribution. He started his career in the Renewables business, where he made an important contribution in formulating the entry strategy of the Group in the area of renewable energy and setting up the initial set of renewable energy projects. Currently he is Whole time Director at Torrent Power Limited and heads the Distribution License, Transmission and Cables business.</p> <p>Under his leadership, Torrent's distribution business has widened its lead over competition and strengthened its position as a benchmark utility. His efforts in the area of operational excellence led to Torrent Power being recognized as one of only 5 companies in the world to be simultaneously awarded the prestigious Sword of Honour and Globe of Honour from British Safety Council in 2021.</p>

ANNEXURE-5





NSDL
Technology, Trust & Reach

NSDL e-Governance Infrastructure Limited

5th floor, Mantri Sterling, Plot No. 341, Survey No. 997/8, Model Colony, Near Deep Bungalow Chowk, Pune - 411 016.

Tel: 91-20-2721 8080, Fax: 91-20-2721 8081, e-mail: tininfo@nsdl.co.in

e-TDS Intermediary

PkgID : 00013 / TANPTGNTP02031701

TPUC/PST/U

Mar 02, 2017



Ref. No.: 22454700126931171/TAN/CR/NOR

TO,
M/S TORRENT POWER LIMITED
600 TAPOVAN, TAPOVAN,
AMBAWADI,
AHMEDABAD,
GUJARAT-380015
TEL. NO.:79-26628000

Sir/Madam,

Sub: Request for changes or correction in Tax deduction Account Number (TAN) data.

Kindly refer to your application dated Jan 30, 2017 for 'Request for changes or correction in TAN data.'

Your request has been processed as per change/correction form submitted by you.

Your updated details are as follows:

TAN	AHMT02435G
Category / sub category of deductor	OTHER COMPANY
Name	As mentioned above
Designation of person responsible for tax deduction	DIRECTOR
Address	As mentioned above
E-Mail Ids :	
Phone :	As mentioned above
Nationality	INDIAN
TAN / TANs surrendered (if any)	

Please quote your TAN (AHMT02435G) in all TDS challans, TDS certificates, TDS returns, Tax Collection at Source (TCS) returns as well as other documents pertaining to such transaction.

Quoting of TAN on all TDS returns and challans for payment of TDS is necessary to ensure credit of TDS paid by you and faster processing of TDS returns.

The above TAN should also be used as TAX Collection at Source Account Number under Section 206CA.

Kindly note that it is mandatory to quote TAN while furnishing TDS returns, including e-TDS returns.

e-TDS return will not be accepted if TAN is not quoted.

Income-tax Department

This is a computer generated letter. Hence, signature is not required.

Caution: Income Tax Department does not send e-mails regarding refunds and does not seek any taxpayer information like user name, password, details of ATM, bank accounts, credit cards, etc. Taxpayers are advised not to part with such information on the basis of emails.

ANNEXURE-6

SOLVENCY CERTIFICATE

To
The Secretary,
Maharashtra Electricity Regulatory Commission (MERC),
Mumbai, Maharashtra

Dear Sir,

SOLVENCY CERTIFICATE : M/S TORRENT POWER LIMITED

This is to state that M/s Torrent Power Limited incorporated under the Companies Act, 1956 with Corporate Identification Number L31200GJ2004PLC044068 and having its Regd. Office/Head Office at "Samanvay", 600, Tapovan, Nehrunagar, Ambawadi, Ahmedabad-380015, are a customer of our Bank for over 15 years, and are presently enjoying certain credit facilities with us. The conduct of account(s) of the company has been satisfactory. The Company, can be considered good upto Rs. 9966 crore in terms of Net Worth shown in their Audited Balance sheet as on 31.03.2022. This certificate is being issued only for the purpose of Application for license.

It is clarified that this Certificate is issued without any risk and responsibility on the part of State Bank of India or any of its officials in any respect whatsoever, more particularly either as guarantor or otherwise. This certificate must be taken as a private & confidential report given by the Bank without prejudice and on the express condition that State Bank of India & its officials are held free by you from any liability in connection with it.

This certificate is issued for the abovementioned specific purpose, and at the specific request of our customer M/s. Torrent Power Limited.

Yours faithfully,



(Authorized Signatory)
State Bank of India
CCG Branch, Ahmedabad

UNDERTAKING

1. In compliance to the Regulation 4 of the MERC (General Conditions of Distribution Licence) Regulations, 2006 (hereinafter "MERC Regulations"); Torrent Power Limited ("Petitioner" / "Applicant") undertakes that no conditions or circumstances exist that cast a doubt on the ability of the Applicant to perform its duties and obligations under the Electricity Act, 2003 and MERC Regulations, as a distribution licensee.
2. Torrent Power Limited would like to clarify that for the purposes of this undertaking, "*conditions or circumstances*" shall mean and include cases of conviction of the applicant or any of its partners, directors or promoters by a Court of Law or indictment / adverse order by a regulatory authority or which relates to a grave offence of such a nature that it outrages the moral sense of the community; insolvency and bankruptcy of the applicant or any of its partners, directors or promoters; pending legal proceedings; conviction of an offence involving moral turpitude, or any economic offence; fraudulent and unfair trade practices or market manipulation; financial integrity; competence; reputation and character, and any other sufficient reasons as specified in Regulations 4 of the MERC Regulations.

Yours faithfully,

For Torrent Power Limited



Rahul Shah

Company Secretary

Date: 18/11/2022

Place: Ahmedabad



ANNEXURE-7





Cost-efficient Practices

Innovation and excellence is a way of life at Torrent. Deviating from the generally trodden path, Torrent Power has been innovating the way gas-based power plants are operated and maintained, by implementing several improvement initiatives beyond OEM's guidelines, leading to enhanced reliability, availability and efficiency of the plants. Company's SUGEN Mega Power Plant reached 50,000 operating hours and completed major overhaul of its units during the year in a path breaking timeline of average 20 days per unit (versus 40 days prescribed by the OEM). The complex overhauling job involving around 400 people was completed by following highest safety standards and without any accidents. This was possible by meticulous planning of all resources, risk assessment and perfection in execution. Post overhaul, plant performance parameters in terms of capacity (up by average 2.7%) and station heat rate (better by average 1.3%) have improved considerably beyond the guarantee provided by the OEM, resulting in long term commercial benefits to the company.



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CORPORATE INFORMATION

Board of Directors

Sudhir Mehta, Chairman Emeritus

(w.e.f 01/04/2018)

Samir Mehta, Chairman*

(w.e.f 01/04/2018)

Pankaj Patel

Samir Barua

Kiran Karnik

Keki Mistry

Bhavna Doshi

Dharmishta Raval

Pankaj Joshi, IAS

Markand Bhatt, Whole-time Director

Jinal Mehta, Managing Director*

(w.e.f 01/04/2018)

Audit and Risk Management Committee

Keki Mistry, Chairman

Samir Barua

Kiran Karnik

Bhavna Doshi

Dharmishta Raval

Stakeholders Relationship Committee

Pankaj Patel, Chairman

Samir Mehta

Markand Bhatt

Nomination and Remuneration Committee

Kiran Karnik, Chairman

Sudhir Mehta

Pankaj Patel

Dharmishta Raval

Corporate Social Responsibility Committee

Bhavna Doshi, Chairperson

Samir Barua

Jinal Mehta

Committee of Directors

Samir Mehta, Chairman

Markand Bhatt

Jinal Mehta

Chief Financial Officer

T. P. Vijayasathy

(upto 29/05/2018)

Sanjay Dalal

(w.e.f. 30/05/2018)

Statutory Auditors

Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Registered Office

“Samanvay”, 600,

Tapovan, Ambawadi,

Ahmedabad-380015,

Gujarat, India.

Phone: +91 79 2662 8300 / 2662 8000

Fax: +91 79 2676 4159

Corporate Identity Number

L31200GJ2004PLC044068

Website

www.torrentpower.com

Investor Services Email Id

cs@torrentpower.com

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.

Unit : Torrent Power Limited

506-508, Amarnath Business Centre-1 (ABC-1),

Besides Gala Business Centre, Near St. Xavier's

College Corner, Off. C. G. Road,

Ellisbridge, Ahmedabad - 380006 (Gujarat)

Phone : +91 79 2646 5179 / 86 / 87

E-mail : ahmedabad@linkintime.co.in

Website : www.linkintime.co.in

**Subject to approval of members of the Company at this AGM.*

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of **TORRENT POWER LIMITED** will be held on Wednesday, 1st August, 2018 at 9.30 a.m. **at J. B. Auditorium, Torrent - AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad - 380015*** to transact the following businesses:

ORDINARY BUSINESSES

1. Adoption of the Financial Statements

To consider and adopt the Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2018, including reports of the Auditors and the Board of Directors thereon.

2. Declaration of dividend

To declare dividend of ₹5.00 per share on Equity Shares of the Company for the Financial Year ended 31st March, 2018.

3. Re-appointment of Director retiring by rotation

To appoint a Director in place of Shri Samir Mehta (DIN: 00061903), who retires by rotation and being eligible offers himself for re-appointment.

4. Modification to the resolution related to appointment of Statutory Auditors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the amendment to the section 139 of the Companies Act, 2013, effective from 7th May, 2018, the consent of the members of the Company be and is hereby accorded to delete the requirement, seeking ratification of appointment of Statutory Auditors (M/s. Price Waterhouse Chartered Accountants LLP) at every Annual General Meeting, from the resolution passed at the shareholders meeting held on 1st August, 2017.”

SPECIAL BUSINESSES

5. Appointment of Shri Samir Mehta as Chairman

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactment thereof for the time being in force (hereinafter referred to as “the Act”) and subject to such other approvals as may be necessary, the consent of the members of the Company be and is hereby accorded for pre-closure of the term of appointment of Shri Samir Mehta (DIN: 00061903) as Executive Vice-Chairman granted vide shareholders resolution passed at the Annual General Meeting of the Company dated 4th August, 2015 and for his appointment as Chairman of the Board of Directors and the Company for a period of 5 years w.e.f. 1st April, 2018, subject to he being liable to retire by rotation as Director.

RESOLVED FURTHER THAT Shri Samir Mehta shall exercise substantial powers of management as that of Managing Director subject to superintendence, control and direction of the Board of Directors of the Company.

RESOLVED FURTHER THAT Shri Samir Mehta shall be paid remuneration by way of annual commission at a rate not exceeding the percentage limits of net profits of the Company as specified in the Act, calculated in accordance with section 198, subject to the overall ceiling prescribed under section 197 read with Schedule V to the Act.

RESOLVED FURTHER THAT the actual amount of commission to be paid to Shri Samir Mehta for each year and periodicity of payment shall be decided by the Board from time to time which shall include any Committee of the Board specifically authorised for this purpose from time to time (hereinafter referred to as “the Board”).

* Please refer to page no. 246 for route map to the AGM venue.

RESOLVED FURTHER THAT Shri Samir Mehta shall not be entitled to any other perquisites and shall not be paid sitting fees for attending meetings of the Board of Directors or a Committee thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any Financial Year, the Company may pay Shri Samir Mehta, in respect of such Financial Year, remuneration by way of salary, allowances, perquisites and other benefits as the Board may deem fit, subject to the limits and conditions prescribed in section II of Part II of Schedule V to the Act for the time being in force.”

6. Appointment of Shri Jinal Mehta as Managing Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactment thereof for the time being in force (hereinafter referred to as “the Act”) and subject to such other approvals as may be necessary, the consent of the members of the Company be and is hereby accorded for pre-closure of the term of appointment of Shri Jinal Mehta (DIN: 02685284), as Whole-time Director granted vide shareholders resolution passed at the Annual General Meeting of the Company dated 28th July, 2014 and for his appointment as Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2018 on the following terms and conditions, subject to he being liable to retire by rotation as Director:

Sr. No.	Particulars	Details
1.	Salary :	₹45,80,000/- (Rupees Forty Five Lakhs Eighty Thousands only) per month for FY 18-19. ₹55,00,000/- (Rupees Fifty Five Lakhs only) per month for FY 19-20. ₹64,20,000/- (Rupees Sixty Four Lakhs Twenty Thousands only) per month for FY 20-21. ₹73,35,000/- (Rupees Seventy Three Lakhs Thirty Five Thousands only) per month for FY 21-22. ₹82,55,000/- (Rupees Eighty Two Lakhs Fifty Five Thousands only) per month for FY 22-23.
2.	Commission :	At a rate such that the total remuneration does not exceed percentage limits of net profits of the Company as specified in the Act, calculated in accordance with section 198, subject to the overall ceiling prescribed under section 197 read with section I of Part II of Schedule V to the Act. The actual amount of commission to be paid to Shri Jinal Mehta for any Financial Year and periodicity of payment shall be decided by the Board from time to time.
3.	Perquisites and Benefits :	Will be allowed as under:
	(I)	(i) The Company shall provide him a fully furnished accommodation. If he is not provided accommodation by the Company, the Company shall pay House Rent Allowance at the rate of 20% of the Salary.
		(ii) The Company shall pay the premium for personal accident insurance under Group Personal Accident Insurance Policy, as per the rules of the Company.
		(iii) The Company shall pay premium for medical insurance for self and family under Group Mediciclaim Policy, as per the rules of the Company.
		(iv) The Company shall reimburse annual fees for two clubs.
	(II)	(i) The Company shall provide a car with driver for official and personal use.
		(ii) The Company shall provide telephones at his residence, the cost of which shall be borne by the Company.

Sr. No.	Particulars	Details
	(III)	(i) Company's contribution to the Provident Fund will be as per applicable laws and rules of the Company.
		(ii) Company's contribution to Pension / Superannuation Fund will be as per applicable laws and rules of the Company.
		(iii) Gratuity shall be payable as per applicable laws and rules of the Company.
4.	Other terms	(i) His entitlement for leave, its accumulation and encashment shall be as per the prevailing rules of the Company.
		(ii) Such appointment shall not be considered as a break in his service.
		(iii) Total remuneration for the year shall not exceed percentage limits of net profits of the Company as specified in the Act, calculated in accordance with section 198, subject to the overall ceiling prescribed in section 197 read with section I of Part II of Schedule V to the Act.
		(iv) He shall not be entitled to receive sitting fees for attending meetings of the Board of Directors or a Committee thereof.

RESOLVED FURTHER THAT the actual amount of commission to be paid to Shri Jinal Mehta for each year and periodicity of payment shall be decided by the Board from time to time which shall include any Committee of the Board specifically authorised for this purpose from time to time (hereinafter referred to as "the Board").

RESOLVED FURTHER THAT Shri Jinal Mehta shall exercise substantial powers of management, subject to superintendence, control and direction of the Chairman and Board of Directors of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any Financial Year, the Company shall pay Shri Jinal Mehta, in respect of such Financial Year, remuneration by way of salary, allowances, perquisites and other benefits as the Board may deem fit, subject to the limits and conditions prescribed in section II of Part II of Schedule V to the Act for the time being in force."

7. Ratification of Remuneration of Cost Auditors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, the Cost Auditors appointed by the Board of Directors of the Company to conduct audit of cost records of the Company (excluding Dahej Distribution Unit and DGEN Power Plant, as both are located in SEZ and exempted from the provisions of Cost Audit) for the Financial Year ending 31st March, 2019 be paid remuneration of ₹12,00,000/- plus applicable taxes and reimbursement of actual out of pocket expenses incurred by them during the course of the Audit.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to take such actions as may be necessary for implementing the above resolution."

8. Modification in Remuneration of Shri Varun Mehta

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, or any other statutory modifications or re-enactment thereof, and subject to such other approvals as may be necessary, the consent of the members of the Company be and is hereby accorded for modification in remuneration for Shri Varun Mehta, a relative of Shri Sudhir Mehta, Chairman Emeritus, Shri Samir Mehta, Executive Chairman and Shri Jinal Mehta, Managing Director,

on the terms and conditions as stated below:

Sr. No.	Particulars	Details
1.	Effective Date	: From 2 nd August, 2018
2.	Designation	: Vice President or such designation as is appropriate for the functions assigned from time to time.
3.	Remuneration:	: Shri Varun Mehta shall be paid the following remuneration:
A	Salary	: ₹3,00,000 (Rupees Three Lakhs only) per month. Salary may be increased within the range of ₹3,00,000 per month to ₹12,00,000 per month, in such increments as may be decided from time to time.
B	Allowances, Perquisites and Benefits	: In addition to salary, he will be allowed allowances, perquisites and benefits as under:
		(i) HRA, conveyance, compensatory allowance, car allowance, other allowances and incentives as applicable to the employees as per the prevailing rules, policies and practices of the Company.
		(ii) Company's contribution to the Provident Fund will be as per applicable laws and rules of the Company.
		(iii) Company's contribution to Pension / Superannuation Fund will be as per applicable laws and rules of the Company.
		(iv) He and his family shall be covered under the group medical insurance and group personal accident insurance policies taken by the Company in respect of all employees.
		(v) The Company shall provide him furnished residential accommodation, if the rules of the location of his posting provides for the same.
		(vi) Gratuity shall be payable as per applicable laws and rules of the Company.
		(vii) Entitlement for leave, its accumulation and encashment as per the rules of the Company.
		(viii) He shall be entitled to use of one Company maintained car as per policy of the Company.
		(ix) He shall be entitled to membership of club as per policy of the Company.
C	Performance Pay	: The Company shall pay, in addition to salary and applicable allowances, perquisites and benefits, an annual Performance Pay at a rate not exceeding 50% of the salary as may be decided from time to time.
D	One Time Award	: He may be granted a special One Time Award for any special achievement / project of extraordinary nature beyond the normal responsibilities as per the policy and practices of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to determine, modify, consolidate and/or revise the terms and conditions of the appointment of Shri Varun Mehta, including designation and remuneration within the above limits, in any manner from time to time, and to delegate all or any of the powers conferred herein to any Committees of Directors or any Officer(s) of the Company."

9. Enhancement of Borrowing Limits

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as amended from time to time and the rules made there under, including any modifications, amendments or re-enactment thereof and subject to such other approvals as may be necessary, and in supersession of the earlier resolution passed by the Company in this regards, the consent of the members of the Company be and is hereby accorded to the Board

of Directors (hereinafter referred to as “the Board” which shall be deemed to include any Committee thereof), to borrow any sum or sums of moneys (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business), from time to time, in such form and manner and on such terms and conditions as the Board may deem fit, as may be required for the purposes of business of the Company, from one or more Banks, Financial Institutions and/or any other lenders (including any Government(s), Government Bodies, firms, body corporate, association of persons and any individuals) by way of loans, debentures, notes, bonds, cash credits, advances, deposits, bill discounting or any other form of indebtedness, either in rupees or in such other foreign currencies as may be permitted by law from time to time, whether secured or unsecured, provided that the total amount so borrowed and outstanding at any point in time shall not exceed ₹20,000 Crore (Rupees Twenty Thousands Crore only), notwithstanding the fact that money to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid-up share capital of the Company, its free reserves (i.e. reserves not set apart for any specific purpose) and securities premium.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the aforesaid resolution and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution and also to delegate all or any of the above powers to the Committee of Directors.”

10. Creation of Charges

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time and the rules made thereunder, including any modifications, amendments or re-enactment thereof and subject to such other approvals as may be necessary, and in supersession of the earlier resolution passed by the Company in this regards, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which shall be deemed to include any Committee thereof) to mortgage, hypothecate, pledge, assignment and/or charge, in addition to mortgage, hypothecation, pledge, assignment and/or charge already created, in such form, manner and ranking and on such terms as the Board may deem fit in the interest of the Company, any or all of the immovable and/or movable properties of the Company, including book debts, intellectual property rights, licences, project documents, contracts and insurance policies wheresoever situated, both present and future, and/or the whole or part of the undertaking of the Company together with or without the power to enter upon and to take possession of any such asset and to take over the business or takeover the management of the business or any undertaking of the Company in case of events of default, in favour of the lender(s), agent(s) or trustee(s), for securing the borrowing including working capital facilities availed or to be availed by the Company or any of its subsidiaries, from time to time, by way of loans, debentures, notes, bonds, cash credits, advances, deposits, bill discounting or any other form of indebtedness, in foreign currency or in Indian rupees, in one or more tranches, alongwith interest, additional interest, accumulated interest, any increase as a result of changes in the rates of exchange, liquidated damages, commitment charges or costs, expenses and all other moneys payable by the Company or any of its subsidiary in terms of respective facility agreement(s) or any other document entered / to be entered into between the Company or any of its subsidiary and the lenders/agents/investors and trustees as may be stipulated in that behalf and agreed to between the Board and the lenders, agents, investors or trustees, from time to time, upto the limits approved under section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to aforesaid resolution and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution and also to delegate all or any of the above powers to the Committee of Directors.”

11. Re-appointment of Smt. Bhavna Doshi as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, Smt. Bhavna Doshi (DIN: 00400508), be and is hereby re-appointed as an Independent Director on the Board of the Company, for a second and final term from 4th August, 2018 to 30th September, 2021 (both days inclusive).”

12. Re-appointment of Ms. Dharmishta N. Raval as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, Ms. Dharmishta N. Raval (DIN: 02792246), be and is hereby re-appointed as an Independent Director on the Board of the Company, for a second and final term from 16th October, 2018 to 30th September, 2021 (both days inclusive).”

13. Re-appointment of Shri Samir Barua as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, Shri Samir Barua (DIN: 00211077), be and is hereby re-appointed as an Independent Director on the Board of the Company, for a second and final term from 1st April, 2019 to 30th September, 2022 (both days inclusive).”

14. Re-appointment of Shri Keki Mistry as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, Shri Keki Mistry (DIN: 00008886), be and is hereby re-appointed as an Independent Director on the Board of the Company, for a second and final term from 1st April, 2019 to 31st March, 2024 (both days inclusive).”

15. Re-appointment of Shri Pankaj Patel as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, Shri Pankaj Patel (DIN: 00131852), be and is hereby re-appointed as an Independent Director on the Board of the Company, for a second and final term from 1st April, 2019 to 31st March, 2024 (both inclusive).”

By Order of the Board
For Torrent Power Limited

Ahmedabad
29th May, 2018

Registered Office:

“Samanvay”, 600, Tapovan,
Ambawadi,
Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Tel. No. +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

T. P. Vijayasathy
Executive Director (Corporate Affairs) & CFO

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 14TH ANNUAL GENERAL MEETING (“AGM” or “meeting”) OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. However, a member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.
2. A proxy form is sent herewith. In case a member wants to appoint a proxy, duly completed and stamped proxy form, must reach the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a Certified Copy of the Board resolution to the Company, authorising their representative to attend and vote on their behalf at the Meeting.
4. Members/ proxies/ authorised representatives are requested to bring the Attendance Slip sent herewith, duly filled in, for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Pursuant to the provisions of section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 12th June, 2018 to Thursday, 14th June, 2018 (both days inclusive) for determining the names of members for the purpose of the AGM.
7. The Statement pursuant to section 102 of the Companies Act, 2013 and / or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and forms part of this Notice.
8. In terms of the section 124 of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of Financial Year 2010-11 of the erstwhile Torrent Cables Limited (since amalgamated with Torrent Power Limited) and the Company will be due for transfer to the said Fund in September, 2018. The shareholders who have not encashed their dividend warrants for Financial Year 2010-11 of the Company and erstwhile Torrent Cables Limited (since amalgamated with Torrent Power Limited) are requested to approach the Company for payment.

Further, pursuant to the provisions of section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 (“IEPF Rules”), all shares on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to the Demat Account of the Authority. The Company has sent intimation to all such members who have not claimed their dividend for seven consecutive years. All such members are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to the Demat Account of IEPF Authority and no claim shall lie against the Company. The members thereafter need to claim their shares from IEPF Authority by filing E-Form-5 and by following such procedures as prescribed in the IEPF Rules (as may be amended from time to time).

9. The Companies Act, 2013, provides nomination facility to the members. As a member of the Company, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to your Depository Participant.

10. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. For further information, you are requested to approach the Registrar and Share Transfer Agent of the Company.
11. Trading in Equity Shares of the Company is compulsorily in dematerialised mode by all the investors. Members are therefore advised to convert their shareholding in dematerialised form in case they wish to trade their Equity Shares.
12. Members seeking any information or clarification on the accounts are requested to send written queries to the Company, atleast 10 days before the date of the Meeting to enable the management to keep the required information available at the Meeting.
13. Annual Report for FY 2017-18 of the Company has been uploaded on website of the Company i.e. www.torrentpower.com.
14. All documents referred to in the accompanying Notice and the Explanatory Statement alongwith the Statutory Registers maintained by the Company as per the Companies Act, 2013 shall be open for inspection at the Registered Office of the Company during normal business hours (9:30 AM to 6:30 PM) on all working days, (except Saturday) upto and including the date of the Annual General Meeting of the Company and also will be available for inspection by the members at the AGM.
15. Electronic copy of the Notice of the 14th Annual General Meeting of the Company along with Annual Report, inter-alia, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has specifically requested for a hard copy of the same. For members, who have not registered their email address, physical copies are being sent by the permitted mode.
16. With a view to conserve natural resources, we request members to update and register their email addresses with their Depository Participants or with the Company, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars, etc. electronically.
17. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names, are requested to send the Share Certificates to the Registrar and Share Transfer Agent of the Company, for consolidation of such multiple folios into a single folio.
18. **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Wednesday, 25th July, 2018.**
19. In terms of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide the e-voting facility through Central Depository Services Limited (CDSL) to its members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice (the "Remote e-voting"). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail the facility at his / her discretion, subject to compliance with the instructions for Remote e-voting.

In case of members who are present in person at the meeting and entitled to vote, and have not exercised their right to vote by electronic means, the Chairman of the Company shall allow voting by way of poll in terms of Rule 20 (4) (xi) of the said Rules for the businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting.

The information and other instructions regarding Remote e-voting are detailed in Note No. 24.

Shri Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

20. The Scrutinizer shall within a period not exceeding 3 (three) days from the conclusion of the AGM make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the Meeting or a person so authorised by him in writing, who shall countersign the same.
21. The results shall be declared forthwith by the Chairman or a person so authorised by him in writing on receipt of consolidated report from scrutinizer. The Results declared along with Scrutinizer's Report shall be placed on the Company's website www.torrentpower.com and on the website of CDSL and shall also be communicated to the BSE Limited and National Stock Exchange of India Limited.
22. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agent of the Company.
23. **The resolutions shall be deemed to have been passed on the date of the Annual General Meeting, subject to the same being passed with requisite majority.**
24. **Voting Process and other instructions regarding Remote e-voting:**

Section A: Voting Process

The members should follow the following steps to cast their votes electronically:

Step 1: Open your web browser during the voting period and log on to the e-voting Website: www.evotingindia.com

Step 2: Click on "Shareholders" to cast your vote(s).

Step 3: Please enter User ID –

- a. For account holders in CDSL: Your 16 digits beneficiary ID.
- b. For account holders in NSDL: Your 8 Character DP ID followed by 8 Digits Client ID.
- c. Members holding shares in Physical Form should enter Folio number registered with the Company.

Step 4: Enter the Image Verification as displayed and Click on "LOGIN".

Step 5: If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, than your existing password is to be used. If you have forgotten the password, than enter the User ID and the image verification code and click on "FORGOT PASSWORD" and enter the details as prompted by the system.

Step 6: Follow the steps given below if you are:

- a. holding shares in physical form, or
- b. holding shares in dematerialised form and are a first time user,

6.1(a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both, members holding shares in physical or dematerialized form)

Members holding shares in physical form and who have not updated their PAN with the Company are requested to enter the last 7 digits of their share certificate no. prefixed by "TPL". In case the certificate number is less than 7 digits enter the required number of 0's before the number. In case you are holding more than one share certificate under the same folio, enter the details of the share certificate which is higher in number.

Eg. If you are holding 3 share certificates under the same folio having certificate nos. 50111, 50112, 50113, then enter TPL0050113 in the PAN field.

Members who are holding shares in dematerialized form and who have not updated their PAN with depository are requested to use the Sequence Number as printed on the Address Sticker in case of the dispatch of the Annual Report through physical mode and as mentioned in covering e-mail in case of dispatch of soft copy.

6.1(b) Enter the Date of Birth (DOB) as recorded in your demat account or registered with the Company for the said demat account or folio in dd/mm/yyyy format. #

6.1(c) Enter the Dividend Bank Account details (account number) as recorded in your demat account or registered with the Company for the said demat account or folio. #

Please enter either the DOB or Dividend Bank Account details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in Step 3.

After entering these details appropriately, click on “SUBMIT” tab.

6.2 For Demat holding:

Members holding shares in demat form will now reach “PASSWORD CREATION” menu wherein they are required to create their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**

6.3 For Physical holding:

Members holding shares in physical form will then directly reach the Company selection screen. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Step 7: Click on the EVSN of the Company i.e. 180612008 to vote.

Step 8: On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select the option YES or NO as desired for casting your vote.

Step 9: Click on “RESOLUTION FILE LINK” if you wish to view the Notice.

Step 10: After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

Step 11: Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

You can also take print-out of the voting done by you by clicking on “CLICK HERE TO PRINT” option on the Voting page.

Shareholders can also use Mobile app - “m-Voting” for e voting. m-Voting app is available on Apple, Android and Windows platforms. Members may log in to m-Voting using their e voting credentials to vote for the Company resolution(s).

Section B: Other instructions regarding Remote e-voting

- i. The Remote e-voting period shall commence on Saturday 28th July, 2018 at 9.00 A.M. and end on Tuesday 31st July, 2018 at 5:00 P.M. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their votes electronically. The e-voting module shall be disabled for voting thereafter.

- ii. Institutional Shareholders (i.e. members other than Individuals, HUF, NRI, etc.) are additionally requested to note and follow the instructions mentioned below, if they are first time user:
 - Institutional Shareholders and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- iii. Institutional Shareholders and Custodian are required to upload the following in PDF format in the system for the scrutinizer to verify the same:
 - a. Copy of the Board Resolution (where institution itself is voting).
 - b. Power of Attorney issued in favour of the Custodian (if PoA is not uploaded earlier) as well as Board Resolution of custodian.
- iv. **Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.**
- v. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- vi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 3 & 5

The shareholders at the 11th Annual General Meeting of the Company held on 4th August, 2015, had re-appointed Shri Samir Mehta as the Executive Vice-Chairman of the Company for a period of 5 years starting from 1st August, 2015 and ending on 31st July, 2020, on the terms and conditions of appointment contained in the said resolution.

Shri Sudhir Mehta, at the meeting of the Board of Directors held on 7th February, 2018, communicated to the Board his desire to relinquish the position as the Chairman of the Board and the Company w.e.f. 1st April, 2018, with a view to spend more time on educational, social and religious activities in which he is involved and also spare more time for himself. At the request of the Board, Shri Sudhir Mehta agreed to continue as a permanent member of the Board of the Company and the Board has conferred him the position of Chairman Emeritus effective from 1st April, 2018, so that his wisdom and counsel on key business and strategic matters would continue to be available to the Board and the Company.

In view of the above and based on the recommendation of Nomination and Remuneration Committee, the Board approved the appointment of Shri Samir Mehta as Executive Chairman of the Board of Directors and the Company, subject to shareholders approval, for a period of 5 (five) years effective from 1st April, 2018, with pre-closure of his existing term as Executive Vice Chairman.

Shri Samir Mehta (DIN: 00061903), age 54, has been associated with the Company since its inception, as a Promoter. He has made invaluable contributions in the steady march of Torrent Group to become one of the leading business houses in India. A B-School graduate, Shri Mehta has 30 years of hands-on experience in business strategy and growth and brought in the much desired analytical and professional approach in Torrent Group. Apart from setting up an orderly and system oriented organization, development of prudent financial management policies and balanced human resource policies have been the hallmark of his leadership. His focus on strategy whilst continuing to emphasise excellence in execution and business operations ensured that Torrent Power not only maneuvered the difficult times in power sector but constantly improved its performance on all efficiency parameters – strong project management, high plant availability, reduction in AT&C losses, better reliability indices, efficient gas procurement, management of regulatory aspects etc. Today, Torrent Power is ranked amongst the best run power utilities in the Country and has won accolades from all quarters for its excellent operational capabilities and high customer orientation.

Shri Samir Mehta is also the Executive Chairman of Torrent Pharmaceuticals Limited, a Group company. He would therefore, draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person, in accordance with the provisions of Schedule V to the Companies Act, 2013. Shri Samir Mehta shall be a Director liable to retire by rotation while he holds the office of the Chairman. As the Chairman, he will exercise substantial powers of the management, subject to superintendence, control and direction of the Board of Directors of the Company.

Shri Mehta is the Chairman of the Committee of Directors and a Member of the Stakeholders Relationship Committee of the Company. Details of his Directorship in other companies and membership in committees of these companies are given below:

Sr. No.	Directorship in Companies	Name of Committees
1.	Torrent Pharmaceuticals Limited	Committee of Directors - Member
2.	Torrent Private Limited	Corporate Social Responsibility Committee - Chairman
3.	Arvind Limited	-
4.	Tornascent Care Institute	-
5.	UNM Foundation	-

Shri Samir Mehta holds 6,125 Equity Shares of the Company and is related to Shri Sudhir Mehta, Chairman Emeritus and Shri Jinal Mehta, Managing Director. Shri Sudhir Mehta, Shri Samir Mehta and Shri Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

The Board recommends the resolutions at Item No. 3 & 5 of the Notice, for re-appointment of Shri Samir Mehta as Director and Executive Chairman of the Board and the Company, for your approval as an Ordinary Resolution.

ITEM NO. 4

The shareholders had, at 13th Annual General Meeting (AGM) of the Company held on 1st August, 2017, appointed M/s. Price Waterhouse Chartered Accountants LLP (FRN: 012754N/N500016) as Statutory Auditors of the Company, to hold office from conclusion of 13th AGM of the Company till the conclusion of 18th AGM, subject to ratification of such appointment by the shareholders at every AGM.

Pursuant to amendment of section 139 of the Companies Act, 2013 effective from 7th May, 2018, the requirement related to ratification of appointment of Statutory Auditors by the members of the Company at every AGM was omitted.

In view of the above, it is proposed to delete the requirement of seeking ratification of appointment of Statutory Auditors at every AGM from resolution passed at the shareholders meeting held on 1st August, 2017.

The Board recommends the resolution at Item No. 4 of the Notice, for deleting the requirement of seeking ratification of appointment of Statutory Auditors at every AGM, for your approval, as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 6

The shareholders at the 10th Annual General Meeting of the Company held on 28th July, 2014, had appointed Shri Jinal Mehta as the Whole-time Director of the Company for a period of 5 years, starting from 5th April, 2014 and ending on 4th April, 2019, on the terms and conditions of appointment contained in the said resolution. Shri Jinal Mehta, as Whole-time Director has been handling the distribution and transmission businesses of the Company.

Pursuant to the changes in managerial personnel explained in Item no. 3 & 5 above and based on the recommendation of Nomination and Remuneration Committee, the Board approved the appointment of Shri Jinal Mehta as Managing Director, subject to shareholders approval, for a period of five (5) years effective from 1st April, 2018 with pre-closure of his existing term as Whole-time Director.

Shri Jinal Mehta (DIN: 02685284), 35, has done his Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) in International Business and Finance from University of Technology Sydney (UTS), Sydney, Australia. He has more than 11 years of experience in the power sector in both generation and distribution segments. He was involved in the operations of 1,147.5 MW SUGEN Mega Power Project as its COO and in the implementation of 382.5 MW SUGEN Expansion (i.e. UNOSUGEN). He subsequently supervised the project implementation of DGEN Mega Power Project (1,200 MW) and was Director and CEO of erstwhile Torrent Energy Limited (now merged with the Company), for a period of about 3 years until 31st March, 2014.

As Whole-time Director of the Company, he improved the operations of Ahmedabad and Surat distribution units in terms of network modernisation, customer service and regulatory approvals for recovery of costs. The Bhiwandi and Agra franchise distribution operations also witnessed significant reduction in T&D losses leading to significant increase in profitability. He was instrumental in obtaining the renewal of Bhiwandi franchise operations for another 10 years and new distribution license for Dholera SIR.

Shri Jinal Mehta is also the Managing Director of Torrent Power Grid Limited, a subsidiary company. He would therefore, draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of where he is a managerial person, in accordance with the provisions of Schedule V to the Companies Act, 2013. Shri Jinal Mehta shall be liable to retire by rotation as Director while he holds the office of the Managing Director. As the Managing Director, he will exercise substantial powers of the management, subject to superintendence, control and direction of the Chairman and Board of Directors of the Company.

Shri Jinal Mehta is a Member of the Corporate Social Responsibility Committee and Committee of Directors of the Company. He is also holding the position of Director in Torrent Private Limited and is a Member of Corporate Social Responsibility Committee of that company.

Shri Jinal Mehta holds 8,000 shares in the Company. He is son of Shri Sudhir Mehta, Chairman Emeritus and a relative of Shri Samir Mehta, Chairman. Shri Sudhir Mehta, Shri Samir Mehta and Shri Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or other Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

The Board recommends the resolution at Item No. 6 of the Notice, in relation to appointment of Shri Jinal Mehta as a Managing Director of the Company, for your approval as an Ordinary Resolution.

ITEM NO. 7

The shareholders had, at the 13th Annual General Meeting of the Company held on 1st August, 2017, ratified the remuneration of M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company at ₹12,00,000/- plus applicable taxes and reimbursements of out of pocket expenses incurred by them during the course of audit for the FY 2017-18.

The Audit and Risk Management Committee of the Company had, at its meeting held on 7th February, 2018 recommended and the Board of Directors had approved the re-appointment of M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company (excluding Dahej Distribution and DGEN power plant, as both are in SEZ and exempt from the provisions of Cost Audit) to conduct the audit of the Cost Records of the Company for the FY 2018-19 at a remuneration of ₹12,00,000 /- plus applicable taxes and reimbursements of actual out of pocket expenses incurred by them during the course of audit. In accordance with the provisions of section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit & Risk Management Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, members are requested to ratify the remuneration of ₹12,00,000 /- plus applicable taxes and reimbursements of actual out of pocket expenses payable to M/s. Kirit Mehta & Co., Cost Auditors of the Company for the FY 2018-19 by passing an Ordinary Resolution at Item No. 7 of the Notice.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 8

Shri Varun Mehta, son of Shri Sudhir Mehta, Chairman Emeritus and a relative of Shri Samir Mehta, Chairman and Shri Jinal Mehta, Managing Director was appointed to an office or place of profit in the Company, vide shareholders resolution, passed in the 10th Annual General Meeting held on 28th July, 2014.

Subject to approval of the shareholders, the Board had, at its meeting held on 29th May, 2018, approved the modification in remuneration of Shri Varun Mehta, on the terms and conditions as mentioned in the resolution at Item No. 8 of the Notice.

Information in compliance with section 188 of the Companies Act, 2013 and rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 is as stated below:

(a) Name of the Related Party: Shri Varun Mehta

(b) Name of the Director or Key Managerial Personnel who is related, if any:

- (i) Shri Sudhir Mehta, Chairman Emeritus
- (ii) Shri Samir Mehta, Chairman
- (iii) Shri Jinal Mehta, Managing Director

(c) Nature of Relationship: Shri Varun Mehta is son of Shri Sudhir Mehta, Chairman Emeritus, nephew of Shri Samir Mehta, Chairman and brother of Shri Jinal Mehta, Managing Director.

(d) Nature, material terms, monetary value and particulars of the contract or arrangement:

Shri Varun Mehta's remuneration is proposed to be modified, as his current remuneration has reached near the ceiling previously approved by the shareholders. Particulars of terms and conditions for modification in his remuneration are mentioned in the resolution at Item No.8 of the Notice.

(e) Any other information relevant or important for the members to take a decision on the proposed resolution:

Shri Varun Mehta, 31, is an International Baccalaureate Diploma holder from United World College of South East Asia, Singapore and graduated with B.Sc. (Hons) in Management from University of Warwick, UK. He has done MBA from INSEAD, France. He has about 8 years work experience with the Company across multiple functions and business areas. He is currently the Vice President in charge of distribution operations of Ahmedabad license area.

The Board recommends the resolution at Item No. 8, in relation to the modification in remuneration of Shri Varun Mehta, for your approval as an Ordinary Resolution.

Shri Sudhir Mehta, Shri Samir Mehta and Shri Jinal Mehta are related to Shri Varun Mehta and are, therefore, deemed to be interested in the resolution. None of the other Directors or other Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 9 & 10

The shareholders had, by means of passing Special Resolution by way of Postal Ballot (results of which were declared on 10th September, 2014) accorded their consent to the Board of Directors, to borrow any sum or sums of monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), from time to time, in such form and manner and on such terms and conditions as the Board may deem fit, by way of term loans, debentures, or any other securities or otherwise, such that the total amount borrowed and outstanding at any time shall not exceed ₹13,500 Crore (Rupees Thirteen Thousands Five Hundred Crore only) and to create charges on the Company's properties for securing the borrowings within the above limits and also authorised the Board for the said purpose including *inter-alia*, to delegate all or any of the above powers to the Committee of Directors.

The long term borrowings including undrawn amount as on 31st March, 2018 is approx. ₹9,839 Crore (Rupees Nine Thousands Eight Hundred and Thirty Nine Crore only).

The Company's growth plans, inter-alia, envisage investing in renewable energy generation, developing new distribution networks and modernising its existing distribution networks, investing in transmission sector and also acquisition of stressed assets in power sector at attractive valuations. These would require sufficient capital resources, part of which will come from internal accruals and balance by way of borrowings. It is therefore, desirable for the Company to have the requisite shareholders approvals in place for meeting the fund requirements, by way of borrowings and for creating security for such borrowings. The existing shareholders approval of ₹13,500 Crore will therefore need to be enhanced upto ₹20,000 Crore (Rupees Twenty Thousand Crore only).

The Board recommends the resolutions at Item No. 9 & 10 of the Notice, for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolutions.

ITEM NO. 11

Smt. Bhavna Doshi (DIN: 00400508), 65, is a fellow member of the Institute of Chartered Accountants of India (ICAI) and holds a Master Degree in Commerce from Mumbai University. She had an exemplary academic career and was ranked second on the all-India Merit List, at both, intermediate and final examinations conducted by the ICAI. She is currently providing expert advisory services in the fields of taxation, accounting, corporate and regulatory matters. She has rich experience of over 3 decades as partner in renowned firms of chartered accountants, B S Mehta & Co, RSM & Co and Bharat S Raut & Co (member firm of KPMG in India). She has held positions of Secretary and Chairperson of the Western India Regional Council of the ICAI. She was an elected member of the Council of ICAI for four terms. Besides serving on various committees of ICAI, she contributed actively in the formulation of accounting standards in India, research publications,

taxation, vision exercise for ICAI and various other areas. She was the President of the Indian Merchants' Chamber (IMC), a leading Chamber of Commerce headquartered at Mumbai and besides various innovative projects, she was instrumental in establishing IMC Inclusive Innovation Awards in recognition of work of grass root innovators and mentoring and supporting them in taking their innovative products and services to the market and scaling up their ventures.

She was a Member of the Compliance Advisory Panel of International Federation of Accountants, New York, and also of Government Accounting Standards Advisory Board constituted by Comptroller and Auditor General of India. During her tenure in the Compliance Advisory Panel, a program for evaluation of compliance with the Global Standards was launched and successfully implemented at global level. She is a regular speaker at conferences and seminars organized by various trade and professional organizations on a variety of subjects. She is also involved in many social sector projects.

Smt. Bhavna Doshi joined the Board of Directors of the Company as an Independent Director and is the Chairperson of Corporate Social Responsibility Committee and a Member of Audit and Risk Management Committee of the Board. Her term will complete on 3rd August, 2018. Details of her directorship in other companies and Membership in committees of these companies are given below:

Sr. No.	Directorship in Companies	Name of Committees
1.	Connect Capital Private Limited	-
2.	Peninsula Land Limited	Audit Committee – Chairman Corporate Social Responsibility Committee - Member
3.	LIC Pension Fund Limited	Risk Management Committee – Chairman Nomination and Remuneration Committee - Member
4.	Everest Industries Limited	Audit Committee – Member
5.	Walchandnagar Industries Limited	Corporate Social Responsibility Committee – Chairman
6.	Sun Pharma Advanced Research Company Limited	Audit Committee – Chairman Corporate Social Responsibility Committee – Member Nomination and Remuneration Committee – Member
7.	Future Generali India Life Insurance Company Limited	Audit Committee – Chairman Nomination and Remuneration Committee – Chairman
8.	Future Generali India Insurance Company Limited	Audit Committee – Chairman Nomination and Remuneration Committee – Chairman
9.	Nuvoco Vistas Corporation Limited (earlier known as Lafarge India Limited)	Audit Committee – Chairman
10.	Gruh Finance Limited	Audit Committee – Member Stakeholders Relationship Committee – Member
11.	ICAI Accounting Research Foundation	-

In terms of the provisions of section 149 of the Companies Act, 2013, an Independent Director of the Company shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in its Board's report.

In view of the above, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and based on performance evaluation, has recommended re-appointment of Smt. Bhavna Doshi, as Independent Director for second and final term from 4th August, 2018 to 30th September, 2021.

In the opinion of the Board, Smt. Bhavna Doshi fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for her re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for re-appointment of Smt. Bhavna Doshi as an Independent Director setting out the terms and conditions would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue the services of Smt. Bhavna Doshi as an Independent Director of the Company. Accordingly, the Board recommends the resolution at Item No. 11, in relation to re-appointment of Smt. Bhavna Doshi as an Independent Director, for your approval as a Special Resolution.

Smt. Bhavna Doshi holds 1,900 Equity Shares of the Company jointly with her spouse. She is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 12

Ms. Dharmishta N. Raval (DIN: 02792246), 62, has a rich and varied legal experience of more than 35 years, in the areas of corporate, labour, banking and tax laws. Ms. Raval worked extensively with Late Shri Kirit N. Raval, former Solicitor General of India. She is a partner of Raval & Raval, a renowned law firm. She also held various senior and important positions such as Executive Director in SEBI, Senior Standing Counsel for the Central Government for the Gujarat High Court, Member of the Advisory Committee on “Fostering Fair Trade and Competition in downstream Petroleum & Natural Gas Sector” by Petroleum and Natural Gas Regulatory Board, Member of the Governing Council at BSE Ltd., Member of Advisory Committee of SEBI-Mutual Funds, Member of Advisory Board at Multi Commodity Exchange of India Ltd., Member and Vice Chairperson of the Executive Committee of the NSDL.

Ms. Dharmishta N. Raval joined the Board of Directors of the Company as an Independent Director and is a Member of Audit and Risk Management Committee and Nomination and Remuneration Committee of the Board. Her term will complete on 15th October, 2018. Details of her directorship in other companies and membership in committees of these companies are given below:

Sr. No.	Directorship in Companies	Name of Committees
1.	Cadila Healthcare Limited	Audit Committee – Member Nomination and Remuneration Committee - Member Corporate Social Responsibility Committee – Member
2.	NOCIL Limited	-
3.	NSDL e-Governance Infrastructure Limited	Remuneration Committee- Member Investment Committee- Member
4.	National Stock Exchange of India Limited	-
5.	Zydus Healthcare Limited	-

In terms of the provisions of section 149 of the Companies Act, 2013, an Independent Director of the Company shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in its Board's report.

In view of the above, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and based on performance evaluation, has recommended re-appointment of Ms. Dharmishta N. Raval, as Independent Director for second and final term from 16th October, 2018 to 30th September, 2021.

In the opinion of the Board, Ms. Dharmishta N. Raval fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for her re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Dharmishta N. Raval as an Independent Director setting out the terms and conditions would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue the services of Ms. Dharmishta N. Raval as an Independent Director of the Company. Accordingly, the Board recommends the resolution at Item No. 12, in relation to re-appointment of Ms. Dharmishta N. Raval as an Independent Director, for your approval as a Special Resolution.

Ms. Dharmishta N. Raval does not hold any shares of the Company. She is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 13

Shri Samir Barua (DIN: 00211077), 66, M. Tech. (IIT, Kanpur) in Industrial Engineering and Operations Research and Ph.D. in Management (IIM, Ahmedabad). Having joined as a faculty at IIM, Ahmedabad in 1980, he then served as its Director from November 2007 to March, 2013.

His academic and professional pursuit spans several disciplines and functional areas in management that include capital markets, portfolio theory, international finance, operations research and decision sciences, corporate strategy and corporate governance. He has been visiting faculty to academic institutions in several countries. He has taught extensively in national and international executive training programs. Shri Samir Barua has co-authored two books Portfolio Management; and The Great Indian Scam; story of the missing ₹4000 Crore and has authored over 200 papers/ articles, which have been published/presented in national and international publications and conferences. He has also authored over 60 case studies in management. He has served on the governing boards of several academic institutions.

In addition to academic pursuits, he has been consultant to several public and private organizations and has been associated with Indian financial sector and Indian Energy sector for over two decades. He has prepared policy papers for the Finance Ministry, HRD Ministry, I&B Ministry etc. of Government of India, the Reserve Bank of India, and Securities and Exchange Board of India in areas of banking and capital markets. He has been as a Member of the Governing Board of Bombay Stock Exchange; Derivatives Market Council and Index Committee of the Bombay Stock Exchange; Steering Committee and the Curriculum Committee on Certification for trading in Financial Markets of the National Stock Exchange.

Shri Samir Barua joined the Board of Directors of the Company as an Independent Director on 29th January, 2008 in terms of erstwhile Listing Agreement and Companies Act, 1956. Being eligible, he was appointed as Independent Director under Companies Act, 2013 and will complete his term on 31st March, 2019.

He is a Member of Audit and Risk Management Committee and Corporate Social Responsibility Committee of the Board. Details of his directorship in other companies and membership in committees of these companies are given below:

Sr. No.	Directorship in Companies	Name of Committees
1.	Axis Bank Limited	Audit Committee – Chairman
2.	Axis Capital Limited	Audit Committee – Chairman
3.	Torrent Pipavav Generation Limited	Audit Committee – Member Nomination and Remuneration Committee - Member
4.	Tata Projects Limited	Audit Committee – Chairman Nomination and Remuneration Committee - Member
5.	Jagaran Microfin Private Limited	-
6.	NSE IFSC Clearing Corporation Limited	-
7.	ICAI Registered Valuers Organisation	-

In terms of the provisions of section 149 of the Companies Act, 2013, an Independent Director of the Company shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment for one more term on passing a Special Resolution by the Company and disclosure of such appointment in its Board's Report.

In view of the above, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and based on performance evaluation, has recommended re-appointment of Shri Samir Barua, as Independent Director for second and final term from 1st April, 2019 to 30th September, 2022.

In the opinion of the Board, Shri Samir Barua fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for re-appointment of Shri Samir Barua as an Independent Director setting out the terms and conditions

would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue the services of Shri Samir Barua as an Independent Director of the Company. Accordingly, the Board recommends the resolution at Item No. 13, in relation to re-appointment of Shri Samir Barua as an Independent Director, for your approval as a Special Resolution.

Shri Samir Barua does not hold any shares of the Company. He is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 14

Shri Keki Mistry (DIN: 00008886), 63, is a Member of the Michigan Association of Certified Public Accountants, USA and a Fellow Member of the Institute of Chartered Accountants of India. A renowned professional with over three decades of experience in financial services, he is currently the Vice Chairman and CEO of Housing Development Finance Corporation Limited (HDFC).

As a part of HDFC's management team, Shri Keki Mistry has played a significant role in the successful growth and transformation of HDFC into India's leading integrated financial services conglomerate with leading market positions in housing finance, banking, mutual funds and insurance.

Shri Keki Mistry has been consultant to Commonwealth Development Corporation (CDC) in Thailand, Mauritius, Caribbean Islands and Jamaica, guiding CDC to review and evaluate the operations of mortgage financial institutions in these countries. He has also been consultant to the Mauritius Housing company and Asian Development Bank.

Some of the recognitions of Shri Keki Mistry are:

- Declared as the Best CFO in the Financial Services category by the Institute of Chartered Accountants of India for 2008
- Conferred the 'Best Performing CFO in the Financial Services Sector' award for three consecutive years (2006, 2007 and 2008) and 'CFO of the Year' award for 2008 by CNBC TV18
- Selected as the 'Best Investor Relations Officer' in the Corporate Governance poll by Asia money (2008)
- Enlisted among the '25 Best Managers' in the Annual Survey by Smart Manager magazine in 2005
- Shri Keki Mistry's innovative strategy was recognized by the International Finance Review-Asia, which awarded HDFC's Floating Rate Note deal as 'India Capital Markets Deal of the Year – 2002'.

Shri Keki Mistry joined the Board of Directors of the Company as an Independent Director on 28th January, 2010 in terms of erstwhile Listing Agreement and Companies Act, 1956. Being eligible, he was appointed as Independent Director under Companies Act, 2013 and will complete his term on 31st March, 2019. He is currently, the Chairman of Audit and Risk Management Committee of the Board of Directors of the Company. Details of his directorship in other companies and membership in committees of these companies are given below:

Sr. No.	Directorship in Companies	Name of Committees
1.	Housing Development Finance Corporation Limited	Corporate Social Responsibility Committee – Member Risk Management Committee - Member
2.	HDFC Bank Limited	Credit Approval Committee – Member Customer Services Committee – Member Fraud Monitoring Committee – Member Premises Committee – Chairman

Sr. No.	Directorship in Companies	Name of Committees
3.	HDFC Asset Management Company Limited	Audit Committee - Member Investment Committee – Member Risk Management Committee – Member Indemnity Committee – Member Oversight Committee – Member Share Allotment Committee – Chairman
4.	HDFC Standard Life Insurance Company Limited	Audit Committee - Member Stakeholders Relationship Committee – Chairman Investment Committee – Member Executive Committee – Chairman Nomination and Remuneration Committee – Member
5.	HDFC ERGO General Insurance Company Limited	Audit Committee - Member Investment Committee – Chairman Policyholder Protection & Grievance Redressal Committee – Member Nomination and Remuneration Committee – Member Risk Management Committee – Member Allotment Committee – Member
6.	Gruh Finance Limited	Audit Committee - Member Remuneration Committee – Member
7.	Sun Pharmaceutical Industries Limited	Audit Committee – Chairman Remuneration Committee – Chairman
8.	Greatship (India) Limited	Audit Committee – Chairman Selection Committee – Chairman Remuneration Committee – Member
9.	HCL Technologies Limited	Audit Committee – Chairman Risk Management Committee – Chairman

In terms of the provisions of section 149 of the Companies Act, 2013, an Independent Director of the Company shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in its Board's report.

In view of the above, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and based on the report of performance evaluation, has recommended re-appointment of Shri Keki Mistry, as Independent Director for second and final term from 1st April, 2019 to 31st March, 2024.

In the opinion of the Board, Shri Keki Mistry fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for re-appointment of Shri Keki Mistry as an Independent Director setting out the terms and conditions would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue the services of Shri Keki Mistry as an Independent Director of the Company. Accordingly, the Board recommends the resolution at Item No. 14, in relation to re-appointment of Shri Keki Mistry as an Independent Director, for your approval as a Special Resolution.

Shri Keki Mistry does not hold any shares of the Company. He is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 15

Shri Pankaj Patel (DIN: 00131852), 65, holds a Masters in Pharmaceuticals and Pharmaceutical Technology from Gujarat University and BA in Science and Law from the University of Mumbai. Shri Pankaj Patel is the Chairman of Zydus Group, one of India's leading pharmaceutical and healthcare groups with operations in more than 50 countries worldwide. Zydus is the only Indian pharma company to launch its own patented NCE – Lipaglyn, the world's first drug to be approved for the treatment of diabetic dyslipidemia. The Zydus group was amongst the top five companies worldwide at the FT Arcelor Mittal Boldness in Business Awards 2014 in the Developing Markets category.

Shri Patel was named the “Best Pharma Man of the year 2003” by the Foundation of Indian Industry and Economists in recognition of the growth of Cadila under his leadership. He was conferred the India Innovator Award by CNBC and the Ernst & Young Entrepreneur of the Year Award in the Life Sciences category, in 2013. The World Pharmaceutical Frontiers ranked him in their First Pharma 40 list of world's most influential people in the field of healthcare.

Shri Pankaj Patel is the immediate past President of the Federation of Indian Chamber of Commerce & Industry (FICCI) and Executive Chairman of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute and GCS Medical College.

Shri Patel is also actively involved in various educational activities and is on the advisory committees and academic councils of several educational institutions. Shri Pankaj Patel is the Chairperson of the Board of Governors of the Indian Institute of Science Education and Research, IISER, Kolkata. He is a Member of the Board of Governors and also the Chairman of the Finance Committee of the Indian Institute of Management, Ahmedabad. He is also currently a Member of the Governing Board of The Ahmedabad University, Chairman of School of Life Sciences, Ahmedabad University and Member of the Board of Management of the Narsee Monjee Institute of Management Studies.

Shri Pankaj Patel joined the Board of Directors of the Company as an Independent Director on 29th September, 2006 in terms of the erstwhile Listing Agreement and Companies Act, 1956. Being eligible, he was appointed as Independent Director under Companies Act, 2013. His term will complete on 31st March, 2019. He is currently, the Chairman of Stakeholders Relationship Committee and Member of Nomination and Remuneration Committee of the Board. Details of his directorship in other companies and membership in committees of these companies are given below:

Sr. No.	Directorship in Companies	Name of Committees
1.	Cadila Healthcare Limited	Stakeholder's / Investors Relationship Committee - Member Share Transfer Committee – Chairman Corporate Social Responsibility Committee – Chairman Risk Management Committee – Chairman
2.	Nirma Limited	Corporate Social Responsibility Committee – Member
3.	Bayer Cropscience Limited	-
4.	Gruh Finance Limited	Nomination and Remuneration Committee - Member
5.	Biochem Pharmaceutical Private Limited	-
6.	Zydus Hospitals and Healthcare Research Private Limited	-
7.	Pripan Investment Private Limited	-
8.	Cadmach Machinery Company Private Limited	-
9.	Mabs Biotech Private Limited	-
10.	Cadila Laboratories Private Limited	-

Sr. No.	Directorship in Companies	Name of Committees
11.	Western Ahmedabad Effluent Conveyance Company Private Limited	-
12.	Zydus Takeda Healthcare Private Limited	-
13.	Zydus Hospitals (Vadodara) Private Limited	-
14.	Zydus Hospitals (Rajkot) Private Limited	-
15.	Bayer Zydus Pharma Private Limited	-
16.	Invest India	-

In terms of the provisions of section 149 of the Companies Act, 2013, an Independent Director of the Company shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment for one more term on passing a Special Resolution by the Company and disclosure of such appointment in its Board's report.

In view of the above, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and based on the report of performance evaluation, has recommended re-appointment of Shri Pankaj Patel, as Independent Director for second and final term from 1st April, 2019 to 31st March, 2024.

In the opinion of the Board, Shri Pankaj Patel fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for re-appointment of Shri Pankaj Patel as an Independent Director setting out the terms and conditions would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue the services of Shri Pankaj Patel as an Independent Director of the Company. Accordingly, the Board recommends the resolution at Item No. 15, in relation to re-appointment of Shri Pankaj Patel as an Independent Director, for your approval as a Special Resolution.

Shri Pankaj Patel does not hold any shares of the Company. He is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

By Order of the Board
For Torrent Power Limited

Ahmedabad
29th May, 2018

Registered Office:

"Samanvay", 600, Tapovan,
Ambawadi,
Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Tel. No. +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

T. P. Vijayasathy
Executive Director (Corporate Affairs) & CFO

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Fourteenth Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2018.

1. HIGHLIGHTS

The key highlights for the Financial Year 2017-18 are:

- Financial performance of the Company on consolidated basis:
 - o Increase in Total Income by 15.55% to ₹11,775.64 Crore
 - o Increase in PBDIT by 27.52% to ₹3,380.68 Crore
 - o Increase in Total Comprehensive Income (after Non-controlling interest) by 126.15% to ₹955.65 Crore
- In the matter of tariff determination for Ahmedabad and Surat Distribution areas, Hon'ble Gujarat Electricity Regulatory Commission (GERC):
 - o for FY 2017-18 and true up of FY 2015-16 continued the tariff of FY 2016-17 for FY 2017-18 as well and also directed to discontinue the recovery of Regulatory Charge w.e.f 10th June, 2017.
 - o for FY 2018-19 and true up of FY 2016-17 has not revised the tariff for second year in succession and abolished Meter Rent w.e.f. 1st April, 2018.
- The Company continued to substantially improve the network and reduce Aggregate Technical & Commercial (AT&C) Losses in Bhiwandi and Agra. The AT&C losses reduced from 22.22% in FY 2016-17 to 17.28% in FY 2017-18 in Bhiwandi and from 26.78% in FY 2016-17 to 20.89% in FY 2017-18 in Agra.
- 400 kV Nikol-2 supply point has been commissioned with state-of-the-art Gas-insulated substation and numerical relays in the city of Ahmedabad; thus enhancing the import capacity of Eastern part of Ahmedabad.
- Geographical Information System (GIS) has been implemented at Ahmedabad, Gandhinagar and Surat distribution areas. New "Plug points," the digital customer service centres were launched in Ahmedabad & Gandhinagar. Over 125 new collection centres have been launched at various geographies across the distribution areas for greater convenience to customers.
- 9 LNG cargoes have been imported till 31st March, 2018 and another 26 LNG cargoes have been contracted, after following a competitive tender process, with international suppliers for delivery upto December 2020.
- The Company continued to grow its Renewables business and has won the following wind power projects by participating in the competitive bidding and the e-reverse auction process:
 - a) 499.8 MW held on 13th February, 2018 by Solar Energy Corporation of India Limited (SECI) (Tranche – III). This is the largest capacity ever won by any bidder in the wind auctions conducted so far in the country.
 - b) 124.4 MW held on 6th March, 2018 by Maharashtra State Electricity Distribution Company Limited.
- 164.9 MW Wind Power Projects have been successfully commissioned during the year. The total renewable power generation capacity, including operational and under-construction projects, has crossed the mark of 1,550 MW.

FINANCIAL RESULTS

Summary of the financial results of the Company for the year under review is as under:

(₹ in Crore)

Particulars	Standalone		Consolidated	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Total Income	11,716.78	10,153.43	11,775.64	10,190.98
Profit Before Depreciation, Interest and Tax	3,326.36	2,619.92	3,380.68	2,651.18
Depreciation, Amortization & Impairment loss	1,111.14	989.42	1,131.50	1,005.86
Finance Costs	839.69	1,046.56	848.19	1,057.98
Profit Before Tax	1,375.53	583.94	1,400.99	587.34
Current Tax	303.60	121.95	312.48	123.95
Deferred Tax	150.19	29.63	136.39	33.60
Non-controlling Interest	-	-	9.81	0.84
Profit for the period	921.74	432.36	942.31	428.95
Other comprehensive income (net of tax)	13.33	(6.36)	13.34	(6.37)
Total comprehensive income for the year	935.07	426.00	955.65	422.58
Add: Balance brought forward	2,606.17	2,216.07	2,613.78	2,228.05
Balance available for Appropriation	3,541.24	2,642.07	3,569.43	2,650.63
Appropriations				
Transfer to Contingency Reserve	1.71	1.68	1.71	1.68
Transfer to Debenture Redemption Reserve	34.22	34.22	34.22	34.22
Transfer to General Reserve	-	-	-	-
Dividends				
Dividend (including interim dividend) paid	105.74	-	105.74	-
Dividend distribution tax paid	21.12	-	22.47	0.95
Balance carried to Balance Sheet	3,378.45	2,606.17	3,405.29	2,613.78
Basic and Diluted Earnings per Share (₹ per share)	19.18	9.00	19.61	8.93

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

2. DIVIDEND

The Company, as a policy, endeavours to distribute approx. 30% of its consolidated annual profits after tax as dividend in one or more tranches. Following the said policy, the Board of Directors, on 29th May, 2018, recommended dividend of ₹5.00 per equity share having face value of ₹10/- on 48,06,16,784 equity shares (PY ₹2.20 per equity share having face value of ₹10/- on 48,06,16,784 equity shares), amounting to ₹240.31 Crore (PY ₹105.74 Crore).

With Dividend Distribution Tax of ₹49.40 Crore (PY ₹21.12 Crore), the total outflow on account of dividend works out to ₹289.71 Crore (PY ₹126.86 Crore) i.e. 30.32% (PY 30.02%) of consolidated Total Comprehensive Income for FY 2017-18.

The Dividend Distribution Policy of the Company can be accessed at the Company's website: http://www.torrentpower.com/pdf/investors/06-01-2017_hfl6a_Dividend_Distribution_Policy.pdf

3. MANAGEMENT DISCUSSION AND ANALYSIS

As stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this Annual Report.

4. CUSTOMER INITIATIVES

The Company constantly strives to adopt customer-driven strategies to provide positive customer experience. Key technology initiatives taken in this regard during FY 2017-18 include (a) Implementation of GIS at Ahmedabad, Gandhinagar and Surat distribution areas; (b) New “Plug points”, the digital customer service centres, were launched in Ahmedabad & Gandhinagar; (c) Opening of 100 new collection centres in licensed areas and 25 new collection centres in franchise areas to expand service reach; (d) Implementation of Interactive Voice Response System (IVRS) system for Agra customers; and (e) Launch of upgraded mobile application for customers with more payment options like UPI, Mobikwik and request options for customer account statement.

5. ENVIRONMENT, HEALTH AND SAFETY

The Company accords utmost importance to environment, health and safety (EHS) in its various operations. The key developments concerning EHS during FY 2017-18 include:

- Zero Liquid Discharge since August 2017 at SUGEN plant.
- Accreditation of Integrated Management System of DGEN-PLL gas line by Certification Engineers International Limited as per Petroleum and Natural Gas Regulatory Board (PNGRB) regulations.
- Samanvay (Corporate Office), GENSU plant and Meghdhanush (residential colony) have upgraded to the 2015 version of ISO standards. Other units are in the process of upgradation of their Integrated Management System to the new standards.
- Other key EHS initiatives include Rainwater harvesting system at Samanvay (Corporate Office) & Distribution units; Safety training programs for differently abled persons at GENSU, Safety awareness programs, Usage of environmentally friendly bio-degradable ester oil in place of mineral oil in Distribution transformers in densely populated and congested areas to enhance safety and to prevent land contamination, introduction of Cobalt Free Silica Gel moisture absorbent in place of normal Silica Gel for transformers at SUGEN plant, tree plantation, Celebrations of Electrical Safety / Chemical Safety / National safety / Anti-Tobacco Week, World Heart Day, National Fire Service Day, World Environment Day, Earth Day, etc.

Moreover, the Company has in place the “Conviction for Safety Policy” which provides for substantial compensation to the personnel (Employees as well as Contractors) and their families, who are adversely affected by accidents.

6. HUMAN RESOURCES

At Torrent, we firmly believe that each milestone achieved by the Organization is an outcome of efforts, dedication and conviction demonstrated by its people. Herein, HR has a major role to play as it improves the company's bottom line with its knowledge of how human capital affects organizational success. HR participates in corporate decision-making that underlies current staffing assessments and projections for future workforce needs based on business demand. It also helps in the development of organisational culture and climate in which employees have the competency, concern and commitment to serve customers well.

Training and Development initiatives are adjacent focus areas which involve change in attitude, skills or knowledge of a person with the resultant improvement in their behaviour. For training to be effective, it is planned after a thorough need analysis and is targeted at certain competencies and skills required for upgrading to next level.

The significance of HR can be seen in three contexts: Organisational, Social and Professional in following ways:

- Good human resource practice can help in attracting and retaining the best people in the organisation.
- Developing the necessary skills and right attitude amongst the employees through training, development, performance appraisal, etc.

- Securing willing cooperation of employees through motivation, participation, grievance handling, etc.
- Promoting team-work and team-spirit amongst employees
- Providing environment and incentives for developing and utilizing creativity

On the Statutory front, during the year under review, no case was received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The year also saw reinforcement of the already existing Whistle Blower Policy in order to emphasize and encourage reporting of any wrongdoing or any unethical practice.

On the industrial front, the Company continued to foster cordial industrial relations with its workforce during the year.

The Company has a diverse workforce of 7,619 employees as on 31st March, 2018 vis-à-vis 7,414 employees as on 31st March, 2017. Going forward, the Company will continue to focus on nurturing the right talent to achieve the business goals.

7. CORPORATE SOCIAL RESPONSIBILITY

The Board has adopted a Corporate Social Responsibility (CSR) Policy for the Company based on which CSR Programs and activities were carried out during the year. The CSR Policy and CSR Plan for FY 2017-18 can be accessed through the following weblinks:

http://www.torrentpower.com/pdf/investors/02-06-2016_rautx_csrpolicy.pdf

http://www.torrentpower.com/pdf/investors/03-01-2018_8oc69_CSR_Plan.pdf

The CSR committee comprises of Smt. Bhavna Doshi (Chairperson), Shri Samir Barua and Shri Jinal Mehta. The Committee oversees the CSR activities.

The Company, as part of its CSR activities made focused efforts in the fields of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern.

The details of key CSR programs and activities undertaken at Group level are provided in the Annual Report on CSR Activities (**Annexure A** to this Report). The Company has spent ₹15.11 Crore on CSR programs and activities as compared to the 2% of average net profit for the past three financial years of ₹15.02 Crore mandated by section 135 of the Companies Act, 2013.

In addition to above, the Company also undertook some additional CSR activities during the year, briefly described hereunder.

- **Creating livelihood:**
 - o 42 days intensive training course, developed in-house by the security team at Sugen Power Plant, covering security, basic firefighting and working knowledge of computers for unemployed youth with basic primary education has been continued in FY 2017-18 as well; these youths, numbering 72, have been absorbed in security related jobs at Sugen and Dgen power plants.
 - o Multi skill trainings were organized for the Company's security guards in the areas of CCTV operations, driving, housekeeping, etc. to make them versatile.
 - o Differently abled persons (with impaired hearing and speech) were trained for routine cleaning of solar panels at the GENSU Solar Plant, thus providing them a dignified livelihood.
 - o Employment to uneducated and destitute locals for horticulture, house keeping and canteen work.

- **Community healthcare:**

SWADHAR – the community health care centre at SUGEN Plant, provides primary health care facilities at nominal cost to the surrounding communities. In the latter half of FY 2017-18, additional infrastructure was set up at a cost of ₹1.78 Crore to cover speciality consulting in Dental, Ophthalmology, Dermatology, Gynaecology and Physiotherapy. During FY 2017-18, the Company has spent ₹0.06 Crore on Swadhar activities benefitting about 47,000 persons.

- **Donations**

The Company also made donations amounting to ₹7.67 Crore to various organisations involved in CSR activities related to healthcare, education, arts & culture, science, relief to disaster victims; socio-economic development including de-addiction, skill development; self-help groups, youth, upliftment of women, integrated development of tribes; etc.

8. FINANCE

During FY 2017-18, the Company has tied up long term loans of ₹830 Crore for routine Capex for its existing areas of operations. Further, loan of ₹40 Crore was tied up for part funding of the Company's Wind Power Projects at Kutch and Bhavnagar districts in Gujarat.

Outstanding amount towards long term loans, Non-Convertible Debentures (NCDs) and Accelerated Power Development and Reforms Programme (APDRP) loans as on 31st March, 2018 was ₹9,337.18 Crore. Details of long term loans of the Company for the year under review are provided in Note 23 to the Consolidated Financial Statements.

The consolidated debt to equity (including deferred tax liability) ratio as at the end of FY 2017-18 was 1.01 (PY - 1.06).

Credit Rating of the Company's long term loans, cash credit and NCDs has been reaffirmed by CRISIL at AA- / Stable and that of Letters of credit / bank guarantees of the Company has been reaffirmed at A1+.

During the year under review, the Company has neither accepted nor renewed any deposits.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties are given in the prescribed Form AOC-2, appended herewith as **Annexure B** and in the section on Related Party Transactions in the Report on Corporate Governance.

10. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3) of the Companies Act, 2013, the Board of Directors states that:

- in preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2018 and of the profits for the year ended 31st March, 2018;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

11. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weakness was observed.

12. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Besides the existing subsidiaries of the Company, the Company has acquired 100% equity share capital of two Companies namely; Jodhpur Wind Farms Private Limited and Latur Renewables Private Limited during the year. The Board reviews the affairs of the Company's subsidiaries at regular intervals. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company which form part of this Annual Report. Further, a statement containing salient features of the Financial Statements of the Company's subsidiaries and associates is given in prescribed form AOC-1 which forms part of this Annual report at page no. 237.

The Company, jointly with Torrent Pharmaceuticals Limited, promoted two Section 8 Companies under the Companies Act, 2013, viz. Tornascent Care Institute and UNM Foundation for the purpose of carrying out CSR activities, which are detailed in section 7 of this report.

13. CORPORATE GOVERNANCE

The Corporate Governance philosophy of the Company rests on five basic principles viz. protection of rights & interests of members, equality in treatment of all members, disclosure of timely & accurate information, strategic guidance & effective monitoring by the Board and accountability of the Board to the Company & its members. As stipulated by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance forms part of this Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Board's Report as **Annexure C**.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

APPOINTMENT, RESIGNATION AND RETIREMENT

The Members of the Company had at the 13th Annual General Meeting held on 1st August, 2017, appointed Shri Pankaj Joshi, IAS (holding DIN: 01532892), then an Additional Director of the Company, as a Director with effect from 1st August, 2017, who shall be liable to retire by rotation pursuant to the applicable provisions of the Companies Act, 2013. Shri R. Ravichandran (holding DIN: 06737497) retired at the same meeting and the vacancy caused by such retirement was not filled up.

During the year under review, Shri Markand Bhatt, Whole-time Director of the Company expressed his desire to relinquish his responsibilities, both as Whole-time Director and as member of the Board. Acknowledging the possible implications, Shri Bhatt had consented to work on a transition plan over the course of next few months to install appropriate new arrangements. Considering Shri Bhatt's desire for relinquishment and offer to work on transition plan so as to ensure continuity and minimal disruption, the Board had at its meeting held on 7th February, 2018 approved that he will continue his term till 30th September, 2018.

In the same Board meeting held on 7th February, 2018, Shri Sudhir Mehta, had also expressed his desire to relinquish the position as the Chairman of the Board and the Company, w.e.f. 1st April, 2018, with a view to spend more time on social, educational and religious activities in which he is involved and also spare more time for himself. The Board has agreed to his request with great reluctance, in view of Shri Sudhir Mehta agreeing to continue as a permanent member of the Board of the Company. The Board conferred upon him the position of Chairman Emeritus w.e.f. 1st April, 2018 so that his wisdom and counsel on key business and strategic matters would continue to be available to the Board and the Company.

The Board had further at their aforesaid meeting, subject to the approval of the shareholders, appointed Shri Samir Mehta, Vice Chairman, as Executive Chairman of the Company and Shri Jinal Mehta, Whole-time Director as Managing Director of the Company effective from 1st April, 2018.

Shri T. P. Vijayasathy, Chief Financial Officer of the Company will be taking up a new role in the Company and had thus requested for his relinquishment as the Chief Financial Officer and Whole-time Key Managerial Personnel of the Company effective from close of working hours of 29th May, 2018. To fulfill the vacancy caused due to his relinquishment of the position of Chief Financial Officer, the Board had appointed Shri Sanjay Dalal as Chief Financial Officer and Whole-time Key Managerial Personnel of the Company effective from 30th May, 2018.

Shri Darshan Soni, Company Secretary & Whole-time Key Managerial Personnel had resigned from the services of the Company effective from the close of business hours on 3rd March, 2018.

The shareholders, at various meetings appointed Smt. Bhavna Doshi (till 3rd August, 2018), Ms. Dharmishta N. Raval (till 15th October, 2018), Shri Samir Barua (till 31st March, 2019), Shri Keki Mistry (till 31st March, 2019) and Shri Pankaj Patel (till 31st March, 2019) as Independent Directors of the Company. Their above term (being first term) will end between this Annual General Meeting (AGM) and Fifteenth AGM. Therefore, the Board hereby recommends to the shareholders, for their approval, the re-appointment of Independent Directors for second term as mentioned in the Notice forming part of this Annual Report.

As per the provisions of the Companies Act, 2013, Shri Samir Mehta (holding DIN: 00061903), Director, retires by rotation and being eligible, has offered himself for re-appointment.

A brief resume and other relevant details of the Directors proposed to be appointed / re-appointed are given in the Explanatory Statement to the Notice convening the Fourteenth AGM.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to section 149(7) of the Companies Act, 2013, the Company has received necessary declaration from each Independent Director confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

15. POLICY ON DIRECTORS' APPOINTMENT

The Nomination and Remuneration Committee (NRC) has approved the following criteria and process for identification / appointment of Directors:

Criteria for appointment:

- i. Proposed Director ("Person") shall meet all statutory requirements and should:
 - possess the highest ethics, integrity and values
 - not have direct / indirect conflict with present or potential business / operations of the Company
 - have the balance and maturity of judgment
 - be willing to devote sufficient time and energy
 - have demonstrated leadership and vision at senior levels, and have the ability to articulate a clear direction for the Company
 - have relevant experience with respect to Company's business (In exceptional circumstances, specialisation / expertise in unrelated areas may also be considered)
 - have appropriate comprehension to understand or be able to acquire that understanding:
 - o relating to Corporate functioning
 - o concerning the scale, complexity of business and specific market and environment factors affecting the functioning of the Company.
- ii. The appointment shall be in compliance with the Board Diversity Policy of the Company.

Process for Identification / Appointment of Directors:

- i. Board Members may (formally or informally) suggest any potential person to the Chairman of the Company meeting the above criteria. If the Chairman deems fit, necessary recommendation shall be made by him to the NRC.
- ii. Chairman of the Company can himself also refer any potential person meeting the above criteria to the NRC.
- iii. NRC will process the matter and recommend such proposal to the Board.
- iv. Board will consider such proposal on merit and decide suitably.

16. CRITERIA FOR PERFORMANCE EVALUATION

The criteria for performance evaluation of itself, that of its Committees and Individual Directors as laid down by the Board of Directors is as follows:

Evaluation of	Criteria for Evaluation
Board	<ul style="list-style-type: none"> Degree of fulfilment of key responsibilities including special responsibilities as under: <ul style="list-style-type: none"> ✓ Focus on strategic and policy issues ✓ Governance and compliance ✓ Stakeholders' value and responsibility Effectiveness of Board process and information sharing Board culture and dynamics Quality of decisions Establishment and delineation of responsibilities to Committees Facilitation of Independent Directors
Committees	<ul style="list-style-type: none"> Degree of fulfilment of key responsibilities Frequency and effectiveness of meetings Committee dynamics, especially openness of discussions, including with the Board Adequacy of Committee composition Quality of relationship of the Committee with the Board and the Management
Individual Directors	<ul style="list-style-type: none"> Fulfillment of functions Participation in Board in terms of adequacy (time & content) Contribution at meetings Guidance / support to Management outside Board / Committee meetings Independent views and judgement (only for Independent Directors)

17. MANNER OF EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The evaluation of Board, its Committees and Individual Directors was carried out as per the process and criteria laid down by the Board of Directors based on the recommendation of the NRC.

The obtaining and consolidation of feedback from all Directors in this regards, was co-ordinated by the Chairman. Based on this, the Chairman briefed the Board and each of the Individual Directors, as applicable.

18. MEETINGS OF THE BOARD & COMPLIANCE TO SECRETARIAL STANDARDS

The Board meets at regular intervals with gap between two meetings not exceeding 120 days. During FY 2017-18, the Board met five times.

The Company has complied with the provisions of Secretarial Standard 1 (relating to meetings of the Board of Directors) and Secretarial Standard 2 (relating to General meetings) during the year.

19. REMUNERATION

REMUNERATION POLICY

The Company has in place the policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees of the Company which is as under:

Components of Remuneration

- i. Fixed Pay comprising Basic Salary, HRA, Car Allowance (applicable to General Managers & above employees), Conveyance Allowances / Reimbursement, Company's contribution to Provident Fund, Superannuation Fund, Gratuity, etc.
- ii. Variable Pay, which is either in the form of:
 - Commission to Managing Directors
 - Commission to Whole-time Directors
 - Performance Based Pay to General Managers & above based on individual and unit performance
 - One-time reward for identified employees in exceptional cases who undertake tasks which go beyond their normal call of duty and play a crucial role in the success of an event.
- iii. Retention Pay: In cases, where stability is an issue, part of the CTC is kept as retention pay which is being paid after 3 years or more.

Such remuneration is determined at the time of recruitment based on various factors such as Educational Qualification, Experience, Competence, Current CTC, Internal Equity and / or External Market comparison, changeover cost, etc.

Annual Appraisal Process

- i. Annual Appraisals are conducted following which annual increments and promotions in deserving cases are decided once in a year based on:
 - Employees' self-assessment
 - Assessment by Immediate Superior and
 - Assessment by Head of Department
- ii. Annual Increment leading to an increase in Fixed Pay consists of
 - Economic Rise based on All India Consumer Price Index published by the Government of India.
 - Performance Rise based on industry and overall business scenario and factoring the following aspects:
 - o Company's performance vis-à-vis the industry
 - o Unit's performance (based on which the overall ceiling for remuneration and performance based pay at Unit level are determined).
 - o Individual Performance / track record.
 - Promotion Rise
- iii. Also, Performance Based Pay i.e. Variable Pay (to General Manager & above employees) is based on annual appraisal process.

- iv. The increments as decided for a particular financial year are paid during the subsequent financial year. For example, the performance appraisal of an employee for FY 2017-18 is conducted in FY 2018-19 and his salary rise in FY 2018-19 reflects his performance for FY 2017-18.

Remuneration of Non-Executive Directors:

The Company has formulated a Policy for the remuneration of Non-Executive Directors as follows:

- i. Sitting Fees of ₹1 lakh for each meeting of the Board or any Committee thereof attended by them;
- ii. Commission on the basis of participation in the meetings of Board and Audit & Risk Management Committee subject to the condition that total commission paid to all Directors (other than Managing Director or Whole-time Director) including Goods and Services Tax (GST) thereon shall not exceed the limit of 1% of net profits in a financial year as laid down under the provisions of Section 197(1) of the Companies Act, 2013 read with Section 198 of the Act.
- iii. Non-Executive Directors will be reimbursed for all the expenses incurred for attending any meeting of the Board or Committees thereof and which may arise from performance of any special assignments given by the Board.

20. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures pertaining to remuneration and other details are provided in the **Annexure D** to this Report.

21. AUDITORS

STATUTORY AUDITORS

The shareholders had at the Thirteenth AGM of the Company appointed M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company to hold office from the close of the Thirteenth AGM till the conclusion of the Eighteenth AGM, subject to their appointment being ratified by the shareholders in every AGM.

The Ministry of Corporate Affairs vide Companies Amendment Act, 2017 omitted the requirement related to ratification of appointment of statutory auditors by members at every AGM w.e.f. 7th May, 2018. Pursuant to the amendment, the Board hereby recommends to the shareholders for their approval that the requirement of seeking ratification of appointment of Statutory Auditors (M/s. Price Waterhouse Chartered Accountants LLP) at every Annual General Meeting (referred in the resolution passed at the Shareholders meeting held on 1st August, 2017), be deleted.

The Auditors' Report for FY 2017-18 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to section 148(3) of the Companies Act, 2013, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai had been appointed as the Cost Auditors of the Company for FY 2017-18 by the Board of Directors and their remuneration was ratified by members at the Thirteenth AGM of the Company. The Cost Audit Report for FY 2016-17 does not contain any qualification and was filed on 24th August, 2017 with the Central Government (within the prescribed time limit) pursuant to Section 148(6) of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013 read with Rules thereof, the Board of Directors had appointed M/s. M. C. Gupta & Co., Company Secretaries, Ahmedabad, as Secretarial Auditors of the Company for FY 2017-18. The Secretarial Audit Report for FY 2017-18 is annexed herewith as **Annexure E**.

There are no adverse observations in the Secretarial Audit Report which call for explanation.

22. AUDIT AND RISK MANAGEMENT

The Composition of the Audit and Risk Management Committee is in compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. Composition of the Committee as on 31st March, 2018 is given below:

COMPOSITION OF THE COMMITTEE

Name of the Director	Category of Directorship
Shri Keki Mistry, Chairman	Independent Director
Shri Samir Barua	Independent Director
Shri Kiran Karnik	Independent Director
Smt. Bhavna Doshi	Independent Director
Ms. Dharmishta Raval	Independent Director

During the year, the Board has accepted all the recommendations made by the Audit and Risk Management Committee.

VIGIL MECHANISM

The Company has in place a Whistle Blower Policy pursuant to the applicable statutory requirements. The Policy empowers all the Stakeholders to raise concerns by making Protected Disclosures as defined in the Policy. The Policy also provides for adequate safeguards against victimization of Whistle Blower who uses such mechanism and also provides for direct access to the Chairman of the Audit and Risk Management Committee, in exceptional cases. The functioning of the Whistle Blower mechanism is reviewed by the Audit and Risk Management Committee on a quarterly basis. The details of the Whistle Blower Policy are explained in the Report on Corporate Governance and the Policy is available on the website of the Company at http://www.torrentpower.com/pdf/investors/02-06-2016_6mbme_whistle_blower_policy.pdf

RISK MANAGEMENT

The Company has in place a Risk Management framework for a systematic approach to control risks. The Risk Management Policy of the Company lays down procedures for risk identification, assessment, monitoring, review and reporting. The Policy also lists the roles and responsibilities of Board, Risk Management Committee, Chief Risk Officer, Risk Champions and Co-ordinators. Internal and external risks, with potential impact and likelihood, that may impact the Company in achieving its strategic objectives or may threaten its existence have been identified and assessed.

23. THE EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form MGT-9 is appended herewith as **Annexure F** to this Report.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in the **Annexure G** which forms part of this Report.

25. APPRECIATION AND ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record its appreciation for the continued guidance and support received from the Government of India, the State Governments, the Central and State Electricity Regulatory Commissions / Authorities, the National, Regional and State Load Dispatch Centres, Regional Power Committees, Gujarat Energy Development Agency, Karnataka Renewable Energy Development Limited, Bureau of Energy Efficiency, Chief Electrical Inspectors of Gujarat, Uttar Pradesh, Maharashtra and Karnataka, State Energy Developers, State Discoms, Central and State Transmission Companies, Solar Energy Corporation of India Limited, NABL (Quality Council of India), Petroleum and Natural Gas Regulatory Board, the Gram Panchayats, Taluka Panchayats, District Collectors, Local Authorities, Corporation and Municipal Authorities of the areas of Company's operation, Contractors, Fuel Suppliers

and Transporters, Power Exchanges, Banks, Financial Institutions and Security Trustees. The Board is thankful to the Members, Auditors, Consultants, Vendors, Service Providers, Insurers and all its Employees for their unstinted support and contribution. The Board also recognizes the contribution of the esteemed Consumers to the growth of the Company and takes this opportunity to pledge the Company's commitment to serve them better.

For and on behalf of the Board of Directors

Ahmedabad
29th May, 2018

Samir Mehta
Chairman
DIN: 00061903

ANNEXURE – A**ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2017-18**

The CSR Policy approved by the Board, *inter alia*, laying down the objectives, scope, Thrust Areas, identification of projects, monitoring and reporting, etc. along with CSR Plan for FY 2017-18 is available for reference on the website of the Company at:

http://www.torrentpower.com/pdf/investors/02-06-2016_rautx_csrpolicy.pdf &
http://www.torrentpower.com/pdf/investors/03-01-2018_8oc69_CSR_Plan.pdf respectively.

The Company sees itself as a citizen of the society and believes in conducting its business activities in a socially responsible manner to the overall benefit of the society. It is in this backdrop that the Company has drawn up its CSR Policy and conducted its programmes and activities for the FY 2017-18.

The Board has constituted a CSR Committee consisting of the following members:

Name of Director	Category of Directorship
Smt. Bhavna Doshi, Chairperson	Independent Director
Shri Samir Barua	Independent Director
Shri Jinal Mehta	Managing Director

A brief outline of the CSR Policy is given below:

- While the Company is eligible to undertake any suitable / rightful activity as specified in Schedule VII of the Companies Act, 2013, it proposes to undertake projects in the Thrust Areas identified.
- The Company, in every financial year shall endeavor to spend the required amount for its CSR Projects and shall not be restricted by the statutory limit, whereby the minimum spend has to be 2% of the Company's average net profit for three immediately preceding financial years.
- The Policy specifies the mechanism for identification and implementation of the CSR Projects and approval thereof by the CSR Committee. The total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.
- As per the Policy, the CSR Projects may be implemented as under:
 - Direct Method, whereby the Company may implement the CSR Projects on its own or through its Trust / Society / Section 8 Company or Group Company Trust / Society / Section 8 Company; and
 - Indirect Method, whereby the Company may implement the CSR Projects through an external Trust / Society / Section 8 Company fulfilling the criteria under the Act.
- The Policy also provides for half-yearly monitoring of the implementation of the CSR Policy and CSR Plan by the CSR Committee.

Overview of projects or programs undertaken

The Company has undertaken various CSR Projects / Programs during FY 2017-18 in the Thrust Areas identified in the CSR Policy; details of which are given below:

1. **REACH:** Initiated in 2016 under the aegis of Tornascent Care Institute, the Child centric Health Care Program "REACH" - Reach EAcH CHild has three major pillars: (a) SHAISHAV (b) JATAN and (c) MUSKAN. REACH program progressed significantly in the current year at all the four centres and across all the three pillars with increase in the scope and reach.
 - Under the first pillar of the program "**Shaishav**", so far 266 paediatric camps covering 341 villages and 51,000+ underserved children (in the age group of 6 months to 6 years) were conducted to obtain their base line health status, identify and treat anaemia and malnutrition as well as provide specialised treatment to those identified with

cardiac, neurological, respiratory and the like disorders. About 83% of the children were cured of their anaemic condition, around 73% of children were pulled out of severe malnourishment and 670 cases were provided specialised treatment. Coverage of Shaishav was expanded through OPD vans and to include children upto the age of 18 years. Till 31st March, 2018, 39,000+ children were provided free of cost treatment including the operative and consultation costs at referral hospitals under this expanded coverage.

- **“Jatan”**, the second pillar of the program, focuses on providing paediatric care through well equipped Paediatric centres. 4 such centres have been set up at Sugan, Dahej, Balasinor and Indrad which are supporting the basic medical needs of children in these four areas. Treatment by doctors, medicines & basic laboratory tests are provided free of cost to children in the age group of 0-18 years. 54,500+ children have benefitted till 31st March, 2018.
- Under **“Muskaan”**, counselling and support is being provided to the adolescent girls near Sugan for menstrual hygiene and sanitation by giving them free health and hygiene kits which include sanitary pads, soap, shampoo, etc. About 4,000 adolescent girls of 70 villages between 11-18 years of age are being provided kits on monthly basis. This activity has also been replicated at Dahej & Indrad centres. This program has helped gradual eradication of physiological & social taboos and has increased confidence & self-esteem amongst them.

2. **Shiksha Setu** – The Teaching and Learning Program being conducted through UNM Foundation completed second year of Phase II of the program. This program covers 13 schools located at Sugan, Chhatral, Chappi, Memadpur and Ahmedabad locations and about 4,300 students and 150 teachers in such schools. In the first year i.e FY 2016-17, focus was on setting up the new technology based infrastructure and software in the schools and training the students and teachers on the same. During FY 2017-18, 3,370 (84%) students from standard 3rd to 8th started working regularly on tablets while over 90% teachers are confidently teaching their subjects through smart boards. This year, for the first time, 5,281 students from standard 3rd to 8th participated in technology based assessment on tablets. For teachers, 496 subject workshops were organised at all locations and more than 2,000 students were provided academic & behavioural inputs during school visits. About 1,000 parents attended parents' sensitization meetings at schools and were elated to see their children studying through tablets and smart boards in classrooms. School principals expressed their views that technology based classrooms have immensely helped teachers in making teaching interesting, while tablets provided to students are helpful in bringing irregular students to school.

3. Development of Public Parks:

The Company, along with one of India's best known landscape design firm, developed a detailed process that is an exemplar on how public projects should be undertaken and embarked upon. Six other firms in Ahmedabad have joined hands under LEAF (Landscape Environment and Advancement Foundation) to undertake this work. Over a period of 12 months, many parks in Ahmedabad were visited and studied for their usage patterns. 15 parks with differing sizes, which were equally distributed in Ahmedabad, were chosen for development. This rigorous exercise culminated in finalization of 6 parks measuring ~32,000 Sqmt. under Phase I. The development of such 6 parks is under progress. The design of the other parks of Phase II is under development.

CSR Expenditure for FY 2017-18

(₹ in Crore)

Average net profit of the Company for last three financial years	750.90
Prescribed CSR Expenditure (2% of the above amount)	15.02
Total amount spent for FY 2017-18	15.11
Amount unspent, if any	Not Applicable

Manner in which the CSR amount was spent during FY 2017-18 is detailed below:-

(₹ in Crore)							
1 Sr. No.	2 CSR Project or Activity Identified	3 Sector in which the Project is covered	4 Projects or programs: (1) Local area or other; (2) Specify the State and district where projects or programs were undertaken	5 Amount Outlay (Budget) Project or Program wise FY 2017-18	6 Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs, (2) Overheads FY 2017-18	7 Cumulative expenditure upto the reporting period*	8 Amount Spent : Direct or through implementing agency
1	REACH - Paediatric Healthcare Programme	Community Healthcare, Sanitation and Hygiene (Promoting healthcare including preventive healthcare)	(1) 36 Villages in Taluka Mandvi, Dist. Surat, Gujarat (2) 25 Villages in Taluka Mangrol, Dist. Surat, Gujarat (3) 16 Villages in Taluka Balasinor, Dist. Mahisagar, Gujarat (4) 14 Villages in Taluka Jotana, Dist. Mehsana, Gujarat (5) 12 Villages in Taluka Bharuch, Dist. Bharuch, Gujarat (6) 7 Villages in Taluka Kadi, Dist. Mehsana, Gujarat (7) 6 Villages in Taluka Gatteshwar, Dist. Kheda, Gujarat (8) 3 Villages in Taluka Amod, Dist. Bharuch, Gujarat (9) 2 Villages in Taluka Olpad, Dist. Surat, Gujarat (10) 1 Village in Taluka Kalol, Dist. Gandhinagar, Gujarat (11) 1 Village in Taluka Nadiad, Dist. Kheda, Gujarat	7.50	7.97	31.83	Directly: (1) Through Tornascent Care Institute (Section 8 Company of the Group) Regl. No. U85100GJ2015NPL082291 dated 16-02-2015 (2) By Company
2	Development of Public Parks	Social Care and Concern (Ensuring environmental sustainability, ecological balance and protection of flora and fauna)	6 Parks in Ahmedabad, Gujarat	2.50	2.50	2.50	Directly: (1) Through UNM Foundation (Section 8 Company of the Group) Regl. No. U85110GJ2015NPL083340 dated 27-05-2015

(₹ in Crore)							
1 Sr. No.	2 CSR Project or Activity Identified	3 Sector in which the Project is covered	4 Projects or programs: (1) Local area or other; (2) Specify the State and district where projects or programs were undertaken	5 Amount Outlay (Budget) Project or Program wise FY 2017-18	6 Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs, (2) Overheads FY 2017-18	7 Cumulative expenditure upto the reporting period*	8 Amount Spent : Direct or through implementing agency
3	Preventive Health Care Programme	Community Healthcare, Sanitation and Hygiene (Promoting healthcare including preventive healthcare)	Sabarmati Urban Slum, Sabarmati, Dist. Ahmedabad, Gujarat	0.20	0.04	1.52	Directly: (1) Through UNM Foundation (Section 8 Company of the Group) Regi. No. U85110GJ2015NPL083340 dated 27-05-2015 (2) By Company
4	Shiksha Setu (Quality Education Programme) (Rural and Urban Slum Area) ^{\$}	Education and Knowledge Enhancement (Promoting education)	(1) Sabarmati Urban Slum, Sabarmati, Dist. Ahmedabad, Gujarat (2) At Villages: Akhakhol, Karjan, Navipardi, Dhoranpardi (Tribal Area), Taluka Kamrej, Dist. Surat, Gujarat (3) At Villages: Chhapi, Memadpur, Bharkawada, Kodrali (Rural Area), Taluka Vadgam, Dist. Banaskantha, Gujarat (4) At Village: Indrad, Irana, Ankhol, Acharasan (Rural Areas), Taluka Kadi, Dist. Mehsana, Gujarat (12 Govt. schools and 1 Grant in Aid schools)	0.35	0.35	3.90	Directly: (1) Through UNM Foundation (Section 8 Company of the Group) Regi. No. U85110GJ2015NPL083340 dated 27-05-2015
5	Supporting Primary & Secondary School (For urban slum children)	Education and Knowledge Enhancement (Promoting education)	Sabarmati Urban Slum, Sabarmati, Dist. Ahmedabad, Gujarat	0.20	0.15	0.65	(1) Indirectly through Implementing Agency: Amdavad Vidyut Kelavani Samaj Trust Regi. No. F-710 Ahmedabad dated 16-11-1979 (2) Directly by Company
6	Supporting needy girls & women towards their education, food and shelter	Promoting education & healthcare	Sabarmati, Dist. Ahmedabad, Gujarat	0.25	0.25	0.75	Indirectly through Implementing Agency: Sabarmati Harijan Ashram Trust Regi. No. A/192 Ahmedabad dated 24-09- 1952

(₹ in Crore)

1 Sr. No.	2 CSR Project or Activity Identified	3 Sector in which the Project is covered	4 Projects or programs: (1) Local area or other; (2) Specify the State and district where projects or programs were undertaken	5 Amount Outlay (Budget) Project or Program wise FY 2017-18	6 Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs, (2) Overheads FY 2017-18	7 Cumulative expenditure upto the reporting period*	8 Amount Spent : Direct or through implementing agency
7	Supporting the establishment of a Cancer Care Centre	Community Healthcare, Sanitation and Hygiene (Promoting healthcare including preventive healthcare)	Dist. Nagpur, Maharashtra	3.00	3.00	4.00	Indirectly through Implementing Agency: Dr. Abaji Thatte Seva Aur Anusandhan Sanstha Trust Regi. No. F-13603(N) dated 12-01-1998
8	Contribution for Banaskantha Flood victims	Social Care and Concern (Disaster relief)	Banaskantha, Gujarat	0.22	0.22	0.22	Directly by Company
9	Supporting village development	Rural Development	Yoginagar, Taluka Nadiad, Dist. Kheda, Gujarat	0.10	0.00	0.15	N/A
10	Others			0.75	0.63	2.6	Directly by Company
	CSR capacity building cost including Administrative overhead						
	Miscellaneous			0.03	0.00	0.01	
	Total			15.10	15.11	48.13	
	* Starting from 1 st April, 2014. \$ Amount of ₹2.70 Crore was contributed till 31 st March, 2014. Figures are rounded off to nearest lakh						

In terms of Section 135 of the Companies Act, 2013, the CSR Committee states that:

- the identification of the CSR Projects, with estimated expenditure and phase wise implementation schedules, has been done as per the approved CSR Policy;
- the CSR Projects were undertaken and monitored in compliance with the CSR Policy;
- the major portion of the CSR Expenditure as identified in the CSR Plan was incurred for the CSR Projects in the Thrust Areas of the Company; and
- the implementation and monitoring of the CSR Projects were in compliance with CSR objectives and CSR Policy of the Company.

Ahmedabad
29th May, 2018

Samir Barua
Director
DIN: 00211077

Bhavna Doshi
Chairperson, CSR Committee
DIN: 00400508

Board's Report

ANNEXURE - B

FORM AOC-2									
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)									
Form for disclosure of particulars of contracts / arrangements entered into by the Company with Related Parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto									
1.	Details of contracts or arrangements or transactions not at arm's length basis								
Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board and Audit Committee, if any	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		
Not Applicable									
2.	Details of material contracts or arrangement or transactions at arm's length basis								
Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including value, if any	Date(s) of approval by the Board and Audit Committee, if any	Amount paid as advances, if any			
(a)	(b)	(c)	(d)	(e)	(f)	(g)			
Not Applicable									

Ahmedabad
29th May, 2018

For and on behalf of the Board of Directors

Samir Mehta
Chairman
DIN: 00061903

ANNEXURE - C**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE****TO THE MEMBERS OF
TORRENT POWER LIMITED**

We have examined the compliance of conditions of Corporate Governance by Torrent Power Limited, for the year ended 31st March, 2018 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Pradip Kanakia
Partner
Membership No.: 39985

Place: Ahmedabad
Date: 29th May, 2018

ANNEXURE – D

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1), 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2017-18 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2017-18 are as under:

Sr. No.	Name	Designation	Ratio of Remuneration of Director to Median ^{\$} Remuneration of employees	% increase in Remuneration in FY 2017-18
			(Sub-rule (i) of Rule 5(1))	(Sub-rule (ii) of Rule 5(1))
1.	Shri Sudhir Mehta	Chairman ^{\$\$}	266.60	99.92%
2.	Shri Pankaj Patel	Independent Director	7.20	12.50%
3.	Shri Samir Barua	Independent Director	8.53	10.34%
4.	Shri Kiran Karnik	Independent Director	7.20	-10.00%
5.	Shri Keki Mistry	Independent Director	5.06	-9.52%
6.	Shri R. Ravichandran	Nominee Non-Executive Director	*	*
7.	Smt. Bhavna Doshi	Independent Director	7.46	-3.45%
8.	Shri P. K. Taneja, IAS	Nominee Non-Executive Director	+	+
9.	Shri Pankaj Joshi, IAS	Nominee Non-Executive Director	++	++
10.	Ms. Dharmishta Raval	Independent Director	6.40	-20.00%
11.	Shri Samir Mehta	Vice Chairman [#]	266.50	100.00%
12.	Shri Markand Bhatt	Whole-time Director	959.50	71.42% [@]
13.	Shri Jinal Mehta	Whole-time Director ^{##}	202.38	33.64%
14.	Shri T. P. Vijayasathya	Chief Financial Officer	Not Applicable	15.77% ^{@ @}
15.	Shri Darshan Soni	Company Secretary	Not Applicable	^

^{\$} Refer point 2 below.

^{\$\$} Designated as Chairman Emeritus w.e.f. 1st April, 2018.

[#] Designated as Chairman w.e.f. 1st April, 2018.

^{##} Designated as Managing Director w.e.f. 1st April, 2018.

^{*} Details not given as Shri R. Ravichandran ceased to be a Director w.e.f. 1st August, 2017.

⁺ Details not given as Shri P. K. Taneja, IAS ceased to be a Director w.e.f. 23rd May, 2017.

⁺⁺ Details not given as Shri Pankaj Joshi, IAS was a Director only for the part of FY 2017-18 i.e. w.e.f. 23rd May, 2017.

[@] Excluding Leave encashment in FY 2017-18.

^{@ @} Excluding one-time reward in FY 2017-18.

[^] Details not given as Shri Darshan Soni ceased to be the Company Secretary w.e.f. 3rd March, 2018.

2. Sub-rule (iii) of Rule 5(1): The median remuneration of the employees in FY 2017-18 increased by 12.52%. The unionised employees whose remuneration is based on periodic settlements have been excluded for this purpose.
3. Sub-rule (iv) of Rule 5(1): The number of permanent employees on the rolls of Company as on 31st March, 2018 was 7,619.

4. Sub-rule (viii) of Rule 5(1): The average percentage increase made in the salaries:

- of employees (excluding Key Managerial Personnel & employees who were employed for part of the previous year) is 12.58% (excluding one-time reward) and 15.00% (including one-time reward);
- of Key Managerial Personnel is 13.34% (excluding one-time reward and commission) and 70.86% (including one-time reward and commission).

The average total increase in salaries of Key Managerial Personnel reflects the payment of higher commission to managing directors and whole time directors on account of 126% increase in net profits of the Company for FY 2017-18.

5. Sub-rule (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

6. Rules 5(2) and 5(3): The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Having regard to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the registered office of the Company during its working hours up to the date of ensuing Annual General Meeting. Further, any Member interested in obtaining such information may obtain it by writing at cs@torrentpower.com.

For and on behalf of the Board of Directors

Ahmedabad
29th May, 2018

Samir Mehta
Chairman
DIN: 00061903

ANNEXURE - E

M. C. Gupta & Co.
Company Secretaries

CS Mahesh C. Gupta
B. Com (Hons), LL. M., MBA, ACMA, FCS

703, Mauryansh Elanza, Near Parekh's Hospital, Shyamal Cross Roads, Ahmedabad - 380 015
+91 79 2676 9976, +91 79 6663 9976 e-mail: mcguptacs@gmail.com

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Torrent Power Limited,
"Samanvay",
600, Tapovan, Ambawadi,
Ahmedabad – 380 015

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Torrent Power Limited CIN: (L31200GJ2004PLC044068) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Torrent Power Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the Financial Year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(Not applicable to the Company during the Audit Period)
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

- e) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**
- (vi) The Company has complied with, following other laws, specifically applicable to the Company:
- a) Electricity Act, 2003
 - b) Gujarat Electricity Duty Act, 1958
 - c) Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003
 - d) Gujarat Electricity Grid Code, 2013
 - e) Energy Conservation Act, 2001

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any matter.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For, M. C. Gupta & Co.
Company Secretaries
UCN: S1986GJ003400

Place : Ahmedabad
Date : 19th May, 2018

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)

Note: This Report is to be read with our Letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

Annexure: "A"

To,
The Members,
Torrent Power Limited,
"Samanvay",
600, Tapovan,
Ambawadi,
Ahmedabad – 380 015

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, M. C. Gupta & Co.
Company Secretaries
UCN: S1986GJ003400

Place : Ahmedabad
Date : 19th May, 2018

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)

ANNEXURE - F

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN:	L31200GJ2004PLC044068
ii) Registration Date:	29 th April, 2004
iii) Name of the Company:	TORRENT POWER LIMITED
iv) Category / Sub-Category of the Company:	Limited by Shares / Indian Non-Government Company
v) Address of the Registered Office and contact details:	<p>"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad - 380 015 (Gujarat) Tel: +91 79 26628300 Fax: +91 79 26764159 Email: cs@torrentpower.com Website: www.torrentpower.com</p>
vi) Whether listed company Yes / No :	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent:	<p>Link Intime India Pvt. Ltd, 506 - 508, Amarnath Business Centre - 1 (ABC - 1), Besides Gala Business Centre, Near St. Xavier's College Corner Off C G Road, Ellisbridge, Ahmedabad-380006 (Gujarat) Tel: +91 79 26465179 / 86 / 87 Email: ahmedabad@linkintime.co.in website: www.linkintime.co.in</p>

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below:

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Electric power generation and distribution	351	97.48%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Torrent Private Limited	Torrent House, Off Ashram Road, Ahmedabad-380009	U67120GJ1985PTC007573	Holding	53.56%	2(46)
2	Torrent Power Grid Limited	"Samanvay," 600, Tapovan, Ambawadi, Ahmedabad-380015	U40104GJ2005PLC046660	Subsidiary	74.00%	2(87)
3	Torrent Pipavav Generation Limited	"Samanvay," 600, Tapovan, Ambawadi, Ahmedabad-380015	U40108GJ2007PLC051822	Subsidiary	95.00%	2(87)
4	Torrent Solargen Limited	"Samanvay," 600, Tapovan, Ambawadi, Ahmedabad-380015	U40102GJ2008PLC055000	Subsidiary	100.00%	2(87)
5	AEC Cements & Constructions Limited	AEC Tower, Fifth Floor, Shahpur, Ahmedabad-380001	U45201GJ1988PLC010752	Subsidiary	69.00%	2(87)
6	Tidong Hydro Power Limited	177/1, Nirsu Village, Dutt Nagar Rampur Bushahr, Shimla, Himachal Pradesh-172001	U40101HP2007PLC030774	Associate	49.00%	2(6)
7	UNM Foundation (Section 8 Company)	"Samanvay," 600, Tapovan, Ambawadi, Ahmedabad-380015	U85110GJ2015NPL083340	Associate	50.00%	2(6)
8	Tornascent Care Institute (Section 8 Company)	"Samanvay," 600, Tapovan, Ambawadi, Ahmedabad-380015	U85100GJ2015NPL082291	Associate	50.00%	2(6)
9	Jodhpur Wind Farms Private Limited	The Futura, Block B, Flr-8 No. 334, Rajiv Gandhi Salai Sholingnallur, Chennai-600119	U31909TN2017PTC114487	Subsidiary	100.00%	2(87)
10	Latur Renewable Private Limited	The Futura, Block B, 8 th floor, No. 334, Rajiv Gandhi Salai, Sholingnallur, Chennai-600119	U31906TN2017PTC114294	Subsidiary	100.00%	2(87)
11	Wind Two Renergy Private Limited	Survey No. 1837 & 1834, At Moje Jetalpur ABS Tower, Second Floor, Old Padra Road, Vadodara-390007	U40300GJ2017PTC096960	Associate	NIL	2(6)
12	Wind Four Renergy Private Limited	Survey No. 1837 & 1834, At Moje Jetalpur ABS Tower, Second Floor, Old Padra Road, Vadodara-390007	U40300GJ2017PTC097003	Associate	NIL	2(6)

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
13	Wind Five Renergy Private Limited	Survey No. 1837 & 1834, At Moje Jetalpur ABS Tower, Second Floor, Old Padra Road, Vadodara-390007	U40100GJ2017PTC096973	Associate	NIL	2(6)
14	Khatiyu Wind Energy Private Limited	301, ABS Tower Old Padra Road, Vadodara-390007	U40300GJ2017PTC099831	Associate	NIL	2(6)
15	Nani Virani Wind Energy Private Limited	301, ABS Tower Old Padra Road, Vadodara-390007	U40300GJ2017PTC099852	Associate	NIL	2(6)
16	Ravapar Wind Energy Private Limited	301, ABS Tower Old Padra Road, Vadodara-390007	U40300GJ2017PTC099854	Associate	NIL	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholder	No. of the shares held at the beginning of the year 01/04/2017				No. of shares held at the end of the year 31/03/2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTER AND PROMOTER GROUP									
(1) INDIAN									
(a) Individual / HUF	21007	-	21007	-	21007	-	21007	-	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	257422311	-	257422311	53.56	257422311	-	257422311	53.56	-
(e) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub -Total A(1)	257443318	-	257443318	53.57	257443318	-	257443318	53.57	-
(2) FOREIGN									
(a) Individuals (NRIs / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FIs	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=A(1)+A(2)	257443318	-	257443318	53.57	257443318	-	257443318	53.57	-

Category of Shareholder	No. of the shares held at the beginning of the year 01/04/2017				No. of shares held at the end of the year 31/03/2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
(a) Mutual Funds	28614615	115	28614730	5.95	42925637	-	42925637	8.93	2.98
(b) Banks / Financial Institutions	49683004	98386	49781390	10.36	42979641	98111	43077752	8.96	-1.40
(c) Central Government	-	-	-	-	-	-	-	-	-
(d) State Government(s)	900	7057896	7058796	1.47	900	7057896	7058796	1.47	0.00
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) Foreign Portfolio Investors / Foreign Institutional Investors	32537806	-	32537806	6.77	28213800	-	28213800	5.87	-0.90
(h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)	110836325	7156397	117992722	24.55	114119978	7156007	121275985	25.23	0.68
(2) NON-INSTITUTIONS									
(a) Bodies Corporate	59106409	-	59106409	12.30	57876277	-	57876277	12.04	-0.26
(i) Indian	55246409	-	55246409	11.50	54016277	-	54016277	11.24	-0.26
(ii) Overseas	3860000	-	3860000	0.80	3860000	-	3860000	0.80	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital Upto ₹1 lac	21500828	7387377	28888205	6.01	22195522	5866514	28062036	5.84	-0.17
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lac	11361759	2304506	13666265	2.84	9665730	2186330	11852060	2.47	-0.37
(c) Others									
- NRI	774438	229732	1004170	0.21	849317	155231	1004548	0.21	0.00
- Trusts	163236	-	163236	0.03	153814	-	153814	0.03	0.00
- HUF	1276881	-	1276881	0.27	1080373	-	1080373	0.22	-0.05
- Office Bearers	-	25	25	0.00	-	25	25	0.00	0.00
- Foreign Portfolio Investor Individual	349	-	349	-	-	-	-	0.00	0.00
- Clearing Member	1075204	-	1075204	0.22	632307	-	632307	0.13	-0.09
- IEPF	-	-	-	-	1236041	-	1236041	0.26	0.26
Sub-Total B(2)	95259104	9921640	105180744	21.88	93689381	8208100	101897481	21.20	-0.68
Total Public Shareholding (B)=B(1)+B(2)	206095429	17078037	223173466	46.43	207809359	15364107	223173466	46.43	0.00
C. SHARES HELD BY CUSTODIANS FOR GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	463538747	17078037	480616784	100.00	465252677	15364107	480616784	100.00	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2017			Shareholding at the end of the year 31/03/2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Torrent Private Limited	257422311	53.56	0.00	257422311	53.56	0.00	0.00
2	Shri Sudhir Mehta	6882	0.00	0.00	6882	0.00	0.00	0.00
3	Shri Samir Mehta	6125	0.00	0.00	6125	0.00	0.00	0.00
4	Shri Jinal Mehta	8000	0.00	0.00	8000	0.00	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There was no change in promoters' shareholding during the reporting period.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017)	% of shares of the Company				No. of Shares	% of total shares of the Company
1	Gujarat State Investments Limited	46871621	9.7524	01-04-17	Nil			
		46871621	9.7524	31-03-18			46871621	9.7524
2	Life Insurance Corporation of India	29886827	6.2184	01-04-17				
				05-05-17	-528149	Transfer	29358678	6.1085
				12-05-17	-812732	Transfer	28545946	5.9394
				19-05-17	-162552	Transfer	28383394	5.9056
		28383394	5.9056	31-03-18			28383394	5.9056
3	Axis Mutual Fund Trustee Limited A/C	13871616	2.8862	01-04-17				
				07-04-17	291145	Transfer	14162761	2.9468
	Axis Mutual Fund A/C			14-04-17	127618	Transfer	14290379	2.9733
	Axis Long Term Equity Fund			21-04-17	-663899	Transfer	13626480	2.8352
				28-04-17	1100000	Transfer	14726480	3.0641
				12-05-17	300000	Transfer	15026480	3.1265
				07-07-17	405338	Transfer	15431818	3.2108
				14-07-17	125000	Transfer	15556818	3.2368

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017)	% of shares of the Company				No. of Shares	% of total shares of the Company
				21-07-17	-273344	Transfer	15283474	3.1800
				04-08-17	-2225000	Transfer	13058474	2.7170
				22-09-17	500000	Transfer	13558474	2.8211
				20-10-17	500000	Transfer	14058474	2.9251
				27-10-17	1376511	Transfer	15434985	3.2115
				03-11-17	500000	Transfer	15934985	3.3155
				10-11-17	500000	Transfer	16434985	3.4196
				22-12-17	100000	Transfer	16534985	3.4404
				29-12-17	500000	Transfer	17034985	3.5444
				05-01-18	700000	Transfer	17734985	3.6900
				12-01-18	500000	Transfer	18234985	3.7941
				19-01-18	499665	Transfer	18734650	3.8980
				26-01-18	1010335	Transfer	19744985	4.1083
				02-02-18	500000	Transfer	20244985	4.2123
				31-03-18	450000	Transfer	20694985	4.3059
		20694985	4.3059				20694985	4.3059
4	The Governor of Gujarat	7057050	1.4683	01-04-17				
		7057050	1.4683	31-03-18			7057050	1.4683
5	General Insurance Corporation of India	7400000	1.5397	01-04-17				
				07-04-17	-52963	Transfer	7347037	1.5287
				25-08-17	-40000	Transfer	7307037	1.5203
				01-09-17	-60000	Transfer	7247037	1.5079
				15-09-17	-47037	Transfer	7200000	1.4981
				22-09-17	-25000	Transfer	7175000	1.4929
				24-11-17	-175000	Transfer	7000000	1.4565
				15-12-17	-100000	Transfer	6900000	1.4357
				29-12-17	-200000	Transfer	6700000	1.3940
				05-01-18	-100000	Transfer	6600000	1.3732
				26-01-18	-70000	Transfer	6530000	1.3587
				16-02-18	-16941	Transfer	6513059	1.3551
				02-03-18	-213059	Transfer	6300000	1.3108

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017)	% of shares of the Company				No. of Shares	% of total shares of the Company
				16-03-18	-200000	Transfer	6100000	1.2692
		6100000	1.2692	31-03-18			6100000	1.2692
6	The New India Assurance Company Limited	7634164	1.5884	01-04-17				
				26-05-17	187755	Transfer	7821919	1.6275
				02-06-17	12245	Transfer	7834164	1.6300
				29-09-17	-620998	Transfer	7213166	1.5008
				06-10-17	-350480	Transfer	6862686	1.4279
				17-11-17	-104895	Transfer	6757791	1.4061
				24-11-17	-390229	Transfer	6367562	1.3249
				01-12-17	-304876	Transfer	6062686	1.2614
				08-12-17	-33442	Transfer	6029244	1.2545
				15-12-17	-104241	Transfer	5925003	1.2328
				22-12-17	-72214	Transfer	5852789	1.2178
				29-12-17	-364000	Transfer	5488789	1.1420
				05-01-18	-226103	Transfer	5262686	1.0950
				02-02-18	-175123	Transfer	5087563	1.0585
		5087563	1.0585	31-03-18			5087563	1.0585
7	UTI Mid Cap Fund	1086453	0.2261	01-04-17				
				07-04-17	1057325	Transfer	2143778	0.4460
				23-06-17	-32486	Transfer	2111292	0.4393
				24-11-17	210000	Transfer	2321292	0.4830
				01-12-17	1071993	Transfer	3393285	0.7060
				08-12-17	1186053	Transfer	4579338	0.9528
				26-01-18	-11800	Transfer	4567538	0.9503
				02-02-18	-70620	Transfer	4496918	0.9357
				09-03-18	161770	Transfer	4658688	0.9693
				31-03-18	74620	Transfer	4733308	0.9848
		4733308	0.9848	31-03-18			4733308	0.9848
8	GPC Mauritius II LLC	3860000	0.8031	01-04-17				
		3860000	0.8031	31-03-18			3860000	0.8031
9	HDFC Standard Life Insurance Company Limited	3451310	0.7181	01-04-17				
				07-04-17	-656800	Transfer	2794510	0.5814
				21-04-17	29841	Transfer	2824351	0.5877
				28-04-17	20159	Transfer	2844510	0.5918

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017)	% of shares of the Company				No. of Shares	% of total shares of the Company
				26-05-17	2919510	Transfer	5764020	1.1993
				02-06-17	100000	Transfer	5864020	1.2201
				09-06-17	75000	Transfer	5939020	1.2357
				23-06-17	-84	Transfer	5938936	1.2357
				30-06-17	50000	Transfer	5988936	1.2461
				28-07-17	50000	Transfer	6038936	1.2565
				04-08-17	50000	Transfer	6088936	1.2669
				11-08-17	-658	Transfer	6088278	1.2668
				25-08-17	-2000	Transfer	6086278	1.2663
				01-09-17	-2844510	Transfer	3241768	0.6745
				06-10-17	75000	Transfer	3316768	0.6901
				27-10-17	-176400	Transfer	3140368	0.6534
				03-11-17	-125000	Transfer	3015368	0.6274
				10-11-17	-291	Transfer	3015077	0.6273
				26-01-18	37528	Transfer	3052605	0.6351
				02-02-18	187472	Transfer	3240077	0.6741
				09-02-18	250000	Transfer	3490077	0.7262
				23-02-18	37389	Transfer	3527466	0.7339
				02-03-18	162611	Transfer	3690077	0.7678
				09-03-18	79089	Transfer	3769166	0.7842
				16-03-18	70911	Transfer	3840077	0.7990
				23-03-18	250000	Transfer	4090077	0.8510
				31-03-18	175666	Transfer	4265743	0.8876
		4265743	0.8876	31-03-18			4265743	0.8876
10	National Westminster Bank PLC as Trustee of the Jupiter India Fund	3178933	0.6614	01-04-17				
				30-06-17	192648	Transfer	3371581	0.7015
				09-02-18	30270	Transfer	3401851	0.7078
		3401851	0.7078	31-03-18			3401851	0.7078
11	Amansa Holdings Private Limited	3370825	0.7014	01-04-17				
				14-04-17	-2838379	Transfer	532446	0.1108
				21-04-17	-532446	Transfer	NIL	
		NIL	0.0000	31-03-18			NIL	0.0000

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year - 01/04/2017		Shareholding at the end of the year - 31/03/2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Sudhir Mehta	6882	0.00	6882	0.00
2	Shri Samir Mehta	6125	0.00	6125	0.00
3	Shri Jinal Mehta	8000	0.00	8000	0.00
4	Shri Markand Bhatt [#]	13059	0.00	13059	0.00
5	Smt. Bhavna Doshi [#]	1900	0.00	1900	0.00
6	Shri T. P. Vijayasathay (CFO)	25	0.00	25	0.00
#	Holding jointly.				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness as on 01/04/2017				
(i) Principal Amount [@]	8675.41	32.10	-	8707.51
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	2.15	-	-	2.15
Total (i+ii+iii)	8677.56	32.10	-	8709.66
Change in Indebtedness during the financial year 2017-18				
Addition	987.74	-	-	987.74
Reduction [#]	(435.91)	(3.82)	-	(439.73)
Net Change	551.83	(3.82)	-	548.01
Indebtedness as on 31/03/2018				
(i) Principal Amount [@]	9227.24	28.28	-	9255.52
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	23.56	-	-	23.56
Total (i+ii+iii)	9250.80	28.28	-	9279.08
[@] Including unamortised Expenses of ₹39.09 Crore as at 31 st March, 2018 and ₹41.39 Crore as at 1 st April, 2017.				
[#] Including Cash Credit of ₹76.62 Crore.				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD				Total Amount
		Shri Sudhir Mehta	Shri Samir Mehta	Shri Markand Bhatt	Shri Jinal Mehta	
1	Gross salary					
(a)	Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961	-	-	1500.00 [#]	509.01 [*]	2009.01
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	-	0.43	0.41	1.24
(c)	Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
-	as % of profit	-	-	-	-	-
-	others specify	1000.00	1000.00	2400.00	250.00	4650.00
5	Others, please specify	-	-	-	-	-
	Total (A)	1000.40	1000.00	3900.43	759.42	6660.25
	Ceiling as per the Act	10% of the Net Profit of the Company				

* Excluding gratuity provision

Includes leave encashment of ₹300.00 Lakhs

B. Remuneration to other Directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Shri Pankaj Patel	Shri Samir Barua	Shri Kiran Karnik	Shri Keki Mistry	Shri R Ravichandran	Smt. Bhavna Doshi	Ms. Dharmishta Raval	Shri Pankaj Joshi, IAS	
1.	Independent Directors									
	Fee for attending Board / Committee meetings	12.00	13.00	11.00	7.00	-	12.00	9.00	-	64.00
	Commission	15.00	19.00	16.00	12.00	-	16.00	15.00	-	93.00
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	27.00	32.00	27.00	19.00	-	28.00	24.00	-	157.00
2.	Other Non-Executive Directors									
	Fee for attending Board / Committee meetings	-	-	-	-	2.00	-	-	4.00	6.00
	Commission	-	-	-	-	6.00	-	-	12.00	18.00
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	8.00	-	-	16.00	24.00
	Total (B)=(1+2)	27.00	32.00	27.00	19.00	8.00	28.00	24.00	16.00	181.00
	Total Managerial Remuneration	-	-	-	-	-	-	-	-	6841.25
	Overall Ceiling as per the Act	11% of the Net Profit of the Company								

Note: Excluding service tax / Goods and Service Tax

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri T. P. Vijayasarathy	Shri Darshan Soni	Total
1	Gross salary			
	(a) Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961	725.04	8.90	733.94
	(b) Value of perquisites u/s 17(2) of the Income Tax, Act 1961	0.40	-	0.40
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others specify	-	-	-
5	Others, please specify	-	-	-
	Total	725.44	8.90	734.34

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of Companies Act	Brief description	Details of penalty / punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any give details
A. COMPANY					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
B. DIRECTORS					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

ANNEXURE – G

A. CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy:

A. SUGEN AND UNOSUGEN:

- Energy conservation initiatives implemented have resulted in annual energy savings to the tune of 91,89,760 kWh.
- For more precise on-off control of lights, photo-cells have been replaced with astronomical timers in plant indoor / outdoor lighting and non-operational areas.
- All conventional lightings are being replaced with LED in Central Control Room, Machine Halls of Units 10, 20 & 30, street lights in operational and non-operational areas, Housing colony, etc.

B. DGEN:

- Energy conservation measures have resulted in annual energy savings to the tune of 22,47,920 kWh.
- Nitrogen plant start/stop Pressure Set Point optimized.
- No load losses reduced by keeping only one Generator Transformer & one Unit auxiliary transformer in charged condition to feed auxiliary power.
- Replacement with LED lighting in progress.

C. AMGEN:

- Secondary air heater outlet to ESP inlet corroded duct replacement at F station – Saving of 13,500 kWh per day in fan power consumption.
- Primary Air fan corroded cold air duct replacement at D station – saving of 500 kWh/day
- Primary air heater repairing, primary air heater cold air duct patching and secondary air heater seal servicing at E station – saving of 3,000 kWh/day
- Replacement of old conventional lights with energy efficient LED lamps at E-station Boiler & ESP area, CHP area and in street lights.

D. DISTRIBUTION AREAS – AHMEDABAD, SURAT, DAHEJ, BHIWANDI AND AGRA:

- Bifurcation of overloaded feeders resulting in reduction in technical losses
- Revamping and uprating of LT networks of 81 Distribution Transformers to improve the reliability and reduce the losses
- Installation of energy efficient air conditioning system and lighting system for all new and renovated premises; saving ~1,78,560 kWh annually
- Replacement of the conventional outdoor lighting by LED lights; saving ~1,10,919 kWh annually;
- Procurement of energy efficient level 2 (Four star) Distribution transformers having lower losses
- Facilitated distribution of about 33.6 Lakhs LED bulbs, 1.65 Lakh Tube lights and 0.49 Lakh energy efficient fans and installation of energy efficient Air-conditioning system in all renovated offices of Ahmedabad under Ujala Scheme of the Ministry of Power, Government of India.
- Sharing of energy conservation information with customers through leaflets, energy bills and display at the Company's customer care centres.
- Replacement of 11 kV Over head lines (21.5 KM) by higher sized underground cables.

E. CABLES UNIT:

- Replaced 75 twin tubelight fixtures with LED Fixtures.
- Replaced 85 HP two old motors with DC Drive having high efficiency motor with Variable Frequency Drive.
- Installed advanced APFC system for 500 KVAR Capacitors for better control & improvement of Power Factor.

ii) The steps taken by the company for utilising alternate sources of energy:

- 92.7 kW roof top installed on roof of the office administration building, common building at housing colony generated 1,29,336 kWh in FY 2017-18 in SUGEN.
- 51,236 kWh of Solar power generated and utilized at the housing colony of DGEN.
- Installed 45 kW solar roof top at central store, E Station, Surat and ~63,000 kWh saved annually.
- 110 kW roof top installed at Corporate Office generated 1,07,384 kWh in FY 2017-18.

iii) The capital investment on energy conservation equipment:

~₹62.65 Crore

B. TECHNOLOGY ABSORPTION**i) The efforts made towards technology absorption:****A. SUGEN AND UNOSUGEN:**

- Inlet guide vane modification was carried out in Unit 20 and Unit 30 to improve performance and additional position feed back transmitters were installed to improve the reliability of the IGV control. Air-conditioned enclosures were provided for Excitation Equipment and Control Panels in Unit 20 and Unit 30 to increase the life of these equipment and for better reliability.
- Electronic Components of Steam Turbine Drain Valves were relocated to avoid failures and increase their life.
- Corrosion protection of NG system fasteners by Denso tape.

B. DGEN:

- Corrosion protection of NG system fasteners by Denso tape.
- Data communication system indigenized for emission parameters display at DGEN main gate.

C. AHMEDABAD, SURAT AND DAHEJ DISTRIBUTION AREAS:

- Implementation of GIS for Ahmedabad and Surat Distribution areas
- Commissioning of State of the Art 400 kV Nicol-2 Gas-insulated Substation
- Introduction of Hybrid Gas-insulated Substation for the first time at Surat
- Replaced unsafe, unreliable, old and obsolete conventional oil type RMUs by advanced SF6 Ring Main Units.
- 11 kV Distribution Automation in 91 Distribution Substations
- 66 EHV line Differential protection relays commissioned for fast fault clearance for 33 Line segments.

- Established Central Store with state of the art racking system and mechanised means of material handling for better inventory control

D. BHIWANDI AND AGRA DISTRIBUTION AREAS:

- Usage of environmentally friendly bio-degradable ester oil in place of mineral oil in Distribution transformers.
- Replacement of Blue silica Gel (Hazardous) by the Orange Silica gel (non-hazardous)
- Installation of theft proof TAPPAT Mini Section Pillars at around 698 locations with insulation of bus bar.
- Installation of theft proof joints at around 3030 locations in replacement busbar distribution box.
- Installation of Communicable RMU at 22 KV feeder for remote isolation of lines.
- Use of Thermography camera for finding hot spot.
- Installation of TRAFO connector at LT bushing of Distribution Transformers.
- Installation of FRP Channels on DO unit and Polymeric DO (Drop out fuse).

ii) The benefits derived:

A. GENERATION:

- Cost reduction
- Better availability, reliability and safety
- Improved efficiency

B. DISTRIBUTION:

- Better availability, reliability and safety
- Reduced power interruptions & enhanced customer satisfaction
- Reduction of energy losses and theft
- Increase of evacuation capacity utilizing same corridor
- Reduction in power restoration time

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

I. the details of technology imported;

II. the year of import;

III. whether the technology been fully absorbed;

IV. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not Applicable

iv) The expenditure incurred on Research and Development:

No expenditure has been incurred on R&D.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Description	₹ in Crore
Foreign Exchange Earned (Actual Inflow)	41.94
Foreign Exchange Used (Actual Outflow)	
Import of Capital Goods	3.62
Import of Fuel, Raw materials, Components, Stores and Spare Parts	991.34
Travelling, Subscription and Others	0.46

For and on behalf of the Board of Directors

Ahmedabad
29th May, 2018

Samir Mehta
Chairman
DIN: 00061903

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY:

Indian economy is now the fastest growing economy in the world despite the lower GDP growth rate of 6.7% for FY 2017-18 as compared to the past few years. This is on account of lower growth in Agriculture, Forestry & Fishing and Industry sectors which is partially offset by higher growth in the Service sector. The deceleration in industrial growth was mainly due to slowdown in credit growth with banks becoming more cautious in lending considering their Non-Performing Assets (NPA) problems coupled with high real interest rates and overvalued currency. It is noteworthy that this growth has been achieved despite the disruptions triggered by demonetisation of high-value currencies in November 2016 and the rollout of the Goods and Services Tax (GST) during FY 2017-18.

For most part of the year, India remained the Goldilocks economy, one with high economic growth and lower inflation, as the quickening growth did not add to inflationary pressure. The economy also witnessed a gradual transition from a period of high and variable inflation to more stable prices in the last four years. However, in March 2018, Consumer Price Index inflation increased to 4.28%, as compared to 3.89% in March 2017 due to sharp increase in oil prices, increasing prices of vegetables and fruits as well as implementation of the housing rent allowance for central government employees recommended by the Seventh Pay Commission.

Increasing imports primarily on account of rising gold imports coupled with rise in crude oil prices led to the widening of the trade deficit during FY 2017-18. However, the net capital inflows dominated by foreign investment and banking capital could finance the Current Account Deficit estimated at 1.9% for FY 2017-18. The fiscal deficit for FY 2017-18 was contained at 3.5% of GDP on account of robust direct and indirect tax collections & cut down in capital expenditure.

On account of host of measures such as implementation of GST, Insolvency and Bankruptcy Code, announcement of bank recapitalisation, etc., India's rank has improved to 100th in 2018 World Bank Doing Business Report from 130th in 2017. Further, expecting continued economic progress, Moody's Investor Services has raised India's credit rating from the lowest investment grade of Baa3 to Baa2 and changed the outlook from stable to positive, the first upgrade in last 14 years. Going ahead, with the world growth rate likely to witness moderate improvement, expected greater stability in GST, likely recovery in investment levels and ongoing structural reforms, one can expect improved economic performance of the country during FY 2018-19.

POWER SECTOR:

Electricity consumption is one of the important parameters which indicates the development of a nation. However, in India, about one fifth of the population is estimated to have no access to power and keeping this in mind the government introduced "Saubhagya" - the ₹16,320 Crore Pradhan Mantri Sahaj Bijli Har Ghar Yojana to ensure electricity in all households. Besides this, the ongoing initiatives of Government including the Power for All programme, Deendayal Upadhyaya Gram Jyoti Yojana, Integrated Power Development Scheme and Ujwal Bharat aim to provide 24x7 power for all. On the other hand, the Government is also working on Energy Conservation through the National LED programme and Street lighting National Programme.

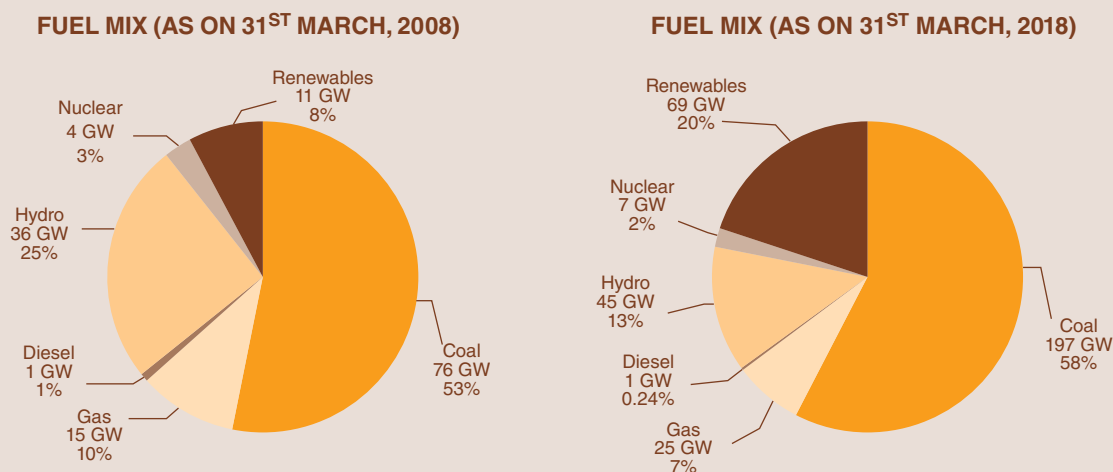
India's power sector is rapidly transforming with renewable energy assuming a greater emphasis in the overall energy mix of India. However, the woes of power sector namely worsening asset quality and rising NPA continue to remain with power sector accounting for 40.6% of all stalled projects.

A. DEMAND – SUPPLY

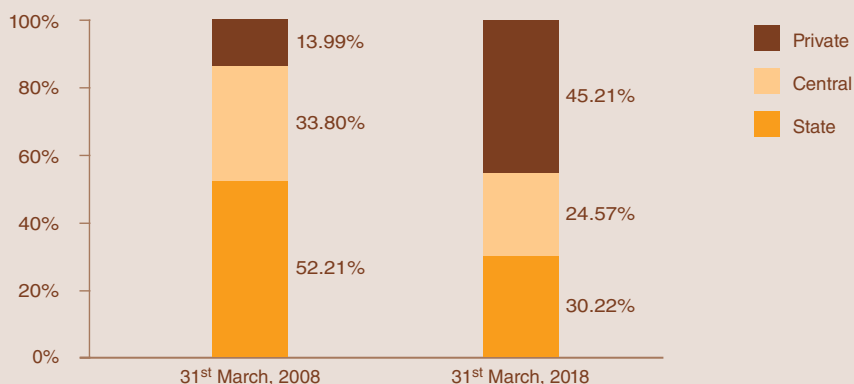
The energy deficit for the year remained at a level similar to last year of 0.7% while the peak power deficit marginally increased to 2% as against 1.6% in FY 2016-17. The low power deficits being witnessed are due to a combination of weak power demand in the commercial and industrial sector and the financial health of Distribution Companies (Discoms).

B. GENERATION

The country continued to add generation capacities in FY 2017-18 and thus reached ~344 GW as on 31st March, 2018 from ~143 GW as on 31st March, 2008. The source wise breakup of installed capacity shows a major shift in renewable capacity as on 31st March, 2018 as compared to 31st March, 2008:



The breakup of installed capacity given below shows that there is a major shift of investment by private sector from 13.99% as on 31st March, 2008 to 45.21% as on 31st March, 2018.



Coal-powered thermal power plants account for ~73% of total electricity generated in the country and represents ~58% of the installed power capacity. According to International Energy Agency, India's power generation from coal sources will rise ~4% every year upto 2022.

Following a meagre demand growth, there was a marginal improvement in the all India thermal Plant Load Factor (PLF) to ~60.70% for coal and 22.86% for gas as against ~59.93% and 22.51% respectively in the previous year. With the increasing adoption of renewable power and growing preference for competitively bid merchant contracts, the conventional power industry is facing difficulties in signing long term Power Purchase Agreements (PPAs).

India has an ambitious plan to double its coal production to 1.5 billion tonnes a year by 2020, as part of government's push to bring power to 300 million people who lack proper access to electricity. Under the new policy 'Scheme to Harness and Allocate Koyla (coal) Transparently in India (SHAKTI)', Coal India Limited (CIL) will have to increase coal supply to meet 90% of plants' requirement. In the biggest coal sector reform in over four decades, the government allowed the private sector to mine coal and sell it for commercial use, ending state-owned CIL's monopoly in a bid to

cut imports by raising domestic output. Participation of private miners would foster the much-needed competition and enhance productivity by facilitating use of latest equipment, technology and services.

Coal imports for the FY 2017-18 grew by 8.1% to ~213 MT on account of increased demand from Steel, Power and Cement sectors. This trend is likely to continue with limitations on domestic coal evacuation due to shortage of railway rakes.

Despite having stranded and under-utilised gas based capacity of ~25,000 MW, India's commitment on emission reductions under the Paris climate agreement has added a new urgency to promote usage of natural gas. Government plans to increase share of gas in the energy basket from 6.5% in 2015 to 20% by 2025. Increasing focus on expansion of gas pipeline infrastructure in the country, rising demand for natural gas from power and industrial sectors and favourable government policies would make LNG a commercially viable and suitable fuel for various end users in India. Gas-based power projects are second only to renewables and hydro power in generating clean energy. Hence, ensuring fuel supplies for such projects will go a long way in meeting India's obligations under the climate change commitments and reduce greenhouse emissions substantially.

C. TRANSMISSION

Indian grid is currently the fifth largest in the world. As on 31st March, 2018, the total length of transmission lines and transformer capacity of the country stood at 3,90,970 ckm and 8,26,958 MVA respectively. India is witnessing the world's largest renewable energy expansion program. Integration of large amount of fluctuating power from such renewable energy plants and ensuring smooth operations of such a large grid is a serious technical challenge for grid managers.

The government plans to invest billions of dollars into smart grid development over the next ten years as part of its ambitious plans to achieve low carbon economic growth.

Hon'ble Central Electricity Regulatory Commission (CERC) has come up with Draft CERC (Connectivity, General Network Access to the inter-state transmission system and other related matters) Regulations, 2017 which introduces the concept of General Network Access (GNA). This will put the onus on generators and discoms to apply for GNA on timely basis and help in planning the transmission capacity addition. It would also help in partially addressing the issue of under-utilised & stranded generation and transmission assets.

D. DISTRIBUTION

India's distribution sector is beset with legacy problems such as ageing transmission & distribution infrastructure, higher Aggregate Technical & Commercial (AT&C) losses, poor financial health of discoms, etc. All India current Transmission and Distribution (T&D) loss of 21.81% is far higher than the world average of 8.6%.

Improvement in T&D loss is one of the vital parameters required to improve the financial health of the discoms. Keeping this in mind, the government has initiated different schemes to improve the operational and financial efficiencies of power distribution companies like Ujwal Discom Assurance Yojna (UDAY) - the financial restructuring package, National Electricity Fund, Deendayal Upadhyaya Gram Jyoti Yojna and Integrated Power Development Scheme. Further, as per the Power Ministry's strategy to rollout 'advanced metering infrastructure', smart meters are to be installed in phased manner with all consumers getting smart meters by 2027, which will facilitate in reducing the overall AT&C losses and debt burden of discoms.

The financial health of state electricity distribution companies has improved since the introduction of UDAY in November 2015. UDAY has reduced the interest cost of Discoms and hence the Power Purchase cost. Timely tariff hikes in recent times and reduced power purchase cost have led to reduced gap between the average cost of supply and average revenue realised, which is further expected to reduce in the coming years. However, the discoms are not pursuing long term power purchase contracts due to sharp reduction in renewable energy tariffs and rise in industrial open access consumption leading to utilisation mismatch in generation and transmission capacities.

As consumers become more mobile, connected via social media and more conscious of their energy needs, they are beginning to expect more from their energy experience than just keeping the lights on. Increasingly, consumers expect reliable supply, clean energy, responsive service, new facilities and cost efficiency from their utilities. Giving due weightage to such consumer mindset, it is important for discoms to shift from traditional models to smart models.

E. RENEWABLE ENERGY

With a view to provide sustainable and affordable power to all consumers, the development of renewable energy sector has remained one of the top priorities for the Government. Government's intention to achieve 40% of power capacity from renewable energy sources by the year 2030 is slowly taking the renewable energy to a central role in the overall energy mix. Marching ahead towards its ambitious target of 175 GW of renewable capacity by 2022, India has already achieved 69 GW as on 31st March 2018. Moreover, India plans to complete the competitive bidding process by the end of FY 2019-20 to add a further 115 GW of renewable capacity by 2022. Also, attainment of second spot from third in Renewable energy country attractiveness index and extension of inter-state transmission charges waiver are expected to give a great fillip to the planned capacity additions in the renewable space.

Wind Power: The wind power development in the country started in 1990s and with the conducive policy environment provided at Central and State level, this segment, having installed capacity of 34 GW as on 31st March, 2018, accounts for nearly 50% of the total installed renewable capacity. FY 2017-18 proved to be a challenging year for wind power segment, with the sector adding one of the lowest annual capacities at 1.76 GW as against a target of 4 GW. The dip was mainly due to change in tariff regime from FIT (Feed-in Tariff) to competitively bid tariff. This together with technological advancements and decline in domestic interest rates resulted in historic low wind power tariff at INR 2.43 per unit. Needless to state, plans for auctioning of 20 GW in FY 2018-19 and FY 2019-20 would revive the wind power sector.

Solar Power: In terms of solar power installed capacity, India has become the third largest country in the world. Even though capacity addition in the sector during FY 2017-18 was 9.4 GW as against target of 10 GW, India achieved milestone of 20 GW installed capacity and completed the National Solar Mission four years ahead. However, the increased prices of imported solar power modules, threat of safeguard / anti-dumping duty had an impact on auction participation leading to postponement of few solar auctions. Plans for auctioning of 60 GW in FY 2018-19 & FY 2019-20, clarification regarding NIL customs duty on imported solar equipment, allowing pass thru of safeguard / anti-dumping duty and laying the foundation stone of the International Solar Alliance depict the continued conviction of the government in promoting solar power.

Renewables being intermittent energy source, grid stability is one major area requiring close attention. Moreover, actual installation of auctioned capacity is also an area of concern.

Despite such challenges, role of renewable energy in India will remain crucial for promoting sustainable development.

F. POWER & CONTROL CABLES

The Government's focus on providing Power to All and increasing growth in renewable power generation would foster the growth of the electric cable industry. Further, with focus of the discoms shifting to reducing losses and providing reliable and efficient power, the demand for power cables will continue to increase. However, availability as well as high price volatility in basic raw materials (especially metals such as aluminium, copper & steel), delay in realisation of receivables and competition from foreign markets will create pressures on margins.

OVERVIEW OF COMPANY'S BUSINESS DURING THE YEAR

The Company is an integrated utility engaged in the business of power generation, transmission & distribution with operations in the states of Gujarat, Maharashtra, Uttar Pradesh and Karnataka. It is also engaged in the business of cables manufacturing with operations in the state of Gujarat.

1. GENERATION:

A) 2730 MW Gas based Plants at Surat and Dahej

During the year, SUGEN Plant achieved a Plant Availability Factor (PAF) of 95.86% (PY 96.38%), PLF of 65.26% (PY 47.50%) and dispatched 6,396 MUs (PY 4,655 MUs). The PLF at SUGEN Plant increased during the year due to use of imported LNG and selling of power through short term contracts. However, lack of demand has resulted in NIL PLF at UNOSUGEN and DGEN.

The Company started utilization of storage-cum-regasification capacity at Petronet LNG Limited's Dahej Terminal with effect from 1st April 2017. 9 LNG cargoes have been imported till 31st March 2018 and another 26 LNG cargoes have been contracted, after following a competitive tender process, with international suppliers to be delivered up to December 2020.

B) 422 MW Coal based AMGEN Power Plant at Ahmedabad

During the year, AMGEN Plant achieved a PAF of 94.17% (PY 95.10%) due to sustained reliability, PLF of 71.38% (PY 74.64%) and dispatched 2,406 MUs (PY 2,520 MUs). 60 MW C station was in reserve shutdown for entire year and accordingly PLF without C station was 83.21% (PY 87.01%). The said station has been retired with effect from 2nd April, 2018.

Hon'ble Gujarat Electricity Regulatory Commission (GERC) has directed AMGEN to schedule generation through State Load Despatch Centre and the same is subject to the deviation settlement mechanism effective from April 2017.

C) Over 1,500 MW Renewable Power Plants

Starting with a ~50 MW Wind Power Plant in 2012, we have continued our journey into environmentally benign and sustainable renewable energy space. Till date, a total of ~430 MW Wind Power Projects and 138 MW Solar Power Projects have been commissioned. Further, ~975 MW Wind Power Projects are under various stages of construction. With the operational and under-construction projects, our total renewable power generation capacity has reached the mark of ~1,550 MW. The details of such projects are as under:

C1. Over 500 MW of capacity for fulfilment of Renewable Purchase Obligation (RPO) of the Company:

The RPO obligations of the Company are partially being met / expected to be met from 500.4 MW of renewable capacity of the Company as detailed below:

- ❖ 49.6 MW Wind Power Plant at Lalpur, Jamnagar
- ❖ 201.6 MW Wind Power Plant at Kutch
- ❖ 60.8 MW Wind Power Project at Mahidad, Rajkot
- ❖ 50.4 MW Wind Power Project at Mahuva, Bhavnagar
- ❖ 51 MW Solar Power Plant at Charanka, Patan
- ❖ 87 MW GENSU Solar Power Plant near Surat

During the year, the said Plants dispatched a total of 869 MUs (PY – 364 MUs) to the Company's distribution business in Ahmedabad, Gandhinagar, Surat and Dahej for fulfillment of RPO.

C2. Over 1,000 MW of Competitively Bid and other projects:

A total of 1,046.60 MW of capacity has been developed / is under development by the Company which includes competitively bid projects and other projects as well. Project wise details of the same are as under:

❖ **120 MW Wind Power Plant at Karnataka**

60 MW Wind Power Plant, each at Zalki and Gudadanal site, in Karnataka has been commissioned successfully during the year.

❖ **499.8 MW Wind Power Project at Gujarat**

The Company participated in the competitive bidding and the e-reverse auction process (Tranche - III) held on 13th February, 2018 by Solar Energy Corporation of India Limited (SECI) for setting up of 2,000 MW ISTS (Inter State Transmission System) connected wind power projects and emerged as the biggest winner in the auction by winning the highest quantum of 499.8 MW. It is also the largest capacity won by any bidder in the wind auctions conducted so far in the country. The Project has a schedule of commissioning within 18 months from the effective date of the PPA.

❖ **124.4 MW Wind Power Project at Maharashtra**

The Company participated in the competitive bidding and the e-reverse auction process held on 6th March, 2018 by Maharashtra State Electricity Distribution Company Limited for procurement of power from Grid Connected Wind Power Projects and was successful in winning 124.4 MW Project. The Project shall be implemented at two locations i.e. Lohara and Koral sites at Osmanabad in Maharashtra. Project is expected to be commissioned in FY 2019-20.

❖ **302.4 MW Wind Power Project at Andhra Pradesh**

Framework Agreement for development of the Project has been entered into.

2. DISTRIBUTION:**A) Ahmedabad and Surat Distribution**

The sales were higher at 10,761 MUs in FY 2017-18 (PY – 10,039 MUs) mainly on account of normal load growth and reduction in open access availment. The open access consumption reduced to 130 MUs for FY 2017-18 (PY - 422 MUs) mainly due to higher competitiveness of the regulated tariff. T&D loss has reduced to 5.72% in FY 2017-18 (PY - 6.15%) and is one of the lowest in the country. The consumer base as on 31st March, 2018 was 25.05 Lakhs (PY - 24.50 Lakhs). During the year, the peak system demand of Ahmedabad was higher at 1,832 MW (PY - 1,751 MW) and that of Surat was higher at 671 MW (PY - 648 MW).

In the matter of tariff determination for FY 2017-18 and true up of FY 2015-16, Hon'ble GERC vide Tariff Order dated 9th June, 2017 continued the tariff of FY 2016-17 for FY 2017-18 as well and had also directed to discontinue the recovery of Regulatory Charge.

In the matter of tariff determination for FY 2018-19 and true up of FY 2016-17, Hon'ble GERC vide Tariff Order dated 31st March, 2018, *inter-alia*, has not revised the tariff for second year in succession, has abolished Meter Rent w.e.f. 1st April, 2018 and stated that the issue of carrying cost is to be pursued with Hon'ble Appellate Tribunal for Electricity (APTEL).

The Company has been able to meet 95% of its RPO (10.84% met against obligation of 11.35%). Non-solar RPO has been fulfilled upto 99% (8.24% met against obligation of 8.35%) and Solar RPO has been fulfilled upto 86% (2.59% met against obligation of 3.00%). The deficit in Solar RPO compliance was mainly on account of suspension of Solar Renewable Energy Certificate (REC) trading.

Ministry of Finance (MoF), through a circular dated 1st March, 2018 has clarified that only Transmission and Distribution of Electricity are exempt from GST. However, other services relating to Transmission and Distribution of Electricity are taxable. The Company has challenged the said circular before Hon'ble High Court of Gujarat. The matter is sub-judice; but in view of MoF's circular, the Company is taking all steps to collect and pay GST under protest in respect of specific activities of transmission and distribution of electricity.

B) Dahej Distribution

The sales were higher at 312 MUs in FY 2017-18 (PY - 242 MUs) mainly due to addition of new consumers and increase in demand. T&D loss reduced to 0.40% in FY 2017-18 (PY 0.53%). The consumer base as on 31st March, 2018 was 101 (PY - 96). The peak system demand was higher at 58 MW in FY 2017-18 (PY - 44 MW).

Further Hon'ble GERC vide its order dated 31st March 2018 on tariff determination for FY 2018-19 and true-up of FY 2016-17 stated that the issue of carrying cost is to be pursued with Hon'ble APTEL.

C) Bhiwandi

The sales increased to 3,084 MUs (PY - 2,800 MUs) mainly due to recovery and consolidation trend in Power loom industry. Additionally, there was a distinct increase in Residential and Commercial sales on account of undergrounding of network, Distribution Transformer cleaning and other theft deterrent activities. Owing to the various loss reduction measures, sustained efforts on deterrent activities in reducing theft and focussed efforts on recovery resulted in reduction of AT&C losses to the level of 17.28% during the year (PY - 22.22%). The consumer base as on 31st March, 2018 is 2.90 Lakhs (PY - 2.69 Lakhs). The peak system demand was marginally lower at 576 MVA during FY 2017-18 (PY - 579 MVA).

D) Agra

The sales were higher at 1,720 MUs in FY 2017-18 (PY - 1,584 MUs) mainly due to increase in consumer base and considerable reduction in AT&C losses to 20.89% (PY - 26.78%) on account of various loss reduction drives (undergrounding of the network, focused vigilance, systematic surveillance, removal of illegal connections, etc.). The consumer base as on 31st March, 2018 was 4.31 Lakhs (PY - 3.99 Lakhs). The peak system demand was higher at 443 MVA during FY 2017-18 (PY - 425 MVA).

3. CABLES BUSINESS:

During FY 2017-18, Cables unit at Nadiad, Gujarat, achieved net sales of ₹401 Crore (PY - ₹407 Crore).

During the year, 3 Core, 150 sq mm & 85 sq mm, 11 KV Aerial Bunched Cables and 1 Core, 400 sq mm, 66 KV cable with Aluminium Corrugation were developed & supplied.

OVERALL RESULTS:

The overall power sales in FY 2017-18 were 15,957 MUs (PY - 14,454 MUs) with break-up as under:

Category of Consumers	FY 2017-18		FY 2016-17		Growth %
	MUs	%	MUs	%	
Residential	4,638	29%	4,324	30%	7.26%
Commercial	2,551	16%	2,454	17%	3.95%
LTP / LTMD	4,766	30%	4,531	31%	5.19%
HT	3,663	23%	3,115	22%	17.59%
Others	339	2%	30	0%	1030%
Total	15,957	100%	14,454	100%	10.40%

During FY 2017-18, the Company achieved a robust ~10% growth in sales as compared to previous year wherein there was a marginal degrowth in sales. Further, there was reduction in T&D and AT&C losses at all distribution units of the Company during the year.

Increase in sales in Residential / Commercial categories at Ahmedabad, Gandhinagar, Surat, Bhiwandi and Agra was mainly due to theft deterrent activities and higher temperature besides increased customer base and normal load growth. The growth in LTP / LTMD category is primarily attributed to recovery and consolidation trend in the Powerloom industry at Bhiwandi. Increased sales in HT category were majorly on account of reduced open access availment at Ahmedabad due to higher competitiveness of the regulated tariff and higher sales at Dahej SEZ.

The Consolidated PBT in FY 2017-18 improved mainly due to:

- Improved performance at Ahmedabad and Surat distribution areas on account of sales growth, reduction in T&D loss and timely recovery of Fuel Price and Power Purchase Adjustment (FPPPA) charges read with negative impact of discontinuance of the recovery of Regulatory Charge w.e.f. 10th June 2017;
- Significant reduction in AT&C losses at Bhiwandi & Agra.
- Higher operational capacity of renewable power plants at ~570 MW (PY – 403.6 MW).
- Reduced finance costs on account of reduction in rate of interest on term loans.

In light of the above, the Consolidated PBT for FY 2017-18 stood at ₹1,400.99 Crore (PY ₹587.34 Crore).

4. RISKS AND CONCERNS

Significant risks and concerns of the Company are enumerated below:

- Although currently LNG is available, the Company is not able to run all its gas based capacity due to lack of power demand. However, it is expected that initiatives such as Saubhagya Scheme, Make in India, UDAY, 24 x 7 Power for All, Digital India etc. would improve the electricity demand.
- Ministry of Environment, Forest and Climate Change (MoEFCC) has made the emission norms for all thermal power plants significantly stringent which may affect the operations of AMGEN Plant. Timeline to comply with new norms was December 2017. However, with passage of dead line and considering the facts that almost all the players are yet to undertake required modification, Central Electricity Authority (CEA) has prepared a phasing plan for implementation of such norms. Timeline for compliance at AMGEN Plant has been extended up to December 2022 and same shall be monitored by Central Pollution Control Board, CEA and Western Regional Power Committee.
- As per the Tariff Policy issued by Ministry of Power, thermal power plants including the existing plants located within 50 km radius of Sewage Treatment Plants (STPs) of Municipality / local bodies / similar organization shall in the order of their closeness to STP, mandatorily use treated sewage water produced by these bodies. The Company is in communication with relevant municipal authorities for getting supply of treated water of suitable quality.
- Considering the present Indian coal demand and supply scenario, it will continue to be a challenge for AMGEN to get sufficient coal as per Fuel Supply Agreement. Consequently, partial dependency on imported coal will expose the Company to price volatility and sourcing risks.
- The changing fuel mix with share of renewables increasing due to preferential policy treatment is creating pressure on thermal power plants. Although purely on economic ground, thermal power has merit but it may be unable to compete with renewables in this context.
- The Company operates in a regulatory environment and is subject to the risk of regulatory interventions including introduction of new laws and regulations including changes in competitive framework. Also, the current structure of the distribution segment lacks due recognition or incentives for its efficient operations under the regulatory framework. Although the Regulator provides mechanism for true-up and recovery of increase in fuel and power purchase costs, such recovery of costs is delayed due to in-built restrictions in the formula of fuel adjustment charges i.e. FPPPA. Further, the Order dated 31st March, 2018 of Hon'ble GERC on tariff determination for FY 2018-19, deferred the unresolved issue of carrying cost, which is pending for resolution with Hon'ble APTEL.

Also, non-pass through of REC costs (to fulfill RPO) through the FPPPA mechanism continues to burden the distribution segment. All these issues lead to postponement of recovery of said costs, resulting into deferred recovery and accrual of carrying cost.

- The proposed segregation of carriage and content in the Electricity Amendment Bill, 2014, would bring about a substantial change in the way the distribution network business and supply of electricity to consumers operate, though not impacting the Return on Equity on the investments in the distribution infrastructure.
- Cyber risk continues to be one of the major threats to Company's business as utilities are now far more vulnerable to cyber-attacks than in the past with the increasing role of information technology in integrated Power generation, transmission and distribution segments.
- Macro-economic risks such as growth slowdown & uncertainty in demand may impact the performance of the Company.
- Public Policy interventions could impact the traditional ways of doing business and may lead to changes in supply & demand sources.
- Non-availability of skilled manpower may result in disruptions in business operations or incorrect / delayed decision making.

5. INTERNAL CONTROL SYSTEM

The Company's Internal Control System is commensurate with its size and its nature of operations. It has well documented system of adequate Internal Controls aimed at achieving efficiency in operations, optimum utilisation of resources and compliance with all applicable laws and regulations. Independent firms of Chartered Accountants, out of big 4, are appointed as Internal Auditors of the Company. The key observations and recommendations following such internal audit and follow up actions for improvement of the business operations and their implementation are reviewed and monitored by the Audit and Risk Management Committee on a quarterly basis.

6. CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's analysis and interpretations are forward-looking. Actual results may vary from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L31200GJ2004PLC044068
2.	Name of the Company	Torrent Power Limited
3.	Registered Address	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad - 380015.
4.	Website	www.torrentpower.com
5.	E-mail Id	cs@torrentpower.com
6.	Financial Year reported	2017-18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 351 - Electric power generation, transmission and distribution. NIC code: 2732 - Manufacturing of wires and cables for electricity transmission.
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	Power generation, transmission & distribution and manufacturing of cables.
9.	Total number of locations where business activity is undertaken by the Company	14
10.	Number of international locations	NA
11.	Number of national locations	14
12.	Markets served by the Company - Local / State / National / International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1.	Paid up Capital	₹480.62 Crore
2.	Total Turnover	₹11,448.86 Crore
3.	Total profit after taxes (TCI)	₹935.07 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	~1.61% of Total Comprehensive Income (TCI) of FY 2017-18 (CSR Projects) Additionally, the Company also made donations for CSR activities. Besides this, CSR initiatives are being carried out by various Generation plants of the Company as part of Ministry of Environment, Forest and Climate Change (MoEFCC) stipulations. With this expenditure, the Company's total spending on CSR is ~2.49% of TCI for FY 2017-18.
5.	List of activities in which expenditure in 4 above has been incurred:-	The list of activities in which CSR expenditure in 4 above (i.e ~1.61% of TCI) has been incurred is part of the Board's Report which forms part of this Annual Report. Further, donations were given to various organisations involved in CSR activities related to healthcare, education, arts & culture, science, relief to disaster victims; socio-economic development including de-addiction, skill development; self-help groups, youth, upliftment of women, integrated development of tribes; etc. The key activities in which CSR expenditure has been incurred as part of MoEFCC stipulations include Swadhar – Medical and Health Care Centre, sanitation projects, purchase of cow dung for biogas plant, construction of panchayat building for a leading contiguous village, security training to rural youths for employment, etc.

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company / Companies?	Yes, the Company has the following Subsidiary Companies: (a) Torrent Solargen Limited (b) Torrent Power Grid Limited (c) Torrent Pipavav Generation Limited (d) Latur Renewables Private Limited (e) Jodhpur Wind Farms Private Limited
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	The BR Initiatives of the Company are driven at Group level. Hence, all Subsidiary Companies participate in the BR Initiatives of the Company.
3.	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	Yes, the Company's contractors and suppliers do participate in some of the BR initiatives of the Company.

SECTION D: BR INFORMATION**1. Details of Director / Directors responsible for BR****(a) Details of the Directors responsible for implementation of the BR policy / policies**

Sr. No.	Particulars	(I)	(II)
1.	DIN	00061955	02685284
2.	Name	Shri Markand Bhatt	Shri Jinal Mehta
3.	Designation	Whole time Director	Managing Director

(b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN (if applicable)	Same as above
2.	Name	Same as above
3.	Designation	Same as above
4.	Telephone number	079- 26628000
5.	E-mail Id	cs@torrentpower.com

2. Principle-wise (as per NVGs) BR Policy / Policies

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes, all the Policies have been approved by the Board, except the HR policies and IMS policies, which have been approved by MD or WTD.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online.	All Policies can be accessed at http://www.torrentpower.com/index.php/investors/policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the Company have in-house structure to implement the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why:

Not applicable

3. Governance related to BR

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors/ its Committees / Chairman or any authorised officials of the Company, as the case may be, assess the BR Performance on annual or half yearly basis depending upon the type of BR activities.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company publishes Business Responsibility Report and the same can be accessed at www.torrentpower.com The same is published annually.

SECTION E: PRINCIPLEWISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1.1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

No. Besides covering the Company, it also extends to various stakeholders including Group companies, Suppliers, Contractors, etc.

1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Shareholder Complaints:

The Company received 23 shareholder complaints during FY 2017-18. 100% of such complaints were satisfactorily resolved by the Management.

Other Stakeholder Complaints:

The Company received 4 valid complaints from other stakeholders (i.e. Employees, Vendors and Society) during FY 2017-18. 100% of such complaints were satisfactorily resolved by the Management.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

2.1 List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company's business activities comprise of Generation, Transmission & Distribution of Electricity and Cables manufacturing. It has incorporated social as well as environmental concerns, risks and/or opportunities in each of these as under:

- All the units of the Company (except Bhiwandi, Agra and some Renewable units) are IMS certified covering ISO 9001 (Quality Management System), ISO 14001 (Environment Management System) and BS OHSAS 18001 (Occupational Health and Safety Assessment Series). Some of the units have also additionally obtained ISO 50001 (Energy Management System) and ISO 55001 (Asset Management System).
- State of the art technologies in its gas based thermal plants viz., installation of advanced class Gas Turbines with lower carbon footprint, dry low NOx burners (with emissions surpassing Indian standards and meeting European norms), CCPP in single shaft configuration thereby reducing the land and carbon footprint etc. Such CCPPs are also registered under Clean Development Mechanism (CDM).
- The Company has established systems and procedures for safe and effective operation and maintenance of its transmission and distribution networks duly mitigating risks and health hazards. Transmission and Distribution (T&D) losses have been reduced to one of the lowest in the country in the Company's licensed areas by way of undergrounding, thus saving on energy. During the year, the Company's Distribution units have undertaken a major LT and HT network revamping and uprating project at Ahmedabad and Agra to replace old and dilapidated overhead / underground network with a primary objective of improving the reliability of the network and safety of employees and general public. This has also resulted in reduction in distribution losses.
- Safety of employees and general public is given high importance and priority in the organization. Safety Committees are formed and headed by senior officers with participation from supervisors and experienced workers who effectively contribute to improve the safety performance of the organization.
- Occupational health of the employees is given equal priority. Various measures including installation of Automated External Defibrillators, Self-contained Breathing Apparatus and Ambubags (for artificial respiration) have been taken for Distribution units and EHV substations.
- At the Cables unit, HDPE outersheath & Zero Halogen protect the environment from hazardous effects of PVC and ABC protects humans & birds from Electrocutation in overhead lines. The Company's Distribution units have installed more than 7,000 state-of-the-art technology SF6 gas insulated switchgears for protection and operation of 11KV distribution network. This has improved safety aspects to a great extent.
- Other initiatives include continuous improvement in safety standards, regular safety and environmental audits, mock drills, Demand Side Management (DSM) and energy conservation awareness programmes amongst customers in Distribution segment.
- Further, the Company is engaged with its neighborhood by providing employment opportunities, skill development and health care.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) **Reduction during sourcing/production / distribution achieved since the previous year throughout the value chain?**
 (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The following are some of the initiatives taken in respect of conservation of natural resources:

- Various procedures have been put in place to improve heat rate, reduce auxiliary power consumption and water consumption in its Generating stations.
- Large scale replacement of conventional luminaires with LED devices, installation of solar panels, recycling waste water, segregation of lighting circuits for reducing power consumption, rainwater harvesting etc. Even a self-sustaining township with biogas generation and solar power is fully functional at one of the generating units.
- The Company has also facilitated the implementation of national level Domestic Efficient Lighting Program (DELP) UJALA at all Distribution locations.
- As part of DSM Schemes, Energy Audits as well as Peak Load shifting programs have been carried out for benefit of the consumers. In addition, the Company took all necessary steps to operationalize the Net Metering arrangement for Rooftop Solar PV system at the premises of the consumers.
- Further, the Company has carried out energy audit of all offices and substations in all Distribution license areas to identify the opportunities of energy conservation. As a part of its outcome, various energy conservation initiatives including replacement of air-conditioners by star-rated air conditioners, conventional lights by LED, etc. have been taken.

2.3 Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has procedures in place for sustainable sourcing (including transportation). The Company has incorporated procedures to ensure that transportation of chemicals and other materials are totally compliant with rules and regulations and Company's own procedures. Fuel Gas lines are maintained as per Petroleum and Natural Gas Regulatory Board (PNGRB) guidelines and safety audits are carried out at regular intervals. Usage of water is optimized by optimizing the Cycle of Concentration in cooling water and recycling of waste water. Further, Sustainability is extended to suppliers / vendors. All requirements on various aspects such as Health & Safety and Environment protection, Ethics and Compliance, Prevention of Bribery & Corruption are part of our sourcing procedures. Counselling and monitoring of suppliers / vendors is being done regularly.

2.4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has taken several steps to procure goods and services from local and small vendors (specially focusing on weaker sections of the society, wherever possible) in order to promote entrepreneurship among them. Some of these initiatives include:

- While sourcing its consumables and spares, priority is given to local vendors. Providing employment in various jobs viz., horticulture, housekeeping, vehicle operation, etc. to people in and around its operations.
- Employment of differently abled people for jobs that are deemed safe for them.
- Engagement of destitute women for managing the canteen services at one of its units.
- Local people have been trained and employed as security guards at some of the plants.
- All packing materials such as steel & wooden drums for one of its unit are sourced locally from small vendors.
- Direct and indirect employment opportunities are provided to local populace to the extent feasible. For fabrication, plumbing, carpentry, etc., as far as possible, local skilled personnel are employed.
- Project affected personnel in gas based generation units have been taken on the Company rolls and external technical training has been imparted to them at good institutes prior to or during employment.

2.5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being a responsible corporate citizen, the Company believes in “Reduce-Recycle-Reuse” principle. Some of the initiatives taken as part of this principle include:

- 100% utilization of fly ash generated from the coal based plant.
- Re-Use of treated effluent water.
- Zero liquid discharge since August 2017 at SUGEN plant.
- Use of waste water for gardening, sprinkling, etc.
- Use of vegetation and food waste in making compost which in turn is used as manure.
- Sludge recovered from raw water is compacted through Chamber Filter Press and is used as manure/ for landfill.
- Waste generated is used for biogas generation which in turn is used for power generation and cooking in one of our self-sustaining township.
- All the PVC Scrap is recycled to make PVC Fillers at Cables unit.
- Hazardous wastes e.g., used oils, batteries, e-wastes, etc. are disposed off only to authorized recyclers.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

3.1 Please indicate the Total number of employees.

The total number of permanent employees is 7,619 as on 31st March, 2018.

3.2 Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Total number of employees hired on temporary/contractual/casual basis is 7,108 as on 31st March, 2018.

3.3 Please indicate the Number of permanent women employees.

Total number of permanent women employees is 588 as on 31st March, 2018.

3.4 Please indicate the Number of permanent employees with disabilities.

Total number of permanent employees with disabilities is 30 as on 31st March, 2018.

3.5 Do you have an employee association that is recognized by management?

Yes.

3.6 What percentage of your permanent employees are members of this recognized employee association?

~44.82% of the total permanent employees of the Company are members of such recognized employee association.

3.7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

There were no complaints relating to child labour, forced labour, involuntary labour and sexual harassment in FY 2017-18.

3.8 What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

- (a) Permanent Employees
- (b) Permanent Women Employees
- (c) Casual/Temporary/Contractual Employees
- (d) Employees with Disabilities

Percentage of employees who were given Safety & skill up- gradation training in the last year is as under:

- (a) Permanent Employees – 88.85%
- (b) Permanent Women Employees – 92.08%
- (c) Casual/Temporary/Contractual Employees – 80.93%
- (d) Employees with Disabilities – 73.33%

Further,

- At most of the units of the Company, employees (regular and temporary) and visitors have to undergo safety induction process as per the Company Policy. Further, refresher programs are organized and need based training inputs are imparted to all employees from time to time. Practical sessions and mock-drills are conducted regularly to enhance the responsiveness of the employees.
- Special DAP training is imparted to the differently abled personnel employed.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

4.1 Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its various key internal and external stakeholders.

4.2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

4.3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Various initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders at locations in and around its operations in the areas of: (i) Community Health Care, Sanitation and Hygiene, (ii) Education and Knowledge Enhancement and (iii) Social Care and Concern.

The details of various CSR initiatives of the Company are part of the Board's Report which forms part of this Annual Report.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

5.1 Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?

Besides covering the Company, it also extends to various stakeholders including Group companies, Suppliers, Contractors, etc.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint on breach of human rights was received during FY 2017-18.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

6.1 Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

The Environment Policy of the Company covers the Company currently. The subsidiary companies of the Company also carry out their operations in accordance with principles laid down in the said Policy. The Company promotes the adoption of environmental protection goals and practices by contractors and suppliers of the Company and strongly encourages improvements in contractors' and suppliers' practices to make them consistent with those of the Company.

6.2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company recognizes the value of the environment to the community and future generations and is committed to manage its businesses as a responsible Corporate Citizen. Some of the initiatives taken by the Company to address Global environmental issues such as Climate Change, Global warming, etc. include ~4,280 MW of its generation capacity being natural gas based, which is a cleaner fuel and renewables based (operational and under construction) comprising solar and wind out of its total generation capacity of ~4,700 MW.

In its efforts to contribute towards sustainability, the Company has chosen state of the art technology for its CCPPs with advanced class Gas Turbines with lower carbon footprint and with very low NOx emissions. The Company's CCPPs are also registered under CDM.

Further, various energy conservation initiatives taken by the Company which aid in environmental protection are part of the Board's Report which forms part of this Annual Report.

6.3 Does the company identify and assess potential environmental risks? Y/N

Yes, the Company identifies and assesses potential environmental risks.

6.4 Does the company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, four projects of the Company are registered with United Nations Framework Convention on Climate Change (UNFCCC) under CDM. SUGEN Project was one of the largest and pioneering generation project approved under CDM globally in 2007. Environment compliance reports are being filed on a timely basis.

Annual reduction of ~8.5 Million CO₂ can be achieved by generation of power through these Projects. The Company has already achieved ~13 Million of CO₂ emission reduction.

6.5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

In order to promote clean technology and renewable energy, besides what is stated above, the Company has sourced about 11% of its total power requirement of licensee business from wind and solar plants. The Company has also installed Roof Top Solar for its captive consumption. The Company strives for reduction in distribution losses by improving the network and reducing the theft of electricity. Unauthorized use of electricity has been curtailed which otherwise also invokes safety hazards.

The details of various energy conservation initiatives taken by the Company which aid in energy efficiency are part of the Board's Report which forms part of this Annual Report and is available at the following link: www.torrentpower.com.

6.6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions generated from the Generation stations of the Company are within the permissible limits given by CPCB and SPCB for FY 2017-18. The data of emissions, where required, is also being shared with CPCB and SPCB through online servers.

Waste generated by the Company during FY 2017-18 was also within the permissible limits given by CPCB and SPCB.

6.7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause / legal notices have been received during FY 2017-18 either from CPCB or SPCB.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

7.1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is a member of various trade and chamber associations. The major ones are as under:

- Confederation of India Industries (CII)
- Association of Power Producers (APP)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Council of Power Utilities
- Indian Electrical and Electronics Manufacturers Association (IEEMA)
- Coal Consumers' Association of India (CCAI)

7.2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a principle, the Company does not engage in lobbying. The Company provides suggestions through the above associations for the advancement/improvement of power sector and cable industry majorly in the areas of Economic Reforms, Energy security and Sustainable Business Principles.

In the course of our regulated business, the submissions, representations, and the information provided to the concerned authorities are based on due-diligence and to the best of our knowledge true and fair; which is the policy of the Company.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

8.1 Does the company have specified programmes / initiatives / projects in pursuit of the Policy related to Principle 8? If yes details thereof.

Yes, the Company has identified specified programmes / projects in the pursuit of the Policy related to Principle 8. The details of such programmes /projects are part of the Board's Report which forms part of this Annual Report.

8.2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The identified programmes/projects are carried out directly by the Company itself including through two of its Section 8 companies namely 'Tornascent Care Institute' and 'UNM Foundation' which have been promoted by the Company (together with one of its Group Company).

Besides the above, it is also supplementing the efforts of the local institutions/NGOs/local Government/implementing agencies in the field of Education, Healthcare, Sanitation and Hygiene, etc. to meet priority needs of the underserved communities with the aim to help them become self-reliant.

The details of such programmes /projects undertaken either on its own or through external agencies are part of the Board's Report which forms part of this Annual Report.

8.3 Have you done any impact assessment of your initiative?

Yes, the Company undertakes timely impact assessments of projects under implementation for ensuring their desired impact and continued sustenance. The impact assessment is also presented to the CSR Committee.

8.4 What is your company's direct contribution to community development projects? Amount in ₹ and the details of the projects undertaken.

During FY 2017-18, the Company contributed ₹15.11 Crore to various community development programmes / projects as part of its CSR initiatives. The details of such programmes /projects are part of the Board's Report which forms part of this Annual Report.

Over and above this, the Company also made donations of ₹7.67 Crore to various organisations involved in CSR activities related to healthcare, education, arts & culture, science, relief to disaster victims; socio-economic development including de-addiction, skill development; self-help groups, youth, upliftment of women, integrated development of tribes; etc.

Besides, the Company also spent ₹ 0.47 Crore on community development projects as part of MoEFCC stipulations.

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

The Company undertakes needs assessment surveys in villages and community before undertaking CSR initiatives. Community needs are understood and evaluated and their views are taken before project plans are finalized and executed. Community members are continuously consulted during implementation of initiatives. Further, the Company ensures that community members participate in the initiatives being undertaken / implemented and that they take responsibility for maintenance and sustenance of projects in future.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

9.1 What percentage of customer complaints/consumer cases are pending as on the end of financial year?

In the generation, transmission and cables business there were no complaints.

~0.14% of complaints were pending as on 31st March, 2018 for the Distribution business. However, all these complaints are within the turnaround time as prescribed by Hon'ble GERC/MERC/UPERC.

9.2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

In the generation business of the Company, this requirement of display of information is not applicable.

However, in the case of transmission and distribution business of the Company, adequate signages and caution boards are being displayed at prominent locations. Various safety initiatives are being undertaken for the benefit of consumers.

9.3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years.

9.4 Did your company carry out any consumer survey/ consumer satisfaction trends?

The Distribution segment of the Company's business caters to around 3 million consumers as on 31st March, 2018. The Customer Satisfaction Survey is carried out by the Distribution segment once in every three years through a third party professional market research agency. The last Consumer Satisfaction Survey was carried out in September 2016 through IMRB covering consumers at Ahmedabad, Surat and Gandhinagar. Also, on an ongoing basis, the Company does engage with its customers through regular feedback forms, SMS survey as well as a structured out-calling activity named "Sampark", where the employees directly call and capture customers' voice of concerns.

Further, Cables unit also obtains feedback from its major customers and necessary actions are taken based on the feedback received.

REPORT ON CORPORATE GOVERNANCE

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Corporate Governance is the creation and enhancement of long-term sustainable value for the stakeholders through ethically driven business processes.

Better governance practices enable companies to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and also provide an opportunity to increase stakeholders understanding of the key activities and policies of the organisation. We consider it our inherent responsibility to disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. Good governance practices stem from the dynamic culture and positive mindset of the organization.

The disclosure requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Torrent has built its Corporate Governance practices on three inviolable principles of TRANSPARENCY, INTEGRITY (comprehensive all round disclosure + financial controls) and ACCOUNTABILITY. The Company's philosophy is to develop the desired framework and institutionalise the spirit it entails.

The Company is in full compliance with the Corporate Governance norms as stipulated in Listing Regulations. The Company believes that while implementation of the minimum framework is a prerequisite, superior governance practices are vital for growing a sustainable and successful business.

This report sets out the governance systems and processes of the Company, as set out in the Listing Regulations for the Financial Year ended 31st March, 2018.

2. BOARD OF DIRECTORS

The Board being the representative organ of members has a fiduciary relationship and a corresponding duty to all its stakeholders to ensure that their rights are protected.

a) Composition and Category of the Board:

The Board of Directors as of the date of this report had an optimum combination of Executive and Non-Executive Directors with two woman Directors. Approximately, two third of the Board Members are Non-Executive and Independent Directors.

At the year end, the Board composition consisted of 11 Directors, comprising 6 Independent Non-Executive Directors including 2 woman Directors (55% of Board Strength), 4 Executive Directors and 1 Non- Executive Director (45% of Board Strength). Composition of the Board is in conformity with the provisions of the Listing Regulations.

Board Diversity is necessary to encourage the full, frank and comprehensive discussions and is the guiding principle in selecting the DNA of the Board. During the year under review, the Board of your Company comprised of an accomplished academician, a well-known business leader, one illustrious banker, two well revered professionals and a reputed Advocate, as it's Independent Directors. The Board also has in its midst a very senior and multifaceted IAS Officer, who adds value, both, to the Company and its Corporate Governance Practices. The sharp entrepreneurial ability, hard core managerial capabilities and years of relevant experience are represented in the rest of the Board.

b) Details of memberships / chairpersonships of the Directors in other Boards and in Committees of the Board as on 31st March, 2018:

None of the Directors on the Company's Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being, Audit Committee and Stakeholders Relationship Committee) across all Public companies in which he/she is a Director. All the Directors have made necessary disclosures regarding the positions held by them in Committees of other Companies and also directorship of other Companies.

The details of each Member of the Board along with number of Directorship(s)/ Committee membership(s) held by them, along with all other requisite information are provided herein below as on 31st March, 2018:

Name of the Director	Category	No. of Directorships held*	No. of Board's Committees in which Member*	No. of Board's Committees in which Chairperson*
Shri Sudhir Mehta, Chairman	Managing Director	1	-	-
Shri Pankaj Patel	Independent Director	4	1	-
Shri Samir Barua	Independent Director	5	4	3
Shri Kiran Karnik	Independent Director	-	-	-
Shri Keki Mistry	Independent Director	9	8	4
Smt. Bhavna Doshi	Independent Director	9	7	5
Ms. Dharmishta Raval	Independent Director	5	1	-
Shri Pankaj Joshi, IAS [#]	Non-Executive Director, Nominee of Govt. of Gujarat (a shareholder)	9	-	-
Shri Samir Mehta, Vice Chairman	Managing Director	2	-	-
Shri Markand Bhatt	Whole-time Director	1	-	-
Shri Jinal Mehta	Whole-time Director	1	-	-

appointed with effect from 23rd May, 2017.

* For the purpose of considering the number of directorships and Committee membership/ chairpersonship in Audit and Stakeholders Relationship Committee, all public limited companies other than the Company, whether listed or not, are considered and all other companies including private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 ("Act") are excluded.

Note: Shri Sudhir Mehta and Shri Samir Mehta are Brothers. Shri Jinal Mehta is son of Shri Sudhir Mehta. Remaining Directors are not related inter-se.

c) Board Meetings

The Board of Directors met five times during FY 2017-18 on 23rd May, 2017, 1st August, 2017, 6th November, 2017, 18th December, 2017 and 7th February, 2018.

The annual calendar of Board meetings is decided in consultation with the Board and the schedule of such meetings is communicated to all the Directors well in advance. Generally, the Board meetings are held in Ahmedabad where the registered office of the Company is situated. The Board meets at least once in a quarter and time elapsed between two meetings does not exceed 120 days.

The agenda for the Board Meeting is circulated to all the Directors at least 7 days prior to the date of the Meeting except for Table agenda which are placed before the Board with due approvals. The agenda for the Board meeting includes detailed notes on the items to be discussed at the meeting to enable the Directors to take informed decisions. Information's as required under Regulation 17(7) read with Schedule II of the Listing Regulations have also been placed before the Board for its consideration. Senior executives are also invited to attend the Board meetings as and when required.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review, are as under:

Name of the Director	Board Meetings held during the tenure	Board Meetings attended	Attendance at the last AGM
Shri Sudhir Mehta, Chairman ^{\$}	5	5	Yes
Shri Pankaj Patel	5	5	Yes
Shri Samir Barua	5	5	Yes
Shri Kiran Karnik	5	4	Yes
Shri Keki Mistry	5	3	No
Shri R. Ravichandran*	2	2	No
Smt. Bhavna Doshi	5	4	Yes
Ms. Dharmishta Raval	5	4	Yes
Shri Pankaj Joshi, IAS	5	4	No
Shri Samir Mehta, Vice Chairman [#]	5	5	Yes
Shri Markand Bhatt	5	5	Yes
Shri Jinal Mehta	5	5	Yes

^{\$} Designated as Chairman Emeritus w.e.f. 1st April, 2018.

[#] Designated as Chairman w.e.f. 1st April, 2018.

*Retired by rotation in the AGM dated 1st August, 2017.

Note: The necessary quorum was present for all the meetings.

d) Independent Directors

None of the Directors of the Company serve as an Independent Director in more than 7 listed Companies and where the Director is serving as a Whole-time Director in any listed Company, such Director is not serving as an Independent Director in more than 3 listed Companies. Independent Directors are Non-Executive Directors as defined under Listing Regulations. All Independent Directors fulfill the criteria to be independent as specified by the Listing Regulations and section 149 of the Act. The maximum tenure of the Independent Directors is in compliance with the Act. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

A separate meeting of Independent Directors was held on 7th February, 2018 under the Chairpersonship of Shri Pankaj Patel to review the performance of Non-Independent Directors, the Board and its Chairperson and assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

All the independent Directors were present at the meeting.

e) Disclosures regarding appointment / re-appointment of Directors:

The members of the Company had at the 13th Annual General Meeting held on 1st August, 2017, appointed Shri Pankaj Joshi, IAS (holding DIN: 01532892), as a Director of the Company with effect from 1st August, 2017, who was appointed as an Additional Director of the Company with effect from 23rd May, 2017 and who shall be liable to retire by rotation pursuant to the applicable provisions of the Act. In the said Meeting, Shri R. Ravichandran was retired by rotation.

Appointment of Shri Samir Mehta as Chairman of the Company and Shri Jinal Mehta as Managing Director of the Company w.e.f. 1st April, 2018 is proposed for consideration in the ensuing Annual General Meeting. Further, Re-appointment of Smt. Bhavna Doshi, Ms. Dharmishta N Raval, Shri Samir Barua, Shri Keki Mistry and Shri Pankaj Patel as Independent Directors of the Company are also proposed in the ensuing Annual General Meeting.

Brief resume and other relevant details of the Director proposed to be appointed / re-appointed are given in the Explanatory Statement annexed to the Notice of the AGM.

f) Selection of new Directors and Board Membership Criteria

The Company has in place a policy which provides criteria as well as process for the identification / appointment of Directors of the Company. The Policy on Directors' appointment forms part of the Board's Report.

Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills, knowledge and experience for the Board as a whole and its individual Members with the objective of having a Board with diverse backgrounds and experience.

g) Shareholding of Non-Executive Directors

Smt. Bhavna Doshi, Independent Non-Executive Director holds 1900 Equity Shares of the Company jointly with her spouse. Apart from that, none of the other Non-Executive Directors hold any Shares of the Company.

h) Familiarisation Programme

The Company undertook various steps to make the Independent Directors full understanding about the Company. The Company, through presentations at regular intervals, familiarises and updates the Independent Directors with the strategy, operations and functions of the Company and the Power Industry as a whole. During the year, the Independent Directors were provided the opportunity to visit various plant sites of the Company, to enable them to have full understanding of the operations of the Company.

The details of such familiarization program have been disclosed on the Company's website at <http://www.torrentpower.com/index.php/investors/policies>.

3. AUDIT AND RISK MANAGEMENT COMMITTEE

a) Terms of Reference of the Committee

Major Terms of Reference of the Committee include overseeing the financial reporting process, review of the financial statements of the Company and the unlisted subsidiaries, ensuring compliance with the regulatory guidelines, review functioning of the Whistle Blower (Vigil) mechanism, review and approve related party transactions or any subsequent modification of transactions with related parties, scrutiny of inter-corporate loans and investments, review of internal audit reports, review procedures for risk assessment and minimization, criteria for omnibus approval, recommending appointment / re-appointment and remuneration of the auditors to the Board of Directors and review of adequacy and performance of auditors, internal control systems and internal audit function.

The above mentioned Terms of Reference of the Committee are in full compliance with the requirements of the Listing Regulations and the Act.

b) Composition and Committee Meetings

Composition of the Committee is in compliance with the provisions of the Listing Regulations and Section 177 of the Act.

The Committee meets at least once in a quarter and time elapsed between two meetings do not exceed 120 days. During the year under review, four meetings of the Committee were held on 23rd May, 2017, 1st August, 2017, 6th November, 2017 and 7th February, 2018.

Composition of the Committee as on 31st March, 2018 and details of attendance of the Members at the Committee Meetings during the year are given below:

Name of the Director	Category of Directorship	Qualification	No. of Meetings attended as a Member
Shri Keki Mistry, Chairperson	Independent Director	C.A., C.P.A. (USA)	3
Shri Samir Barua	Independent Director	M. Tech (IIT, Kanpur) in Industrial Engineering and Operations Research, Ph. D in Management (IIM, Ahmedabad)	4
Shri Kiran Karnik	Independent Director	Honours degree in Physics, Post Graduate from Indian Institute of Management, Ahmedabad	4
Smt. Bhavna Doshi	Independent Director	M. Com, C.A.	4
Ms. Dharmishta Raval	Independent Director	B. Sc., LL.M	3

During the Committee Meetings, the Committee discussed the matters relating to Internal Audit, the status of existing internal financial controls in the Company, the management response on observations raised by the Auditors and their satisfaction on the same.

Senior Executives of the Company, representatives of Statutory and Internal Auditors are invited to the Meetings of the Audit and Risk Management Committee. The Company Secretary and Compliance Officer acts as Secretary of the Committee. Shri Darshan Soni, Company Secretary and Whole-Time Key Managerial Personnel resigned w.e.f from closing hours of 3rd March, 2018. He was the compliance officer until then.

4. NOMINATION AND REMUNERATION COMMITTEE

a) Terms of Reference of the Committee

Major Terms of Reference of the Committee include, *inter-alia*, evaluating and recommending the composition of the Board of Directors and sub-committees thereof, formulating the criteria for determining qualification, positive attributes and independence of a director, identifying persons who are qualified to become directors and who may be appointed in Senior Management of the Company in accordance with criteria laid down and recommending the same to the Board for their appointment and removal, recommending a Policy to the Board relating to Remuneration for the Directors, Key Managerial Personnel and other employees, formulating a policy on Board Diversity of the Company, formulating criteria for performance evaluation of directors and the Board, carrying out evaluation of individual Directors and noting on recruitment and remuneration of senior officers just below the level of board.

The above mentioned Terms of Reference of the Committee are in full compliance with the requirements of Listing Regulations and the Act.

b) Composition and Committee Meetings

Composition of the Committee is in compliance with the provisions of Listing Regulations and Section 178 of the Act.

During FY 2017-18, two meetings of the Committee were held on 23rd May, 2017 and 7th February, 2018. Composition of the Committee as on 31st March, 2018 and details of attendance of the Members at the Committee Meetings during the year are given below:

Name of the Director	Category of Directorship	Chairperson / Member	No. of Meetings attended as a Member
Shri Kiran Karnik	Independent Director	Chairperson	2
Shri Pankaj Patel	Independent Director	Member	2
Ms. Dharmishta Raval	Independent Director	Member	1
Shri Sudhir Mehta	Managing Director	Member	2

c) Performance Evaluation Criteria for Independent Directors

The Criteria as well as process for evaluation of Independent Directors are given below:

Criteria

- i. Fulfillment of functions
- ii. Participation in Board in terms of adequacy (time & content).
- iii. Contribution at Meetings.
- iv. Guidance / support to management outside Board / Committee meetings.
- v. Independent views and judgement (only for IDs)

Process

- i. The Chairman / Vice Chairman of the Board to discuss self and peer evaluation on a One-on-One basis with each Director.
- ii. The Chairman / Vice Chairman to consolidate the comments and give the feedback to individual Directors.

5. REMUNERATION OF DIRECTORS

a) Remuneration Policy

The Company has in place the policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees of the Company. The detailed Remuneration Policy of the Company forms part of the Board's Report.

● **Executive Directors**

The remuneration of Directors is approved by the shareholders at the General Meetings of the Company. The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee, within the limits as prescribed under the Companies Act and as approved by the shareholders and the same is then ratified by the Board. Remuneration to the Executive Directors is paid by way of salary, perquisites and other benefits and performance incentives including Commission.

● **Non-Executive Directors**

Non-Executive Directors are compensated for their services to the Company by way of commission and sitting fees. Shareholders have approved payment of commission to the Directors (other than Managing Directors or Whole-time Directors) within the limits laid down under the provisions of the Act. The Board of Directors thereof has been authorized in General Meeting to decide the commission to be paid to each such Director within such limits as may be applicable. The commission is determined on the basis of participation in the Board and Committee Meetings. The Board of Directors have also approved the payment of sitting fees to the Directors (other than Managing Directors or Whole-time Directors) pursuant to Section 197 (5) of the Act. The said criteria for remuneration of Non-Executive Directors are also available on the website of the Company, i.e. www.torrentpower.com.

b) Details of remuneration paid to the Executive and Non-Executive Directors for FY 2017-18 are as under:

(₹ in Lakhs)

Name of the Director	Sitting Fees	Salary & Perquisites [#]	Commission	Total
Shri Sudhir Mehta ^{\$}	Nil	0.40	1000.00	1000.40
Shri Pankaj Patel	12.00	Nil	15.00	27.00
Shri Samir Barua	13.00	Nil	19.00	32.00
Shri Kiran Karnik	11.00	Nil	16.00	27.00
Shri Keki Mistry	7.00	Nil	12.00	19.00
Shri R. Ravichandran [*]	2.00	Nil	6.00	8.00
Smt. Bhavna Doshi	12.00	Nil	16.00	28.00
Ms. Dharmishta Raval	9.00	Nil	15.00	24.00
Shri Pankaj Joshi, IAS ^{*^}	4.00	Nil	12.00	16.00
Shri Samir Mehta ^{\$}	Nil	Nil	1000.00	1000.00
Shri Markand Bhatt ^{\$}	Nil	1500.43 [@]	2400.00	3900.43
Shri Jinal Mehta ^{\$}	Nil	509.42	250.00	759.42
Total	70.00	2010.25	4761.00	6841.25

^{\$} The terms of appointment of Chairman, Vice Chairman and Whole-time Directors are governed by the shareholders resolutions and applicable rules of the Company. None of the Directors are entitled to severance pay.

[#] Includes salary, house rent allowance, contribution to Provident/ Superannuation Funds and approved allowances/perquisites (excluding premium for Group Personal Accident and Group Medclaim Insurance). Directors have not been granted any stock options during the year.

[@] Includes payment of Leave encashment of ₹300.00 Lakhs.

^{*} Commission of Shri R. Ravichandran (nominee of LIC) is payable to Life Insurance Corporation of India. Sitting fees of Shri R. Ravichandran of ₹2 lakhs was directly paid to him. Sitting fees and Commission of Shri Pankaj Joshi, IAS (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

[^] appointed with effect from 23rd May, 2017

Apart from payment of commission and sitting fees and shareholding of Non-Executive Directors disclosed in para 2(g) above, there was no other pecuniary relationship or transactions with the Non-Executive Directors vis-à-vis the Company.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

a) Terms of Reference of the Committee

The Stakeholders Relationship Committee considers and oversees resolution of the grievances of all the stakeholders and related requests received from them.

Powers to approve share transfers and related requests have been delegated by the Committee to senior officials of the Company for expeditious disposal of the shareholders requests and complaints.

The Terms of Reference of the Committee are in full compliance with the requirements of the Listing Regulations and the Act.

b) Composition and Committee Meetings

During the year under review, four Meetings of the Committee were held on 4th May, 2017, 11th July, 2017, 9th October, 2017 and 16th January, 2018. Composition of the Committee as on 31st March, 2018 and details of attendance of the Members at the Committee Meetings during the year are given below:

Name of the Director	Category of Directorship	Chairperson / Member	No. of meetings attended as a Member
Shri Pankaj Patel	Independent Director	Chairperson	4
Shri Samir Mehta	Managing Director	Member	4
Shri Markand Bhatt	Whole-time Director	Member	4

Shri Darshan Soni, Company Secretary and Whole-Time Key Managerial Personnel resigned w.e.f. closing hours of 3rd March, 2018. He was the compliance officer until then. Thereafter, all further stakeholders communications were to be addressed to Shri T. P. Vijayasathy, Executive Director (Corporate Affairs & CFO) of the Company.

c) Investor Grievance Redressal:

The Company had received 22 complaints during the year under review and the same have been resolved to the satisfaction of the complainants within a reasonable period. No valid requests for share transfer, transmission etc. were pending beyond 15 days for processing as on 31st March, 2018.

7. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under:

Meeting	Date	Time	Venue	No. of Special Resolutions* passed
11 th AGM	4 th August, 2015	9.30 a.m.	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	1
12 th AGM	2 nd August, 2016	9.30 a.m.	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	1
13 th AGM	1 st August, 2017	2.30 p.m.	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	0

*At all the above AGMs, Special Resolutions were passed by poll and by e-voting in accordance with the applicable provisions of Section 108 of the Act and rules made thereunder.

8. DISCLOSURES

a) Legal Compliances

The Company has formalised a system for legal compliances applicable to the Company. The Board periodically reviews compliance reports (of all laws applicable to the Company), prepared by the Company. Status of legal compliances and steps taken to rectify non-compliances, if any, are placed before the Board of Directors at its meetings.

There were no instances of material non-compliances during the year under review. No strictures or penalties were imposed on the Company by SEBI, Stock Exchanges or any statutory authority on any matter related to capital markets during the last three years.

b) CEO / CFO Certification

Shri Samir Mehta, Chairman and Shri T. P. Vijayasathy, Executive Director (Corporate Affairs) & CFO of the Company have certified to the Board of Directors, *inter-alia*, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of Listing Regulations for the year ended 31st March, 2018. They also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33 of Listing Regulations.

c) Code of Business Conduct

The Company has adopted a Code of Business Conduct based on the business principles of the Company. The Code of Business Conduct has also been posted on the website of the Company i.e. www.torrentpower.com. Pursuant to the senior management re-organisation announced by the Company; the Company has amended the Code of Business conduct and authorised Chairman/ Managing Director instead of Vice Chairman to sign the Certificate of Compliance with the Code of Business Conduct. In compliance with the Code, Directors and Senior Management of the Company have affirmed their compliance with the Code for the year under review. A declaration to this effect accordingly signed by the Chairman forms part of the Annual Report.

d) Whistle Blower Policy

The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all the stakeholders to raise concerns about any misconduct or unacceptable practice.

The Company has adopted a Whistle Blower Policy through which the Company has institutionalised a mechanism for the Stakeholders to disclose their concerns and grievances on unethical behaviour and improper/ illegal practices and wrongful conduct taking place in the Company for appropriate action.

Protected Disclosures relating to financial matters are to be reported to the Chief Financial Officer (CFO) of the Company while those relating to the non-financial matters are to be reported to the Chief Executive Officer (CEO)/ Managing Director of the Company and where the Protected Disclosure involves a CFO or CEO or Director of the Company, such Protected Disclosure may be made by any Stakeholder directly to the Chairperson of the Audit Committee. Such Protected Disclosures can be made through a phone call, email or in writing.

Through this Policy, the Company provides necessary safeguards to all Whistle Blowers for making Protected Disclosures in Good Faith and any Stakeholder assisting the investigation.

During the year under review, no employee was denied access to the Audit Committee.

e) Policy on protection of women against Sexual Harassment at Work Place

The Company is committed to create a healthy & conducive working environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment and/or any such orientation in implicit or explicit form. The Company considers sexual harassment as a gross misconduct. Pursuant to the provisions of “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” and rules made thereunder, the Company has adopted a “Policy on Protection of Women Against Sexual Harassment at Work Place”. Through this Policy, the Company seeks to provide protection to its women employees against sexual harassment at work place and thereby provide mechanism for redressal of complaints relating to matters connected therewith or incidental thereto.

Pursuant to the Policy, the Company has formed Internal Complaints Committee, with majority women Members, at each administrative unit / office of the Company. During the year, no case was reported under the purview of the said Policy.

f) Related Party Transactions

The Company has formulated Related Party Transaction Policy, which is in compliance with the provisions of the Act and Listing Regulations. The policy can be accessed on the website of the Company at the web link: <http://www.torrentpower.com/index.php/investors/policies>.

During the year, the Company has not entered into any transaction with the related parties which are material in nature. Adequate care was taken to ensure that there is no potential conflict of interest in related party transactions. All the related party contracts/ arrangements and transactions are entered into by the Company on arm's length basis and are put forth for the approval of the Audit and Risk Management Committee, Board and shareholders, as applicable, in compliance with the said policy. Omnibus approval from the Audit and Risk Management Committee has been obtained for the transactions which are foreseen/unforeseen, repetitive in nature and within the prescribed limit. Statement of all Related Party Transactions is being presented before the Audit and Risk Management Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of contracts/arrangements and transactions entered into by the Company with related parties are set out in Notes to the Financial Statements forming part of this Annual Report.

g) Material Subsidiary Policy

The Company has formulated a Policy for determining “Material Subsidiary” and the same is available on the Company's website at the weblink <http://www.torrentpower.com/index.php/investors/policies>.

h) Code of Conduct to Regulate, Monitor and Report Trading by Insiders

In pursuance to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company had adopted the Code of Conduct to regulate, monitor, and report trading by the employees, insiders and connected person(s) ("the code") to protect the interest of investors. The said code was amended in the Board Meeting held on 7th February, 2018. The amended code is available on the website of the Company at <http://www.torrentpower.com/index.php/investors/policies>.

i) Policy for determining Materiality for Disclosure

Pursuant to Listing Regulations, the Company had adopted the Policy for determination of Material Events or Information in order to make prompt disclosure of Material Events or information to the Stock Exchanges in the interest of investors. The criteria for determination of Materiality of Events or Information has been revised by the Company in its meeting held on 29th May, 2018. The amended policy is available on the website of the Company at <http://www.torrentpower.com/index.php/investors/policies>.

j) Disclosure of commodity price risk and commodity hedging activities

The Company's Cables Unit faces commodity price risk in aluminium and copper as these metals contribute approx. 52% of the total cost of production of cables. The Company's Cables Unit as a policy hedges against copper price fluctuations with regards to the large orders, if any.

k) Compliance with all the mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company. Additionally, the Company has adopted Risk Management functions for better Corporate Governance practices and has in place "Audit and Risk Management Committee." The discretionary requirements complied with are disclosed below:

- **Audit Qualification**

Company's financial statements are unqualified.

- **Reporting of Internal Auditors**

The Internal Auditors give quarterly presentation on their audit observations to the Audit and Risk Management Committee.

l) Disclosure of Compliance with Corporate Governance

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

9. MEANS OF COMMUNICATION

During the year, quarterly Unaudited Financial Results with limited review report and annual Audited Financial Results of the Company with Auditors' Report thereon were submitted to the Stock Exchanges upon their approval by the Board of Directors. The Company publishes its Financial Results in two English daily newspapers having nationwide circulation i.e. Indian Express and Financial Express and in one regional newspaper i.e. Financial Express (Gujarati edition). The Company's website: www.torrentpower.com also displays the official news releases of relevance and presentations for investors, in addition to the Financial Results.

The Company will be sending soft copies of Annual Report for FY 2017-18 to those members whose email IDs are registered with the Depository Participants (DPs) and / or with the Company's Registrar and Share Transfer Agent, unless they have opted for a physical copy, to support the "Green Initiative in Corporate Governance," an initiative taken by the Ministry of Corporate Affairs.

10. GENERAL SHAREHOLDER INFORMATION

a) 14th Annual General Meeting

Date	:	Wednesday, 1 st August, 2018
Time	:	09.30 a.m.
Venue	:	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015
Remote E-voting Period	:	From 9.00 a.m. on 28 th July, 2018 to 5.00 p.m. on 31 st July, 2018
Cut-off date for Remote E-voting	:	Wednesday, 25 th July, 2018

b) Tentative financial calendar for the year 2018-19

Financial year	:	1 st April, 2018 – 31 st March, 2019
First quarter results	:	First week of August, 2018
Second quarter results	:	Last week of October, 2018
Third quarter results	:	Last week of January, 2019/ First week of February, 2019
Results for the year end	:	Last week of May, 2019

c) Date of Book Closure

Tuesday, 12th June, 2018 to Thursday, 14th June, 2018 (both days inclusive).

d) Dividend Payment date

The proposed dividend, if approved at the ensuing AGM, will be distributed on or after 4th August, 2018, within the statutory time limit.

e) Listing on Stock Exchanges and Security Codes

- Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited in India:

Stock Exchange	ISIN	Security Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	INE813H01021	532779
National Stock Exchange of India Limited (NSE) "Exchange Plaza", C - 1, Block G, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051	INE813H01021	TORNTPOWER

- Secured Redeemable Non-Convertible Debentures (NCDs) of the Company are listed on the Wholesale Debt Market segment of National Stock Exchange of India Limited:

Series	Coupon rate	ISIN	Security Code
Series 1	10.35% p.a.	INE813H07010	TOPO22
Series 2A	10.35% p.a.	INE813H07051	TOPO21
Series 2B	10.35% p.a.	INE813H07069	TOPO22A
Series 2C	10.35% p.a.	INE813H07077	TOPO23
Series 3A	8.95% p.a.	INE813H07085	TOPO21
Series 3B	8.95% p.a.	INE813H07093	TOPO22
Series 3C	8.95% p.a.	INE813H07101	TOPO23

- Annual listing fees for both, Equity and Debt securities, for FY 2018-19 have been paid to the Stock Exchanges, where the securities of the Company are listed.

f) Market price data

Closing market price of Equity Shares on 28th March, 2018 was ₹229.10 on BSE and ₹229.25 on NSE.

Monthly movement of Equity Share prices during the year at BSE and NSE is summarized below:

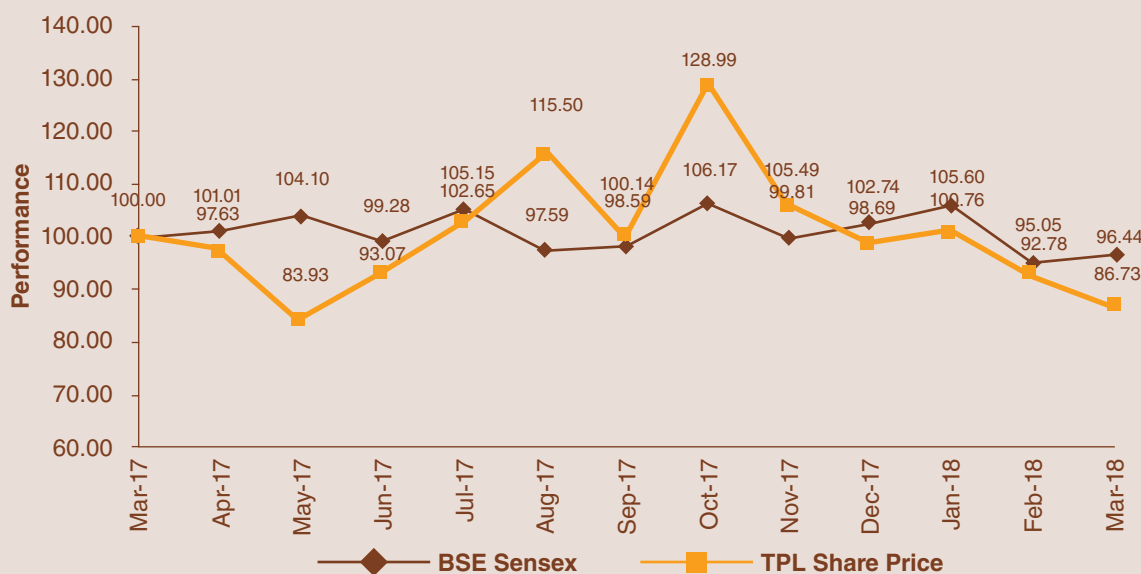
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2017	237.50	209.90	3633478	238.85	209.50	18110423
May, 2017	229.60	181.75	2239783	229.80	181.50	20581403
June, 2017	193.25	171.50	2015110	193.25	171.50	13241397
July, 2017	192.00	176.70	1673606	192.15	176.65	12155410
August, 2017	219.00	180.30	7117249	218.90	180.20	44666223
September, 2017	232.45	207.70	4563130	232.85	207.50	29108119
October, 2017	278.00	210.75	4657524	278.50	210.50	29672578
November, 2017	289.00	245.80	4765894	289.00	245.60	32656144
December, 2017	286.50	250.15	2408833	286.85	249.80	21151954
January, 2018	306.95	274.25	5133494	307.35	274.10	35388863
February, 2018	286.00	233.00	2514414	285.00	230.00	26381977
March, 2018	272.30	216.20	1462258	272.60	216.00	21228103

g) Performance of Equity Share price vis-à-vis BSE Sensex is as under:

Month	TPL Share Price at BSE (₹)*	BSE Sensex *	Relative Index for comparison purpose	
			TPL share price	BSE Sensex
March, 2017	232.35	29620.50	100.00	100.00
April, 2017	226.85	29918.40	97.63	101.01
May, 2017	190.40	31145.80	83.93	104.10
June, 2017	177.20	30921.61	93.07	99.28
July, 2017	181.90	32514.94	102.65	105.15
August, 2017	210.10	31730.49	115.50	97.59
September, 2017	210.40	31283.72	100.14	98.59
October, 2017	271.40	33213.13	128.99	106.17
November, 2017	286.30	33149.35	105.49	99.81
December, 2017	282.55	34056.83	98.69	102.74
January, 2018	284.70	35965.02	100.76	105.60
February, 2018	264.15	34184.04	92.78	95.05
March, 2018	229.10	32968.68	86.73	96.44

* Closing data on the last trading day of the month. Closing share price and BSE Sensex of 28th March, 2018 have been taken as the base for calculating relative index for comparison purpose.

Relative Performance of TPL Share Price v/s BSE Sensex

h) Distribution of shareholding as on 31st March, 2018

➤ By size of shareholding

No. of Shares	No. of Shareholders	% Shareholders	No. of Shares	% of Shareholding
001 to 500	1,11,071	88.42	78,26,045	1.63
501 to 1000	7,617	6.06	52,16,877	1.09
1001 to 2000	3,025	2.41	43,80,294	0.91
2001 to 3000	1,279	1.02	32,44,657	0.68
3001 to 4000	549	0.44	19,21,738	0.40
4001 to 5000	496	0.39	22,69,776	0.47
5001 to 10000	830	0.66	58,83,403	1.22
10001 & above	750	0.60	44,98,73,994	93.60
Total	1,25,617	100.00	48,06,16,784	100.00

➤ By category of shareholders

Sr. No.	Category	No. of Shares	% of Shareholding
1	Promoters	25,74,43,318	53.57
2	Governor of Gujarat with Gujarat State Investments Limited	5,39,28,671	11.22
3	Life Insurance Corporation of India & its funds	2,84,38,469	5.92
4	General Insurance Corporation of India and its subsidiaries	1,41,04,105	2.93
5	Mutual Funds	4,29,25,637	8.93
6	FII's	12,861	0.00
7	Banks	4,85,424	0.10
8	Others	8,32,78,299	17.33
	Total	48,06,16,784	100.00

i) Dematerialisation and Liquidity of Shares

Equity Shares of the Company can be traded only in dematerialised form by the investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat security (ISIN) code for the Equity Shares is INE813H01021. As on 31st March, 2018, 96.80% of the Equity Shares have been dematerialised.

j) Share transfer system

Powers to approve share transfers and related requests have been delegated by the Stakeholders Relationship Committee to senior officials of the Company for expeditious disposal of shareholders' requests and complaints.

Share transfers are taken up for approval atleast once in a fortnight and the transferred securities are dispatched to the transferees within the stipulated time. Details of transfers / transmission approved by the delegates are noted by the Stakeholders Relationship Committee at its next Meeting. Also, the same has been noted by the Board of Directors on quarterly basis.

k) Outstanding GDRs / ADRs / Warrants / any other convertible instruments

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments as on date.

l) Registered office

"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad-380015 (Gujarat)

m) Generation

- i. SUGEN, UNOSUGEN and GENSU, Off National Highway No. 8, Taluka: Kamrej, District: Surat-394155 (Gujarat)
- ii. AMGEN, Ahmedabad-380005 (Gujarat)
- iii. DGEN, Plot no Z-9, Dahej SEZ, Taluka Vagra, Dist. Bharuch-392130 (Gujarat)

n) Distribution

- i. Torrent House, Station Road, Surat-395003 (Gujarat)
- ii. Old Agra Road, Anjur Phata, Bhiwandi-421302 (Maharashtra)
- iii. 6, Raghunath Nagar, Suresh Plaza Market, M. G. Road, Agra-282002 (Uttar Pradesh)

o) Cables

Yoginagar, Mission Road, Nadiad - 387002 (Gujarat)

p) Address for Correspondence:

Shri Sanjay Dalal
Executive Director
Torrent Power Limited
"Samanvay", 600,
Tapovan, Ambawadi,
Ahmedabad-380015 (Gujarat)

CIN: L31200GJ2004PLC044068
Telephone : + 91 79 26628300
Fax : +91 79 26764159
E-mail : cs@torrentpower.com
Website : www.torrentpower.com

q) Debenture Trustee

IDBI Trusteeship Services Limited
 Asian Building, Ground Floor,
 17, R. Kamani Marg,
 Ballard Estate,
 Mumbai- 400001 (Maharashtra)
 Telephone : (022) 4080 7005

r) Registrar & Share Transfer Agent

Members are requested to send all documents pertaining to transfer/ demat requests and other communications in relation thereto directly to the Registrar & Share Transfer Agent at the following address:

Link Intime India Pvt. Ltd,
 506 to 508,
 Amarnath Business Centre - I (ABC - I),
 Beside Gala Business Centre,
 Nr. St. Xavier's College Corner
 Off C G Road, Ellisbridge,
 Ahmedabad-380006 (Gujarat)

Telephone : +91 079 26465179/86/87
 Fax : +91 079 26465179
 E-mail : ahmedabad@linkintime.co.in

For and on behalf of the Board

Ahmedabad
 29th May, 2018

Jinal Mehta
 Managing Director

CERTIFICATE OF COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT

To,

The Members,

Torrent Power Limited

Torrent Power Limited has in place a Code of Business Conduct (the “Code”) for its Board of Directors, Senior Management Personnel and other employees of the Company. I report that the Board of Directors have received affirmation on compliance with the Code from the Members of the Board and Senior Management of the Company for the year under review.

Ahmedabad
29th May, 2018

Samir Mehta
Chairman

Standalone Financial Statements 2017-18

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF
TORRENT POWER LIMITED

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

1. We have audited the accompanying standalone financial statements of **TORRENT POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

INDEPENDENT AUDITORS' REPORT (Contd.)

Other Matter

9. The standalone Ind AS financial statements of the Company for the year ended 31st March, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated 23rd May, 2017, expressed an unmodified opinion on those standalone Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - The Company has disclosed the impact of pending litigations as at 31st March, 2018 on its financial position in its standalone Ind AS financial statements – Refer Notes 31 and 43.
 - The Company has long-term contracts as at 31st March, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at 31st March, 2018.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2018.
 - The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2018.

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 39985

Place: Ahmedabad

Date: 29th May, 2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements for the year ended 31st March, 2018

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

1. We have audited the internal financial controls with reference to financial statements of **TORRENT POWER LIMITED** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements for the year ended 31st March, 2018

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 39985

Place: Ahmedabad

Date: 29th May, 2018

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements as of and for the year ended 31st March, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. As regards underground distribution systems, we have been informed that the same are not physically verifiable.
- (c) The title deeds of immovable properties, as disclosed in Note 4 on Property, plant and Equipment and Note 11 on Other non-current assets to the financial statements, are held in the name of the Company or in the names of the companies which got amalgamated into the Company through various schemes approved by the courts in earlier years.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax (with effect from 1st July, 2017) and other material statutory dues, as applicable, with the appropriate authorities.

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements as of and for the year ended 31st March, 2018

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs, duty of excise and value added tax as at 31st March, 2018 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of dues	Amount involved (₹ in Crore)	Amount Unpaid (₹ in Crore)	Period to which the amount relates (Financial year)	Forum where the dispute is pending
Customs Act, 1962	Differential Custom duty	37.00	18.50	2012-13	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	0.17	0.17	1989-90	Central Excise and Service Tax Appellate Tribunal
Kerala General Sales Tax Act, 1963	Sales Tax on Works Contracts	0.20	0.20	2001-02	Sales Tax Appellate Tribunal, Calicut
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax on Works Contracts	0.29	0.29	1993-94 & 1994-95	Andhra Pradesh High Court, Hyderabad
Tamil Nadu General Sales Tax Act, 1959	Sales Tax on Works Contracts	0.47	0.47	1989-90 & 1990-91	Asst. Commissioner of Commercial Tax, Tuticorin
Gujarat Value Added Tax Act, 2004	Value Added Tax	0.17	0.14	2011-12	Joint Commissioner of Commercial Tax (Appeal)
		2.15	1.63	2009-10 & 2010-11	GVAT Tribunal
		0.27	0.27	2007-08	GVAT Tribunal
		0.51	0.51	2008-09	GVAT Tribunal
Gujarat Sales Tax Act, 1969	Sales tax	4.29	4.29	2002-03 & 2003-04	Joint Commissioner of Commercial Tax (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	3.15	2.51	2008-09, 2009-10, 2010-11, 2011-12 & 2012-13	Sales tax Tribunal
Income Tax Act, 1961	Income Tax	0.03	0.03	2003-04	Income Tax Appellate Tribunal
		6.16	3.42	2010-11, 2013-14 & 2014-15	CIT Appeals

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements as of and for the year ended 31st March, 2018

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 39985

Place: Ahmedabad

Date: 29th May, 2018

BALANCE SHEET

AS AT 31ST MARCH, 2018

	Note	As at 31 st March, 2018	(₹ in Crore) As at 31 st March, 2017
Assets			
Non-current assets			
Property, plant and equipment	4	16,792.56	16,591.07
Capital work-in-progress		390.47	320.37
Investment property	5	-	0.53
Intangible assets	6	13.23	7.40
Intangible assets under development		2.04	2.61
Financial assets			
Investments	7	375.01	200.80
Loans	8	16.73	14.99
Other financial assets	9	0.76	0.71
Non-current tax assets (net)	10	26.85	20.27
Other non-current assets	11	655.76	500.60
		18,273.41	17,659.35
Current assets			
Inventories	12	454.38	368.88
Financial assets			
Investments	13	614.12	552.92
Trade receivables	14	1,124.48	968.91
Cash and cash equivalents	15	134.23	102.41
Bank balances other than cash and cash equivalents	16	135.50	166.49
Loans	17	634.49	58.88
Other financial assets	18	650.29	673.31
Other current assets	19	81.51	63.47
		3,829.00	2,955.27
		22,102.41	20,614.62
Equity and liabilities			
Equity			
Equity share capital	20	480.62	480.62
Other equity	21	7,212.07	6,403.86
		7,692.69	6,884.48
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	8,502.40	8,111.74
Trade payables	23	94.64	53.36
Other financial liabilities	24	956.44	863.76
Provisions	25	78.96	95.91
Deferred tax liabilities (net)	41	1,469.74	1,312.39
Other non-current liabilities	26	878.15	820.70
		11,980.33	11,257.86
Current liabilities			
Financial liabilities			
Borrowings	27	-	76.62
Trade payables	28		
Due to micro and small enterprises		18.34	7.06
Due to others		638.94	725.94
Other financial liabilities	29	1,156.25	1,118.94
Other current liabilities	30	557.74	471.96
Provisions	31	31.81	44.15
Current tax liabilities (net)	32	26.31	27.61
		2,429.39	2,472.28
		22,102.41	20,614.62

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairman
DIN: 00061903

Pradip Kanakia
Partner
Membership No.: 39985
Ahmedabad, 29th May, 2018

T P Vijayasathy
Executive Director (Corporate Affairs) &
Chief Financial Officer
Ahmedabad, 29th May, 2018

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Crore)

	Note	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Income			
Revenue from operations	33	11,448.86	9,961.12
Other income	34	267.92	192.31
Total income		11,716.78	10,153.43
Expenses			
Electrical energy purchased		3,584.78	3,634.17
Fuel cost		3,237.36	2,525.76
Cost of materials consumed	35	233.44	196.56
Purchase of stock-in-trade		-	0.45
Changes in inventories of finished goods and work-in-progress	36	1.25	(4.30)
Employee benefits expense	37	465.32	415.72
Finance costs	38	839.69	1,046.56
Depreciation and amortization expense and impairment loss	39	1,111.14	989.42
Other expenses	40	868.27	765.15
Total expenses		10,341.25	9,569.49
Profit before tax		1,375.53	583.94
Tax expense			
Current tax	41	303.60	121.95
Deferred tax	41	150.19	29.63
		453.79	151.58
Profit for the year		921.74	432.36
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	47	20.49	(9.73)
Tax relating to remeasurement of the defined benefit plans	41	7.16	(3.37)
Other comprehensive income for the year (net of tax)		13.33	(6.36)
Total comprehensive income for the year		935.07	426.00
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	51	19.18	9.00
See accompanying notes forming part of the standalone financial statements			

In terms of our report attached

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

Pradip Kanakia
Partner
Membership No.: 39985
Ahmedabad, 29th May, 2018

For and on behalf of the Board of Directors

Samir Mehta
Chairman
DIN: 00061903

T P Vijayasathya
Executive Director (Corporate Affairs) &
Chief Financial Officer

Ahmedabad, 29th May, 2018

Standalone Financial Statements

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Crore)

	Note	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Cash flow from operating activities			
Net profit before tax		1,375.53	583.94
Adjustments for :			
Depreciation and amortization expense and impairment loss	39	1,111.14	989.42
Amortisation of deferred revenue	33	(56.55)	(51.16)
Provision of earlier years written back	33	(8.04)	(25.71)
Loss on sale / discarding of property, plant and equipment	40	21.96	12.18
Gain on disposal of property, plant and equipment	34	(54.97)	(2.67)
Bad debts written off (net)	40	3.32	14.37
Allowance for doubtful advances	40	-	3.74
Allowance for doubtful debts (net)	40	6.45	(0.26)
Finance costs	38	839.69	1,046.56
Interest income	34	(73.45)	(78.15)
Dividend income	34	(6.66)	(4.66)
Rent income from investment property	34	(1.05)	(1.32)
Allowance / impairment for non-current investments	40	11.47	10.00
Profit on sale of current investments in mutual funds	34	(42.19)	(58.85)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	34	(5.57)	0.35
Net gain arising on financial assets / liabilities measured at amortised cost	34	(14.39)	-
Net unrealised loss / (gain) on foreign currency transactions		11.87	(18.01)
Operating profit before working capital changes		3,118.56	2,419.77
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		(85.50)	50.72
Trade receivables		(165.34)	65.89
Non-current loans		(1.74)	(14.99)
Current loans		(12.31)	(3.99)
Other current financial assets		13.04	(266.08)
Other non-current financial assets		(0.10)	15.02
Other current assets		(18.04)	103.79
Other non-current assets		36.38	12.22
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(76.94)	(1.98)
Non-current trade payables		43.46	(166.69)
Other current financial liabilities		99.97	(49.61)
Other non-current financial liabilities		92.48	83.76
Long-term provisions		(16.95)	15.86
Short-term provisions		8.15	(4.85)
Other current liabilities		79.26	156.23
Cash generated from operations		3,114.38	2,415.07
Taxes paid		(311.49)	(103.55)
Net cash flow from operating activities		2,802.89	2,311.52
Cash flow from investing activities			
Payments for property, plant and equipment & capital work-in-progress		(1,714.87)	(2,530.62)
Payments for intangible assets and intangible asset under development		(8.70)	(4.92)
Non-current advances for capital assets		(191.54)	280.42
Proceeds from sale of property, plant and equipment / investment property		60.79	9.33
Non-current investment in subsidiaries		(0.02)	-
Non-current investment in debentures		(182.40)	-

STATEMENT OF CASH FLOW (Contd.)

Standalone Financial Statements

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Purchase of non-current investments	(1.69)	(1.63)
Loans to related parties	(557.42)	(1.23)
Redemption (net) of bank deposits (maturity more than three months)	31.35	67.40
Interest received	77.54	73.20
Purchase (net) of current investments	(55.63)	(67.95)
Profit on sale of current investments	42.19	58.85
Dividend received from non-current investments	6.66	4.66
Rent income from investment property	1.05	1.32
Bank balances not considered as cash and cash equivalents	-	0.08
Net cash generated from / (used in) investing activities	(2,492.69)	(2,111.09)
Cash flow from financing activities		
Proceeds from long-term borrowings	987.74	1,572.14
Proceeds from short-term borrowings	-	76.62
Repayment of long-term borrowings	(339.97)	(292.95)
Prepayment of long-term borrowings	(19.33)	(1,087.40)
Repayment of short-term borrowings	(76.62)	-
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	120.52	117.87
Dividend paid	(105.74)	-
Dividend distribution tax paid	(21.12)	-
Finance costs paid	(820.04)	(1,021.96)
Net cash generated from / (used in) financing activities	(278.38)	(639.50)
Net (decrease) / increase in cash and cash equivalents	31.82	(439.07)
Cash and cash equivalents as at beginning of the year	102.41	541.48
Cash and cash equivalents as at end of the year	134.23	102.41
See accompanying notes forming part of the standalone financial statements		
Footnotes:		
1	Cash and cash equivalents as at end of the year:	
	Balances with banks	
	Balance in current accounts	132.00 98.88
	Balance in fixed deposit accounts (original maturity for less than three months)	0.03 1.68
	Cheques, drafts on hand	1.61 1.06
	Cash on hand	0.59 0.79
	134.23	102.41
2	The statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".	
3	In the statement of cash flow, the Company has reclassified investment in mutual funds (money market) from cash and cash equivalents to investing activities for previous year, as it is considered a more appropriate classification and disclosure.	

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairman
DIN: 00061903

Pradip Kanakia
Partner
Membership No.: 39985

T P Vijayasathya
Executive Director (Corporate Affairs) &
Chief Financial Officer

Ahmedabad, 29th May, 2018Ahmedabad, 29th May, 2018

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity share capital [Refer note 20]

	(₹ in Crore)
Balance as at 1 st April, 2016	480.62
Changes in equity share capital during the year	-
Balance as at 31 st March, 2017	480.62
Changes in equity share capital during the year	-
Balance as at 31 st March, 2018	480.62

B. Other equity [Refer note 21]

	Reserves and surplus						Total
	Securities premium reserve	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	
Balance as at 1st April, 2016	0.03	95.24	4.56	78.07	3,583.89	2,216.07	5,977.86
Profit for the year	-	-	-	-	-	432.36	432.36
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(6.36)	(6.36)
Total comprehensive income for the year	-	-	-	-	-	426.00	426.00
Transfer to debenture redemption reserve	-	34.22	-	-	-	(34.22)	-
Transfer to contingency reserve	-	-	1.68	-	-	(1.68)	-
Balance as at 31st March, 2017	0.03	129.46	6.24	78.07	3,583.89	2,606.17	6,403.86
Profit for the year	-	-	-	-	-	921.74	921.74
Other comprehensive income for the year, net of income tax	-	-	-	-	-	13.33	13.33
Total comprehensive income for the year	-	-	-	-	-	935.07	935.07
Transfer to debenture redemption reserve	-	34.22	-	-	-	(34.22)	-
Transfer to contingency reserve	-	-	1.71	-	-	(1.71)	-
Dividend (including interim dividend) paid	-	-	-	-	-	(105.74)	(105.74)
Dividend distribution tax paid	-	-	-	-	-	(21.12)	(21.12)
Balance as at 31st March, 2018	0.03	163.68	7.95	78.07	3,583.89	3,378.45	7,212.07

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration Number : 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 39985

Ahmedabad, 29th May, 2018

Samir Mehta

Chairman

DIN: 00061903

T P Vijayasarathy

Executive Director (Corporate Affairs) &

Chief Financial Officer

Ahmedabad, 29th May, 2018

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 an integrated power utility and is engaged in the business of generation, transmission and distribution of power and manufactures and sales of Cables.

NOTE 1B: NEW STANDARDS OR INTERPRETATIONS ADOPTED BY THE COMPANY

The Company has applied the following amendment for the first time for its annual reporting period commencing 1st April, 2017:

Amendment to Ind AS - 7 “Statement of Cash Flows”

The amendment to Ind AS - 7 requires the entities to provide disclosures that enable users of standalone financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The adoption of these amendments did not have any impact on the amounts recognised in prior periods. When the Company first applies these amendments, it is not required to provide comparative information for preceding periods.

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, 2018:

Ind AS - 115 “Revenue from Contracts with Customers”

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on 28th March 2018 which includes Ind AS - 115 “Revenue from Contracts with Customers”. This will replace Ind AS 18 which covers contracts for goods and services and Ind AS - 11 which covers construction contracts.

Ind AS - 115 “Revenue from contracts with Customers” outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most current revenue recognition guidance. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively including service revenues and contract modifications and improve guidance for multiple-element arrangements. The new standard will come into effect for the annual reporting periods beginning on or after 1st April, 2018. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

In order to identify the potential impact of the standard on the Company’s financial statements, the Company is analysing contracts of the revenue streams of the Company. 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 more detailed assessments of the impact over the future periods.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 are 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 being 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 UPERC / MERC for this purpose.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 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. 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 products are delivered or services are rendered to consumers and when no significant uncertainty as to the measurability or collectability exists. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts and other similar allowances.

- (i) Revenue from power supply and transmission charges are accounted for on the basis of billings to consumers and Central transmission utility respectively in accordance with tariff orders issued by the respective regulatory commissions. Revenue recognized in excess of billing has been reflected under “other financial assets” as unbilled revenue.

Further, in view of the uncertainties involved in the recoverability, the quarterly Fuel and Power Purchase Price Adjustment (“FPPPA”) claims are accounted for as and when allowed by the regulatory authorities and truing up adjustments claims are accounted for as and when billed to the consumers. [Refer note 3.1(i)]

- (ii) Sales of cables and surplus fuel (RLNG) are recognised, net of returns and rebates, on transfer of significant risks and rewards of ownership to the buyer. Sales includes excise duty but excludes sales-tax, value added tax and Goods and service tax.
- (iii) Gross proceeds from sale of Certified Emission Reduction certificates (CERs) are recognized when all the significant risks and rewards of ownership 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) Dividend is accounted when the right to receive payment is established.
- (vi) 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.
- (vii) 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 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 approximately to the terms of the related obligations.

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

Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 nonoccurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- **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 18 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 Rounding of amounts:

All amounts disclosed in the financial statements and notes have been presented in crore 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 '**'.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 Regulatory matters:

(i) Regulatory deferral accounts

Ind AS - 114 "Regulatory Deferral Accounts" permits the Company to apply the requirements of this standard in its first Ind AS financial statements if and only if it conducts rate-regulated activities and recognised amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP (i.e. for the year ended 31st March, 2016). As the Company had consistently elected not to recognise the regulatory deferral balances in its previous GAAP, the requirement of IND AS - 114 does not apply to the Company.

3.2 Property, plant and equipment:

(i) Service concession arrangements

The Company has assessed applicability of Appendix A of Ind AS - 11 "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 A of Ind AS - 11 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.

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 indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 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.

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT
As at 31st March, 2018

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss				Net carrying amount
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2018	As at 1 st April, 2017	For the year [^]	Deductions during the year	As at 31 st March, 2018	
Property, plant and equipment										
Freehold land	368.95	12.04	-	-	380.99	-	-	-	-	380.99
Buildings	1,357.56	6792	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 impairment loss amounting to ₹14.07 Crore

As at 31st March, 2017

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at 1 st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2017	As at 1 st April, 2016	For the year	Deductions during the year	As at 31 st March, 2017	
Property, plant and equipment										
Freehold land	358.30	10.65	-	-	368.95	-	-	-	-	368.95
Buildings	1,229.74	127.51	*	0.31	1,357.56	39.27	47.23	*	86.50	1,271.06
Railway siding	1.86	-	-	-	1.86	0.05	0.05	-	0.10	1.76
Plant and machinery	14,070.61	2,526.65	20.32	2.96	16,579.90	839.98	923.49	2.54	1,760.93	14,818.97
Electrical fittings and apparatus	31.39	2.76	*	0.01	34.16	2.95	3.07	-	6.02	28.14
Furniture and fixtures	21.75	15.59	0.01	-	37.33	2.13	2.71	*	4.84	32.49
Vehicles	16.95	3.46	1.08	-	19.33	1.76	2.26	0.20	3.82	15.51
Office equipment	65.14	6.84	0.23	0.04	71.79	8.82	8.84	0.06	17.60	54.19
Total	15,795.74	2,693.46	21.64	3.32	18,470.88	894.96	987.65	2.80	1,879.81	16,591.07

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 ₹17,183.03 Crore (31st March, 2017 - ₹16,911.44 Crore) have been mortgaged and hypothecated to secure borrowings of the Company (Refer note 22).

2. Capital commitment:

Refer note 43 (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 ₹5.77 Crore (Previous year - ₹4.50 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 ₹0.71 Crore (31st March, 2017- ₹2.42 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 8.55% (Previous year 11.07% to 11.13%)

6. Adjustments during the year include foreign currency exchange difference (net) of ₹ Nil (Previous year - ₹0.90 Crore net gain).

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

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

Particulars	Proportion of holding	(₹ in Crore)	
		As at 31 st March, 2018	As at 31 st March, 2017
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	1.36	1.36

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 5 : INVESTMENT PROPERTY

As at 31st March, 2018

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2018	As at 1 st April, 2017	For the year	As at 31 st March, 2018
Freehold land	0.53	-	0.53	-	-	-	-	-
Total	0.53	-	0.53	-	-	-	-	-

(₹ in Crore)

As at 31st March, 2017

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount
	As at 1 st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2017	As at 1 st April, 2016	For the year	As at 31 st March, 2017
Freehold land	0.53	-	-	-	0.53	-	-	0.53
Total	0.53	-	-	-	0.53	-	-	0.53

(₹ in Crore)

Footnotes:

- The Company had leased the entire freehold land as disclosed above to Torrent Pharmaceuticals Limited.
- The fair value of the Company's investment property as at 31st March, 2017 has been arrived at on the basis of a valuation carried out by the Company. The fair value was determined based on the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.
- Details of the Company's investment property and information about the fair value hierarchy as at 31st March, 2017 are as follows:

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Fair value of investment property (₹ in Crore)	-	45.00
Fair value hierarchy	-	Level 2 [Refer note 56]

- The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop such investment properties or for repairs, maintenance and enhancements thereof.

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

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Rental income derived from investment property	1.05	1.32
Direct operating expenses arising from investment property	-	-

(₹ in Crore)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 6 : INTANGIBLE ASSETS

As at 31st March, 2018

Particulars	Gross carrying amount				Accumulated amortization			Net carrying amount (₹ in Crore)
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2018	As at 1 st April, 2017	For the year	As at 31 st March, 2018
Computer software	17.26	9.27	-	-	26.53	9.86	3.44	13.30
Total	17.26	9.27	-	-	26.53	9.86	3.44	13.23

As at 31st March, 2017

Particulars	Gross carrying amount				Accumulated amortization			Net carrying amount (₹ in Crore)
	As at 1 st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2017	As at 1 st April, 2016	For the year	As at 31 st March, 2017
Computer software	11.87	5.41	0.02	-	17.26	5.16	4.72	9.86
Total	11.87	5.41	0.02	-	17.26	5.16	4.72	7.40

Footnote:

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
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- 31 st March, 2018- 6,66,00,000, 31 st March, 2017- 6,66,00,000)		
(2,70,00,000 (31 st March, 2017 - 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		
Equity shares of ₹10 each fully paid up	47.50	47.50
(No. of shares- 31 st March, 2018: 4,75,00,000, 31 st March, 2017: 4,75,00,000)		
Less: Impairment in value of investment	(11.45)	-
Torrent Solargen Limited		
Equity shares of ₹10 each fully paid up	80.07	80.07
(No. of shares- 31 st March, 2018: 8,00,50,000, 31 st March, 2017: 8,00,50,000)		
Jodhpur Wind Farms Private Limited		
Equity shares of ₹10 each fully paid up	*	-
(No. of shares- 31 st March, 2018: 1,000, 31 st March, 2017: Nil)		
Latur Renewables Private Limited		
Equity shares of ₹10 each fully paid up	*	-
(No. of shares- 31 st March, 2018: 1,000, 31 st March, 2017: Nil)		
	182.72	194.17
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- 31 st March, 2018: 9,61,500, 31 st March, 2017: 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- 31 st March, 2018: 24,500, 31 st March, 2017: 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- 31 st March, 2018: 25,000, 31 st March, 2017: 25,000)		
UNM Foundation @		
Equity shares of ₹10 each fully paid up	0.03	0.03
(No. of shares- 31 st March, 2018: 25,000, 31 st March, 2017: 25,000)		
	0.06	0.06
	182.78	194.23

@ 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS (Contd.)

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
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 (No. of debentures- 31 st March, 2018: 7,276, 31 st March, 2017: Nil)	73.29	-
Wind Four Renergy Private Limited Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each (No. of debentures- 31 st March, 2018: 5,482, 31 st March, 2017: Nil)	55.35	-
Wind Five Renergy Private Limited Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each (No. of debentures- 31 st March, 2018: 5,482, 31 st March, 2017: Nil)	55.33	-
	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	-
	8.26	6.57
	375.01	200.80
Aggregate amount of quoted investments	8.26	6.57
Aggregate amount of unquoted investments	366.75	194.23
	375.01	200.80
Aggregate amount of impairment in value of investments	12.08	0.63
Aggregate amount of market value of quoted investments	8.42	7.04
\$ 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 31 st March, 2018	As at 31 st March, 2017
Security deposits	16.73	14.99
	16.73	14.99

NOTE 9 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Bank fixed deposits	0.61	0.66
Other advances	0.15	0.05
	0.76	0.71

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 10 : NON- CURRENT TAX ASSETS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Advance income tax (net)	26.85	20.27
	<u>26.85</u>	<u>20.27</u>

NOTE 11 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Capital advances	269.49	77.95
Advances for goods and services	230.29	261.41
Prepaid expenses	2.41	2.15
Unamortised premium for leasehold land	153.57	159.09
	<u>655.76</u>	<u>500.60</u>

NOTE 12 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Stores and spares	284.87	245.58
Fuel	135.35	84.56
Raw materials	19.74	23.51
Work-in-progress	5.93	6.50
Finished goods	6.44	7.44
Packing materials	0.54	0.49
Loose tools	1.51	0.80
	<u>454.38</u>	<u>368.88</u>

Footnotes:

- The cost of inventories recognised as an expense includes ₹5.65 Crore (Previous year - ₹10.97 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.
- The carrying amount of inventories which has been mortgaged and hypothecated to secure borrowings of the Company was ₹454.38 Crore (31st March, 2017 - ₹368.88 Crore).
- The above carrying amount of inventories include goods in transit as under :

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Stores and spares	-	0.28
Fuel	6.05	3.77
Raw materials	-	1.51
	<u>6.05</u>	<u>5.56</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 13 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

	As at 31 st March, 2018	As at 31 st March, 2017
(₹ in Crore)		
Investment in mutual funds (unquoted)		
Baroda Pioneer Liquid Fund-Growth (No. of units-31 st March, 2018: 4,28,694, 31 st March, 2017: Nil)	85.28	-
DSPBR Liquidity Fund (No. of units-31 st March, 2018: 1,36,631, 31 st March, 2017: Nil)	33.80	-
IDFC Cash Fund - Growth - (Regular Plan) (No. of units-31 st March, 2018: Nil, 31 st March, 2017: 2,77,569)	-	54.71
Invesco India Liquid Fund - Growth (No. of units-31 st March, 2018: 4,59,617, 31 st March, 2017: 4,32,853)	109.56	96.63
Kotak Liquid Scheme Plan A - Growth (No. of units-31 st March, 2018: Nil, 31 st March, 2017: 2,37,918)	-	78.29
L&T Liquid Fund - Growth (No. of units-31 st March, 2018: Nil, 31 st March, 2017: 4,08,207)	-	90.82
SBI PLF - Regular Plan Growth # (No. of units-31 st March, 2018: 7,80,363, 31 st March, 2017: 6,56,194)	211.92	167.05
Sundaram Money Fund - Regular - Growth (No. of units-31 st March, 2018: Nil, 31 st March, 2017: 11,75,902)	-	4.02
Tata Money Market Fund (No. of units-31 st March, 2018: 4,86,299, 31 st March, 2017: 2,33,346)	132.61	59.59
UTI Liquid Cash Plan - Growth (No. of units-31 st March, 2018: 1,44,348, 31 st March, 2017: 6,822)	40.95	1.81
	<u>614.12</u>	<u>552.92</u>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	<u>614.12</u>	<u>552.92</u>
	<u>614.12</u>	<u>552.92</u>
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-
	-	-
# include ₹89.14 Crore (31 st March, 2017- ₹66.10 Crore) on which a lien has been created in favour of lenders		

NOTE 14 : TRADE RECEIVABLES

	As at 31 st March, 2018	As at 31 st March, 2017
(₹ in Crore)		
Trade receivables		
Secured - Considered good	453.95	390.41
Unsecured - Considered good	670.53	578.50
- Considered doubtful	<u>135.93</u>	<u>129.48</u>
	1,260.41	1,098.39
Less: Allowance for bad and doubtful debts	<u>135.93</u>	<u>129.48</u>
	<u>1,124.48</u>	<u>968.91</u>

Footnotes:

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 15 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Balances with banks		
Balance in current accounts	132.00	98.88
Balance in fixed deposit accounts (original maturity for less than three months)	0.03	1.68
	132.03	100.56
Cheques, drafts on hand	1.61	1.06
Cash on hand	0.59	0.79
	<u>134.23</u>	<u>102.41</u>

NOTE 16 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Unpaid dividend accounts	8.11	7.81
Unpaid fractional coupon accounts	0.34	0.33
Balance in fixed deposit accounts (maturity of more than three months but less than twelve months)	127.05	158.35
	<u>135.50</u>	<u>166.49</u>

NOTE 17 : CURRENT LOANS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Loans to related parties (including interest accrued) [Refer note 55(d)]	618.19	54.89
Security deposits	16.30	3.99
	<u>634.49</u>	<u>58.88</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 18 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Inter-corporate deposits #	155.00	325.00
Interest accrued on non-current investments	0.10	0.10
Interest accrued on deposits	9.25	19.23
Unbilled revenue	480.63	320.13
	644.98	664.46
Other advances / receivables		
Considered good @	5.31	8.85
Considered doubtful	6.06	6.06
	11.37	14.91
Less : Allowance for doubtful advances	6.06	6.06
	5.31	8.85
	650.29	673.31

include ₹155 Crore (31st March, 2017- ₹300 Crore) on which a lien has been created in favour of lenders

@ include ₹ Nil (31st March, 2017 - ₹0.29 Crore) advance to related parties

NOTE 19 : OTHER CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Advances for goods and services	63.05	44.53
Balances with government authorities	3.06	3.97
Prepaid expenses	9.67	9.25
Unamortised premium for leasehold land	5.73	5.72
	81.51	63.47

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 20 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at 31 st March, 2017) equity shares of ₹10 each	4,370.00	4,370.00
	<u>4,370.00</u>	<u>4,370.00</u>
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at 31 st March, 2017) equity shares of ₹10 each	480.62	480.62
	<u>480.62</u>	<u>480.62</u>
1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :		
	No. of shares As at 31 st March, 2018	No. of shares As at 31 st March, 2017
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	<u>48,06,16,784</u>	<u>48,06,16,784</u>
2. 25,74,22,311 equity shares (25,74,22,311 equity shares as at 31 st March, 2017) of ₹10 each fully paid up are held by the Parent Company - Torrent Private Limited.		
3. Terms / Rights attached to equity shares :		
<p>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.</p> <p>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.</p>		
4. Details of shareholders holding more than 5% shares in the Company :		
Name of the Shareholder	As at 31 st March, 2018	As at 31 st March, 2017
	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 Investment Limited	4,68,71,621 9.75%	4,68,71,621 9.75%
Life Insurance Corporation of India	2,83,83,394 5.91%	2,98,86,827 6.22%
5. Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:		
<p>During FY 2015-16, the Company has 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.</p>		
6. Distributions made and proposed:		
<p>The amount of per share dividend distributed to equity shareholders during the year ended 31st March, 2018 is ₹2.20 (Previous year- ₹Nil) per equity share, being the final dividend declared for the year ended 31st March, 2017.</p> <p>The Board of Directors at its meeting held on 29th May, 2018 have 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).</p>		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 21 : OTHER EQUITY

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Reserves and surplus		
Securities premium reserve	0.03	0.03
Debenture redemption reserve	163.68	129.46
Contingency reserve	7.95	6.24
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	3,378.45	2,606.17
	<u>7,212.07</u>	<u>6,403.86</u>

Footnotes:

1. Securities premium reserve:

Securities premium reserve 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 is 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 22 : NON-CURRENT BORROWINGS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
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
	<u>1,095.00</u>	<u>1,095.00</u>
Term loans		
From banks	7,382.94	6,988.46
	<u>7,382.94</u>	<u>6,988.46</u>
	<u>8,477.94</u>	<u>8,083.46</u>
Unsecured loans - at amortised cost		
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	24.46	28.28
	<u>24.46</u>	<u>28.28</u>
	<u>8,502.40</u>	<u>8,111.74</u>
@ After considering unamortised expense of ₹34.31 Crore as at 31 st March, 2018 and ₹36.84 Crore as at 31 st March, 2017.		
Current maturities \$		
Secured loans - at amortised cost		
Term loans		
From banks	710.21	473.94
	<u>710.21</u>	<u>473.94</u>
Unsecured loans - at amortised cost		
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	<u>3.82</u>	<u>3.82</u>
	<u>714.03</u>	<u>477.76</u>
Amount disclosed under the head 'Other current financial liabilities' [Refer note 29]	<u>(714.03)</u>	<u>(477.76)</u>
	-	-
\$ After considering unamortised expense of ₹4.78 Crore as at 31 st March, 2018 and ₹4.55 Crore as at 31 st March, 2017.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 ₹8,132.24 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
2018-2019	718.81	-	2026-2027	585.31	-
2019-2020	474.29	-	2027-2028	599.52	-
2020-2021	529.74	283.32	2028-2029	591.48	-
2021-2022	631.46	363.32	2029-2030	591.48	-
2022-2023	388.53	368.36	2030-2031	591.48	-
2023-2024	443.98	80.00	2031-2032	517.54	-
2024-2025	542.11	-	2032-2033	369.67	-
2025-2026	585.12	-			

3. Undrawn borrowings from banks, based on approved facilities, were ₹580.41 Crore.

NOTE 23 : NON-CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Trade payables for goods and services	94.64	53.36
	<u>94.64</u>	<u>53.36</u>

NOTE 24 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Security deposits from consumers	955.95	863.16
Payables on purchase of property, plant and equipment	0.42	0.22
Sundry payables	0.07	0.38
	<u>956.44</u>	<u>863.76</u>

NOTE 25 : NON-CURRENT PROVISIONS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Provision for employee benefits		
Provision for gratuity [Refer note 47.2(d)]	-	7.35
Provision for compensated absences	78.96	88.56
	<u>78.96</u>	<u>95.91</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Deferred revenue [Refer note 42]		
Contribution received from consumers	853.84	793.68
Capital grant from government	24.31	27.02
	<u>878.15</u>	<u>820.70</u>

NOTE 27 : CURRENT BORROWINGS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Secured loans		
Cash credit from banks	-	76.62
	<u>-</u>	<u>76.62</u>

Footnotes:

- 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.
- Undrawn cash credit facilities from banks, based on approved facilities, were ₹850 Crore.

Net debt reconciliation :

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Cash and cash equivalents	134.23	102.41
Current investments	614.12	552.92
Current borrowings	-	(76.62)
Non-current borrowings (including current maturities and interest accrued)	<u>(9,279.08)</u>	<u>(8,633.04)</u>
	<u>(8,530.73)</u>	<u>(8,054.33)</u>

	Other assets		Liabilities from financing activities		Total
	Cash and cash equivalent	Current investment	Current borrowing	Non-current borrowing	
Net balance as at 31 st March, 2017	102.41	552.92	(76.62)	(8,633.04)	(8,054.33)
Cash flows	31.82	55.63	76.62	(624.62)	(460.55)
Interest expense	-	-	(0.06)	(768.02)	(768.08)
Interest paid	-	-	0.06	746.60	746.66
Fair value adjustment	-	5.57	-	-	5.57
Net balance as at 31 st March, 2018	<u>134.23</u>	<u>614.12</u>	<u>-</u>	<u>(9,279.08)</u>	<u>(8,530.73)</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 28 : CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Trade payables for goods and services		
Due to micro and small enterprises [Refer note 45]	18.34	7.06
Due to others	638.94	725.94
	<u>657.28</u>	<u>733.00</u>

NOTE 29 : OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Current maturities of long-term debt [Refer note 22]	714.03	477.76
Interest accrued but not due on loans and security deposits	23.56	2.15
Investor education and protection fund #		
Unpaid / Unclaimed dividend	8.11	7.81
Unclaimed fractional coupons	0.34	0.33
Book overdraft	34.01	25.17
Security deposits from consumers	25.39	16.30
Other deposits	3.69	3.20
Payables on purchase of property, plant and equipment	189.91	502.42
Sundry payables (including for employees related payables)	157.21	83.80
	<u>1,156.25</u>	<u>1,118.94</u>

There is no amount due and outstanding to be credited to investor education and protection fund as at 31st March, 2018.

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Credit balances of consumers	59.46	62.98
Service line deposits from consumers	239.88	174.19
Deferred revenue [Refer note 42]		
Contribution received from consumers	58.34	51.82
Capital grant from government	2.71	2.71
Statutory dues	26.36	22.84
Sundry payables (including for electricity duty payable)	170.99	157.42
	<u>557.74</u>	<u>471.96</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 31 : CURRENT PROVISIONS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Provision for employee benefits		
Provision for gratuity [Refer note 47.2(d)]	11.04	22.92
Provision for compensated absences	20.59	21.00
	31.63	43.92
Other provisions		
Provision for indirect taxes	0.18	0.23
	31.81	44.15
Movement in provision for indirect taxes :		
Balance as on 1 st April, 2017	0.23	
Reduction arising from payments	(0.05)	
Balance as on 31 st March, 2018	0.18	

NOTE 32 : CURRENT TAX LIABILITIES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Provision for taxation (net of advance tax and tax deducted at source)	26.31	27.61
	26.31	27.61

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 33 : REVENUE FROM OPERATIONS

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
(₹ in Crore)		
Revenue from power supply	10,899.23	9,510.22
Revenue from sale of cable products (including excise duty)		
Manufactured goods	286.82	260.26
Traded goods	0.07	0.49
	11,186.12	9,770.97
Less: Discount for prompt payment of bills	15.35	11.18
	11,170.77	9,759.79
Other operating income		
Street lighting maintenance contracts	-	0.49
Cable laying service	0.04	2.40
Hire of meters	52.26	51.05
Provision of earlier years written back	8.04	25.71
Insurance claim receipt	1.35	9.10
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 42(a)(2)]	53.84	48.45
Capital grant from government [Refer note 42(b)(2)]	2.71	2.71
Income from Certified Emission Reduction (CERs)	3.40	-
Income from Renewable Energy Certificate and Generation Based Incentive	31.73	7.92
Revenue from sale of RLNG	55.99	-
Miscellaneous income	68.73	53.50
	278.09	201.33
	<u>11,448.86</u>	<u>9,961.12</u>

NOTE 34 : OTHER INCOME

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
(₹ in Crore)		
Interest income from financial assets at amortised cost		
Deposits	25.49	49.29
Consumers	21.21	26.14
Contingency reserve investments	0.60	0.48
Loans to related parties	6.53	-
Others	19.62	2.24
	73.45	78.15
Dividend income from non-current investments carried at cost	6.66	4.66
Rent income from investment property [Refer note 5]	1.05	1.32
Gain on disposal of property, plant and equipment / investment property	54.97	2.67
Profit on sale of current investments in mutual funds	42.19	58.85
Net gain arising on financial assets / liabilities measured at amortised cost	14.39	-
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	5.57	(0.35)
Net gain on foreign currency transactions	0.76	18.04
Miscellaneous income	68.88	28.97
	<u>267.92</u>	<u>192.31</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 35 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Cost of materials consumed	323.79	299.43
Less: Allocated to capital works	90.35	102.87
	<u>233.44</u>	<u>196.56</u>

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

(₹ in Crore)

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Inventory of finished goods		
Opening stock	7.44	3.54
Less: Closing stock	6.44	7.44
	<u>1.00</u>	<u>(3.90)</u>
Less: Increase / (decrease) in excise duty on movement of finished goods inventory	0.32	0.16
	<u>0.68</u>	<u>(4.06)</u>
Inventory of work-in-progress		
Opening stock	6.50	6.26
Less: Closing stock	5.93	6.50
	<u>0.57</u>	<u>(0.24)</u>
	<u>1.25</u>	<u>(4.30)</u>

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Salaries, wages and bonus	554.68	478.96
Contribution to provident and other funds [Refer note 47.1]	33.48	31.44
Employees welfare expenses	20.83	20.99
Compensated absences	4.91	20.46
Gratuity [Refer note 47.2(e)(3)]	32.20	14.19
	<u>646.10</u>	<u>566.04</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	180.78	150.32
	<u>465.32</u>	<u>415.72</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 38 : FINANCE COSTS

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Interest expense for financial liabilities not classified as fair value through profit or loss		
Term loans	658.12	858.64
Non convertible debentures	109.90	88.04
Working capital loans	0.06	0.03
Security deposits from consumers	59.51	61.61
Others	3.04	0.19
Other borrowing costs	8.47	11.14
Amortisation of borrowing costs	4.65	11.47
Unwinding of discount	-	22.16
	843.75	1,053.28
Less: Allocated to capital works	4.06	6.72
	<u>839.69</u>	<u>1,046.56</u>

NOTE 39 : DEPRECIATION AND AMORTIZATION EXPENSE AND IMPAIRMENT LOSS

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Depreciation expense and impairment loss on property, plant and equipment	1,110.22	987.65
Amortization expense on intangible assets	3.44	4.72
	1,113.66	992.37
Less: Transfer from others	0.09	0.20
Less: Allocated to capital works	2.43	2.75
	<u>1,111.14</u>	<u>989.42</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 40 : OTHER EXPENSES

(₹ in Crore)

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Consumption of stores and spares	171.50	144.61
Consumption of packing materials	-	0.38
Rent and hire charges	19.23	17.07
Repairs to		
Buildings	12.28	12.00
Plant and machinery	312.94	279.17
Others	16.40	12.62
	341.62	303.79
Insurance	19.81	19.36
Rates and taxes	9.78	9.89
Excise duty	9.92	40.50
Vehicle running expenses	30.53	28.79
Electricity expenses	27.13	28.21
Security expenses	37.64	31.80
Water charges	16.66	15.23
Corporate social responsibility expenses [Refer note 49]	14.95	13.92
Loss on sale / discarding of property, plant and equipment	21.96	12.18
Commission to non-executive directors	1.29	1.33
Directors sitting fees	0.82	0.89
Auditors remuneration [Refer note 48]	0.89	2.49
Legal, professional and consultancy fees	35.00	31.72
Donations	17.68	16.83
Net loss on foreign currency transactions	31.99	0.03
Allowance / impairment for non-current investments	11.47	10.00
Bad debts written off (net)	3.32	14.37
Allowance for doubtful advances	-	3.74
Allowance for doubtful debts (net)	6.45	(0.26)
Miscellaneous expenses	117.37	105.85
	947.01	852.72
Less: Allocated to capital works, repairs and other relevant revenue accounts	78.74	87.57
	868.27	765.15

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 41: INCOME TAX EXPENSES

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

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Current tax		
Current tax on profits for the year	308.42	128.30
Adjustment for current tax of prior periods	(4.82)	(6.35)
	303.60	121.95
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(110.87)	(158.09)
(Decrease) / increase in deferred tax liabilities	261.06	187.72
	150.19	29.63
Income tax expense attributable to continuing operations	453.79	151.58

(b) Reconciliation of current tax

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Profit before tax	1,375.53	583.94
Expected income tax expense calculated using tax rate at 34.608% (Previous year - 34.608%)	476.04	202.09
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	22.30	13.85
Income not taxable under Income Tax Act	(2.30)	(1.61)
Tax incentives	0.47	(89.11)
Unabsorbed depreciation / tax credits and other items	(57.23)	32.71
Impact of enacted income tax rate on deferred tax balance	19.33	-
Total	458.61	157.93
Adjustment for current tax of prior periods	(4.82)	(6.35)
Total expense as per statement of profit and loss	453.79	151.58

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 31 st March, 2018	Year ended 31 st March, 2017
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	20.49	(9.73)
Income tax expense / (income) recognised in other comprehensive income	7.16	(3.37)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 41: 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 31 st March, 2018	As at 31 st March, 2017
Deferred tax assets	606.40	502.69
Deferred tax liabilities	(2,076.14)	(1,815.08)
	<u>(1,469.74)</u>	<u>(1,312.39)</u>

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

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	444.42	103.69	-	548.11
	<u>(1,312.39)</u>	<u>(150.19)</u>	<u>(7.16)</u>	<u>(1,469.74)</u>

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2017

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(1,620.80)	(189.78)	-	(1,810.58)
Expense allowable for tax purposes when paid	31.31	23.59	3.37	58.27
Tax effect on fair value change in financial instruments and unamortised cost	(6.56)	2.06	-	(4.50)
Unabsorbed depreciation / Minimum Alternate Tax (MAT) credit entitlement	309.92	134.50	-	444.42
	<u>(1,286.13)</u>	<u>(29.63)</u>	<u>3.37</u>	<u>(1,312.39)</u>

(3) Unrecognised deferred tax assets

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Unused tax losses	146.01	39.74
Unused tax credits	807.99	1,056.24
	<u>954.00</u>	<u>1,095.98</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 42: DEFERRED REVENUE

(a) Contribution received from consumers

(1) Nature of contribution received from consumers

Contributions received from consumers towards the item of property, plant and equipment (PP&E) has been recognised as deferred revenue.

(2) Movement of contribution received from consumers

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Opening balance	845.50	776.08
Add: Contribution received during the year	120.52	117.87
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 33]	(53.84)	(48.45)
Closing balance	<u>912.18</u>	<u>845.50</u>
Non-current portion [Refer note 26]	853.84	793.68
Current portion [Refer note 30]	58.34	51.82
	<u>912.18</u>	<u>845.50</u>

(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 31 st March, 2018	As at 31 st March, 2017
Opening balance	29.73	32.44
Add: Grants during the year	-	-
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 33]	(2.71)	(2.71)
Closing balance	<u>27.02</u>	<u>29.73</u>
Non-current portion [Refer note 26]	24.31	27.02
Current portion [Refer note 30]	2.71	2.71
	<u>27.02</u>	<u>29.73</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 43: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Disputed income tax matters	29.22	30.68
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 VAT matters	3.11	3.11
Disputed CST matters	2.55	2.55
Claims against the Company not acknowledged as debt	28.30	16.42
Footnote:		
In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute.		
No reimbursement is expected.		

(b) Contingent assets

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Coal grade slippage claim	16.02	13.16
	<u>16.02</u>	<u>13.16</u>

(c) Capital commitments

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	2,219.98	611.80
Other commitments		
Investment in associates	350.10	-

NOTE 44: 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 31 st March, 2018	Year ended 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Subsidiary Companies				
Torrent Pipavav Generation Limited	56.12	54.89	56.12	54.89
Jodhpur Wind Farms Private Limited	283.43	-	283.43	-
Latur Renewables Private Limited	278.64	-	278.64	-
			<u>618.19</u>	<u>54.89</u>
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.				

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 45: 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 31 st March, 2018	As at 31 st March, 2017
(a) Principal amount remaining unpaid	18.34	7.06
(b) Interest due thereon	0.03	0.01
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	0.04	-
(d) The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	*	*
(e) The amount of interest accrued and remaining unpaid	-	0.01
(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 46: 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 47: EMPLOYEE BENEFIT PLANS

47.1 Defined contribution plan:

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

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

The Company's contribution to provident fund and superannuation fund aggregating to ₹33.48 Crore (Previous year - ₹31.44 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 37].

47.2 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 employee's service and drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 47: EMPLOYEE BENEFIT PLANS (Contd.)

(b) Risk exposure to defined benefit plans

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

Asset volatility

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

Interest risk

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

Longevity risk

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

Salary risk

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2018. 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 31 st March, 2018	As at 31 st March, 2017
Discount rate	7.78%	7.20%
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

	As at 31 st March, 2018	As at 31 st March, 2017
Present value of funded defined benefit obligation	239.17	236.58
Fair value of plan assets	228.13	206.31
Net (asset) / liability [Refer note 25 and 31]	11.04	30.27

(₹ in Crore)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 47: EMPLOYEE BENEFIT PLANS (Contd.)

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

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

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Funded plan - Gratuity		
(1) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	236.58	220.77
Current service cost	12.22	12.60
Interest cost	17.02	17.65
Past service cost	17.81	-
Actuarial (gains) / losses from changes in demographic assumptions	(4.33)	-
Actuarial (gains) / losses arising changes in financial assumptions	(8.07)	13.02
Actuarial (gains) / losses from experience adjustments	(5.73)	(2.34)
Liability transferred in	0.01	0.44
Liability transferred out	(0.08)	(0.18)
Benefits paid directly by employer	(1.42)	(2.23)
Benefits paid	(24.84)	(23.15)
Obligation at the end of the year	239.17	236.58
(2) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	206.31	200.87
Interest income	14.85	16.06
Return on plan assets (excluding interest income)	2.36	0.95
Contributions	29.45	11.58
Benefits paid	(24.84)	(23.15)
Plan assets at the end of the year, at fair value	228.13	206.31
(3) Gratuity cost recognized in the statement of profit and loss		
Current service cost	12.22	12.60
Interest cost, net	2.17	1.59
Past service cost	17.81	-
Net gratuity cost recognized in the statement of profit and loss [Refer note 37]	32.20	14.19
(4) Gratuity cost recognized in the other comprehensive income (OCI)		
Return on plan assets, excluding interest income	(2.36)	(0.95)
Actuarial (gains) / losses on obligation for the period	(18.13)	10.68
Net (income) / expense for the period recognized in OCI	(20.49)	9.73

(f) Category wise plan assets

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 47: EMPLOYEE BENEFIT PLANS (Contd.)

(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	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Impact on defined benefit obligation of gratuity		
50 basis points increase in discount rate	(6.62)	(8.32)
50 basis points decrease in discount rate	7.09	8.98
50 basis points increase in salary escalation rate	6.42	11.72
50 basis points decrease in salary escalation rate	(7.16)	(5.63)

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 - 16 years).
- (i) Expected contributions to the plan for the next annual reporting period is ₹11.04 Crore (Previous year - ₹30.27 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 31 st March, 2018	As at 31 st March, 2017
1 st following year	37.72	26.89
2 nd following year	21.57	18.36
3 rd following year	30.24	23.81
4 th following year	32.74	23.36
5 th following year	28.69	26.61
sum of years 6 to 10 th	96.37	101.45

47.3 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, superannuation or resignation; at the rate of daily salary, as per accumulation of leave days as at the end of relevant period. Refer notes 25, 31 and 37 with respect to item of balance sheet and profit or loss where such provision / charge has been presented.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 48: AUDITORS REMUNERATION (INCLUDING TAXES)

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
As auditor		
Audit fees	0.73	1.02
Other services- certificates etc.	0.07	1.33
Reimbursement of expenses	0.09	0.14
	<u>0.89</u>	<u>2.49</u>

NOTE 49: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
(a) Gross amount required to be spent by the Company	15.02	13.05
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above [Refer note 40]	15.11	13.45
	<u>15.11</u>	<u>13.45</u>
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornascent Care Institute	7.92	9.01
(ii) UNM Foundation	2.87	2.10
	<u>10.79</u>	<u>11.11</u>

NOTE 50: DONATIONS INCLUDE POLITICAL CONTRIBUTIONS AS UNDER

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Prudent Electoral Trust (earlier known as "Satya Electoral Trust")	10.00	10.50
	<u>10.00</u>	<u>10.50</u>

NOTE 51: EARNINGS PER SHARE

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Basic earnings per share (₹)	19.18	9.00
Diluted earnings per share (₹)	19.18	9.00

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 31 st March, 2018	Year ended 31 st March, 2017
Profit for the year attributable to the Company used in calculation of basic earning per share (₹ in Crore)	921.74	432.36
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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 52: IMPAIRMENT ASSESSMENT OF DGEN POWER PLANT

The 1200 MW gas based power plant located at Dahej, India (DGEN), started commercial operations from November 2014. During FY 2015-16, the Company operated DGEN for intermittent periods. It did not operate the plant in subsequent periods and maintained it in cold standby mode for immediate start-up, as and when required.

In the last 3 years lot of new LNG capacity has been commissioned across the world. This is also expected to continue for next couple of years as a result of which the LNG market will remain well supplied. Further, it is also expected that the domestic gas supply will also increase in the coming years and the power demand in the country would grow in view of GDP growth projections and various initiatives launched by Government of India. The combination of these factors is expected to improve the availability of LNG and the economic viability of DGEN, based on which the estimated value in use does not indicate any requirement for impairment provision in the carrying amount of the fixed assets of ₹4,439.01 Crore relating to the DGEN plant as at 31st March, 2018.

NOTE 53: OPERATING SEGMENT

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company 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 31 st March, 2018	As at 31 st March, 2017
No. of CERs inventory	-	27,57,165
No. of CERs under certification	42,78,624	-
Inventories of CERs are valued at cost or market price whichever is lower.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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. 29 th January, 2018), Latur Renewables Private Limited (w.e.f. 29 th January, 2018)
3.	Associates	Wind Two Renergy Private Limited (w.e.f. 12 th December, 2017), Wind Four Renergy Private Limited (w.e.f. 12 th December, 2017), Wind Five Renergy Private Limited (w.e.f. 12 th December, 2017), Nani Virani Wind Energy Private Limited (w.e.f. 9 th March, 2018), Ravapar Wind Energy Private Limited (w.e.f. 9 th March, 2018), Khatiyu Wind Energy Private Limited (w.e.f. 9 th March, 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 (formerly known as TEL Gratuity Trust), TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund)
5.	Key management personnel	Sudhir Mehta Samir Mehta Markand Bhatt Jinal Mehta
6.	Non-executive directors	Pankaj Patel Samir Barua Kiran Karnik Keki Mistry R. Ravichandran (upto 1 st August, 2017) Bhavna Doshi Dharmishta Raval P. K. Taneja (upto 23 rd May, 2017) Pankaj Joshi (w.e.f. 23 rd May, 2017) Varun Mehta, Aman Mehta
7.	Relatives of key management personnel*	
8.	Enterprise controlled by relatives of key management personnel*	Munjil Bhatt Architects
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

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

Standalone Financial Statements

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	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		Total	
	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17
Nature of transactions												
Purchase / (return) of materials	-	-	-	-	-	-	-	-	-	(0.08)	-	(0.08)
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	-	(0.08)	-	(0.08)
Sale of cables	-	-	-	-	-	-	-	-	0.14	0.03	0.14	0.03
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	0.14	0.03	0.14	0.03
Dividend income	6.66	4.66	-	-	-	-	-	-	-	-	6.66	4.66
Torrent Power Grid Ltd.	6.66	4.66	-	-	-	-	-	-	-	-	6.66	4.66
Interest income	6.53	-	-	-	-	-	-	-	-	-	6.53	-
Latour Renewable Private Ltd.	3.19	-	-	-	-	-	-	-	-	-	3.19	-
Jodhpur Wind Farms Private Ltd.	3.34	-	-	-	-	-	-	-	-	-	3.34	-
Sale of investment property	-	-	-	-	-	-	-	-	45.00	-	45.00	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	45.00	-	45.00	-
Transfer of gratuity / leave liability to / (from)	-	-	-	-	-	-	-	-	0.13	0.37	0.13	0.37
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	0.05	0.34	0.05	0.34
UNM Foundation	-	-	-	-	-	-	-	-	-	0.03	-	0.03
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.08	-	0.08	-
Services provided (rent income including tax)	0.02	-	-	-	-	-	-	-	1.25	1.52	1.27	1.52
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	1.23	1.52	1.23	1.52
UNM Foundation	-	-	-	-	-	-	-	-	0.01	*	0.01	*
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.01	*	0.01	*
Torrent Power Grid Ltd.	0.01	*	-	-	-	-	-	-	-	-	0.01	*
Torrent Pipavav Generation Ltd.	0.01	*	-	-	-	-	-	-	-	-	0.01	*
Torrent Solargen Ltd.	0.01	*	-	-	-	-	-	-	-	-	0.01	*
Torrent Power Services Private Ltd.	-	-	-	-	-	-	-	-	0.01	*	0.01	*
Services received / remuneration paid	1.01	-	-	-	-	-	-	-	1.09	1.36	2.10	1.36
Munjal Bhatt Architects	-	-	-	-	-	-	-	-	0.62	0.82	0.62	0.82
Torrent Power Grid Ltd.	1.01	-	-	-	-	-	-	-	-	-	1.01	-
Aman Mehta	-	-	-	-	-	-	-	-	*	0.01	*	0.01
Varun Mehta	-	-	-	-	-	-	-	-	0.47	0.53	0.47	0.53
Shared expenditure charged to	0.37	0.29	-	-	-	-	-	-	-	0.01	0.37	0.30
Torrent Pipavav Generation Ltd.	0.18	0.08	-	-	-	-	-	-	-	-	0.18	0.08
Torrent Solargen Ltd.	0.19	0.20	-	-	-	-	-	-	-	-	0.19	0.20
Torrent Power Grid Ltd	*	0.01	-	-	-	-	-	-	-	-	*	0.01
UNM Foundation	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Managerial remuneration@	-	-	-	-	-	-	66.59	36.72	-	-	66.59	36.72
Sudhir Mehta	-	-	-	-	-	-	10.00	5.04	-	-	10.00	5.04
Samir Mehta	-	-	-	-	-	-	10.00	5.00	-	-	10.00	5.00
Markand Bhatt	-	-	-	-	-	-	39.00	21.00	-	-	39.00	21.00
Jinal Mehta	-	-	-	-	-	-	7.59	5.68	-	-	7.59	5.68

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

	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		Total	
	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17
	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
Commission to non-executive directors[^]	-	-	-	-	-	-	1.11	1.17	-	-	1.11	1.17
Samir Barua	-	-	-	-	-	-	0.19	0.17	-	-	0.19	0.17
Kiran Kamik	-	-	-	-	-	-	0.16	0.17	-	-	0.16	0.17
Keki Mistry	-	-	-	-	-	-	0.12	0.13	-	-	0.12	0.13
R. Ravichandran#	-	-	-	-	-	-	0.06	0.12	-	-	0.06	0.12
Pankaj Patel	-	-	-	-	-	-	0.15	0.12	-	-	0.15	0.12
Bhavna Doshi	-	-	-	-	-	-	0.16	0.17	-	-	0.16	0.17
Pankaj Joshi#	-	-	-	-	-	-	0.12	-	-	-	0.12	-
P. K. Taneja#	-	-	-	-	-	-	-	0.12	-	-	-	0.12
Dharmishtha Raval	-	-	-	-	-	-	0.15	0.17	-	-	0.15	0.17
Sitting Fees to non-executive directors[^]	-	-	-	-	-	-	0.70	0.78	-	-	0.70	0.78
Samir Barua	-	-	-	-	-	-	0.13	0.12	-	-	0.13	0.12
Kiran Kamik	-	-	-	-	-	-	0.11	0.13	-	-	0.11	0.13
Keki Mistry	-	-	-	-	-	-	0.07	0.08	-	-	0.07	0.08
R. Ravichandran#	-	-	-	-	-	-	0.02	0.04	-	-	0.02	0.04
Pankaj Patel	-	-	-	-	-	-	0.12	0.12	-	-	0.12	0.12
Bhavna Doshi	-	-	-	-	-	-	0.12	0.12	-	-	0.12	0.12
P. K. Taneja#	-	-	-	-	-	-	-	0.04	-	-	-	0.04
Dharmishtha Raval	-	-	-	-	-	-	0.09	0.13	-	-	0.09	0.13
Pankaj Joshi#	-	-	-	-	-	-	0.04	-	-	-	0.04	-
Contribution towards CSR	-	-	-	-	-	-	-	-	10.79	11.11	10.79	11.11
Tomascent Care Institute	-	-	-	-	-	-	-	-	7.92	9.01	7.92	9.01
UNM Foundation	-	-	-	-	-	-	-	-	2.87	2.10	2.87	2.10
Contribution to employee benefit plans (net)	-	-	-	-	34.41	15.70	-	-	-	-	34.41	15.70
TPL (Ahmedabad) Gratuity Trust	-	-	-	-	21.48	9.52	-	-	-	-	21.48	9.52
TPL (Ahmedabad) Superannuation Fund	-	-	-	-	4.29	3.54	-	-	-	-	4.29	3.54
TPL (Surat) Gratuity Trust	-	-	-	-	4.70	0.10	-	-	-	-	4.70	0.10
TPL (Surat) Superannuation Fund	-	-	-	-	0.97	0.92	-	-	-	-	0.97	0.92
TPL (SUGEN) Gratuity Trust	-	-	-	-	1.40	0.49	-	-	-	-	1.40	0.49
TPL (SUGEN) Superannuation Fund	-	-	-	-	0.38	0.31	-	-	-	-	0.38	0.31
TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust)	-	-	-	-	0.86	0.49	-	-	-	-	0.86	0.49
TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund)	-	-	-	-	0.33	0.33	-	-	-	-	0.33	0.33
Investment in non-convertible debentures	-	-	182.40	-	-	-	-	-	-	-	182.40	-
Wind Two Renergy Private Ltd.	-	-	72.76	-	-	-	-	-	-	-	72.76	-
Wind Four Renergy Private Ltd.	-	-	54.82	-	-	-	-	-	-	-	54.82	-
Wind Five Renergy Private Ltd.	-	-	54.82	-	-	-	-	-	-	-	54.82	-

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

	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		Total	
	Year ended		Year ended		Year ended		Year ended		Year ended		Year ended	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Loans given	557.24	1.15	-	-	-	-	-	-	557.24	1.15	557.24	1.15
Latur Renewable Private Ltd.	275.77	-	-	-	-	-	-	-	275.77	-	275.77	-
Jodhpur Wind Farms Private Ltd.	280.42	-	-	-	-	-	-	-	280.42	-	280.42	-
Torrent Pipavav Generation Ltd.	1.05	1.15	-	-	-	-	-	-	1.05	1.15	1.05	1.15
Deposits given for nomination of directors	0.01	0.02	-	-	-	-	-	-	0.03	0.05	0.01	0.05
Torrent Power Grid Ltd	0.01	0.02	-	-	-	-	-	-	0.01	0.02	0.01	0.02
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.01	-	-	0.01
UNM Foundation	-	-	-	-	-	-	-	-	0.02	-	-	0.02
Deposits received back on appointment of directors	0.01	0.03	-	-	-	-	-	-	0.03	0.06	0.01	0.06
Torrent Power Grid Ltd	0.01	0.03	-	-	-	-	-	-	0.01	0.03	0.01	0.03
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.01	-	-	0.01
UNM Foundation	-	-	-	-	-	-	-	-	0.02	-	-	0.02
Deposits received	-	*	-	-	-	-	-	-	*	*	-	*
Torrent Power Grid Ltd	-	*	-	-	-	-	-	-	-	-	-	*
Torrent Pipavav Generation Ltd.	-	*	-	-	-	-	-	-	-	-	-	*
Torrent Solargen Limited	-	*	-	-	-	-	-	-	-	-	-	*
UNM Foundation	-	-	-	-	-	-	-	-	-	-	-	*
Tornascent Care Institute	-	-	-	-	-	-	-	-	-	-	-	*
Torrent Power Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	*
Consideration paid for Scheme of Arrangement	-	80.63	-	-	-	-	-	-	-	-	-	80.63
Torrent Solargen Ltd.	-	80.63	-	-	-	-	-	-	-	-	-	80.63

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

Commission of Shri R. Ravichandran (nominee of LIC) is paid / payable to Life Insurance Corporation of India. Sitting fees and Commission of Shri Pankaj Joshi and Shri PK.Taneja (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

^ Excluding service tax / Goods and Service Tax.

Public utilities as covered under Ind AS - 24 "Related Party Disclosures", are not related parties. Hence transactions related to sale of electricity, by the Company as per GERC tariff order, have not been reported as related party transactions.

(c) Key management personnel compensation

	Year ended		Year ended	
	31 st March, 2018	31 st March, 2017	31 st March, 2017	31 st March, 2017
Short-term employee benefits	63.59	-	36.72	-
Post-employment benefits	-	-	-	-
Long-term employee benefits	3.00	-	-	-
Termination benefits	-	-	-	-
Employee share-based payment	-	-	-	-
	66.59	-	36.72	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)
(d) Related Party balances

	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		Total	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Balances at the end of the year												
Current liability												
Torrent Power Grid Ltd.	-	-	-	-	-	-	4761	2391	0.13	0.03	4774	2394
Torrent Solargen Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Torrent Pipavav Generation Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Torrent Power Services Private Ltd.	-	-	-	-	-	-	-	-	*	*	*	*
UNM Foundation	-	-	-	-	-	-	-	-	*	0.03	*	0.03
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.08	*	0.08	*
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	0.05	-	0.05	-
Sudhir Mehta	-	-	-	-	-	-	10.00	5.00	-	-	10.00	5.00
Samir Mehta	-	-	-	-	-	-	10.00	5.00	-	-	10.00	5.00
Markand Bhatt	-	-	-	-	-	-	24.00	9.00	-	-	24.00	9.00
Jinal Mehta	-	-	-	-	-	-	2.50	3.74	-	-	2.50	3.74
Samir Barua	-	-	-	-	-	-	0.19	0.17	-	-	0.19	0.17
Kiran Karnik	-	-	-	-	-	-	0.16	0.17	-	-	0.16	0.17
Keki Mistry	-	-	-	-	-	-	0.12	0.13	-	-	0.12	0.13
R. Ravichandran#	-	-	-	-	-	-	0.06	0.12	-	-	0.06	0.12
Pankaj Patel	-	-	-	-	-	-	0.15	0.12	-	-	0.15	0.12
Bhavna Doshi	-	-	-	-	-	-	0.16	0.17	-	-	0.16	0.17
Pankaj Joshi#	-	-	-	-	-	-	0.12	-	-	-	0.12	-
P. K. Taneja#	-	-	-	-	-	-	-	0.12	-	-	-	0.12
Dharmishta Raval	-	-	-	-	-	-	0.15	0.17	-	-	0.15	0.17
Investment in equities	194.17	194.17	-	-	-	-	-	-	0.06	0.06	194.23	194.23
Torrent Power Grid Ltd.	66.60	66.60	-	-	-	-	-	-	-	-	66.60	66.60
Torrent Pipavav Generation Ltd.	4750	4750	-	-	-	-	-	-	-	-	4750	4750
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.	*	-	-	-	-	-	-	-	-	-	*	-
Jodhpur Wind Farms Private Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Investment in non-convertible debentures	-	-	183.97	-	-	-	-	-	-	-	183.97	-
Wind Two Renergy Private Ltd.	-	-	73.29	-	-	-	-	-	-	-	73.29	-
Wind Four Renergy Private Ltd.	-	-	55.35	-	-	-	-	-	-	-	55.35	-
Wind Five Renergy Private Ltd.	-	-	55.33	-	-	-	-	-	-	-	55.33	-

Standalone Financial Statements

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Relatives of key management personnel / enterprises controlled by relatives of key management personnel / enterprise where the Company has 50% voting right / enterprises controlled by the Parent Company		Total	
	As at 31.03.18	As at 31.03.17	As at 31.03.18	As at 31.03.17	As at 31.03.18	As at 31.03.17	As at 31.03.18	As at 31.03.17	As at 31.03.18	As at 31.03.17	As at 31.03.18	As at 31.03.17
Loans and advances	618.19	55.18	-	-	-	-	-	-	-	0.34	618.19	55.52
Torrent Pipavav Generation Ltd.	56.12	54.89	-	-	-	-	-	-	-	-	56.12	54.89
Torrent Power Grid Ltd.	-	0.01	-	-	-	-	-	-	-	-	-	0.01
Torrent Solargen Ltd.	-	0.28	-	-	-	-	-	-	-	-	-	0.28
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	-	0.34	-	0.34
Latur Renewable Private Ltd.	278.64	-	-	-	-	-	-	-	-	-	278.64	-
Jodhpur Wind Farms Private Ltd.	283.43	-	-	-	-	-	-	-	-	-	283.43	-
Trade receivables	-	-	-	-	-	-	-	-	0.14	-	0.14	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	0.14	-	0.14	-

Commission of Shri R. Ravichandran (nominee of LIC) is payable to Life Insurance Corporation of India. Commission of Shri Pankaj Joshi and Shri P.K. Taneja (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 on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement is expected to occur in cash.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 31 st March, 2018	As at 31 st March, 2017
Debt	9,255.52	8,630.89
Total equity	9,147.16	8,186.86
Debt to equity ratio	1.01	1.05

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

(b) Categories of financial instruments

(₹ in Crore)

	As at 31 st March, 2018		As at 31 st March, 2017	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	134.23	134.23	102.41	102.41
Bank balance other than cash and cash equivalents	135.50	135.50	166.49	166.49
Investment in bonds and debentures	192.23	192.23	6.57	6.57
Trade receivables	1,124.48	1,124.48	968.91	968.91
Loans	651.22	651.22	73.87	73.87
Other financial assets	651.05	651.05	674.02	674.02
	2,888.71	2,888.71	1,992.27	1,992.27
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	614.12	614.12	552.92	552.92
Investment in equity instruments#	0.06	0.06	0.06	0.06
	614.18	614.18	552.98	552.98
Financial liabilities				
Measured at amortised cost				
Borrowings	8,502.40	8,555.39	8,188.36	8,230.94
Trade payables	751.92	751.92	786.36	786.36
Other financial liabilities	2,112.69	2,112.69	1,982.70	1,982.70
	11,367.01	11,420.00	10,957.42	11,000.00

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 st March, 2018	As at 31 st March, 2017		
Investment in mutual fund units	614.12	552.92	Level 1	Quoted bid prices in an active market
	<u>614.12</u>	<u>552.92</u>		

(2) Financial liabilities at amortised cost

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 st March, 2018	As at 31 st March, 2017		
Fixed rate borrowings (Non-convertible debentures)	1,147.99	1,137.58	Level 2	Inputs other than quoted prices that are observable
	<u>1,147.99</u>	<u>1,137.58</u>		

(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, 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 EUR. 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.

Unhedged foreign currency exposures

Nature of transactions	Currency	(in Crore)	
		As at 31 st March, 2018	As at 31 st March, 2017
Financial liabilities			
Trade payable	USD	-	0.02
Capital liability	USD	*	0.06
Trade payable	EURO	1.11	2.11
Capital liability	EURO	0.01	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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 31 st March, 2018	As at 31 st March, 2017
Fixed rate borrowings	1,123.28	1,127.10
Floating rate borrowings [^]	8,132.24	7,503.79
	<u>9,255.52</u>	<u>8,630.89</u>
[^] 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 31 st March, 2018	Year ended 31 st March, 2017
Impact on profit before tax - increase in 50 basis points	(40.66)	(37.52)
Impact on profit before tax - decrease in 50 basis points	40.66	37.52

Credit risk

Trade receivables

(1) Exposures to credit risk:

The Company is exposed to the counterparty credit risk arising from the possibility that counterparties 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, 2018 and 31st March, 2017. 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

(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 and the rates as given in the provision matrix.

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

As at 31st March, 2018

	Gross trade receivables	Expected credit loss (%)	(₹ in Crore) Allowance for doubtful debt
Less than or equal to 6 months	1,106.32	3.04%	33.63
More than 6 months but less than or equal to 1 year	52.90	41.61%	22.01
More than one year	101.19	79.35%	80.29
	<u>1,260.41</u>		<u>135.93</u>

As at 31st March, 2017

	Gross trade receivables	Expected credit loss (%)	(₹ in Crore) Allowance for doubtful debt
Less than or equal to 6 months	972.11	2.73%	26.52
More than 6 months but less than or equal to 1 year	36.82	59.99%	22.09
More than one year	89.46	90.40%	80.87
	<u>1,098.39</u>		<u>129.48</u>

(5) Movement in the expected credit loss allowance

	(₹ in Crore) Year ended 31 st March, 2018	(₹ in Crore) Year ended 31 st March, 2017
Opening balance	129.48	129.73
Movement in expected credit loss allowance on trade receivable, net	6.45	(0.25)
Closing balance [Refer note 14]	<u>135.93</u>	<u>129.48</u>

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Liquidity risk

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

Maturities of financial liabilities

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest (accrued upto 31st March, 2018) 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, 2018

	(₹ in Crore)			
	Less than 1 year	Between 1 and 5 year	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

As at 31st March, 2017

	(₹ in Crore)			
	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings^	-	2,208.21	5,940.37	8,148.58
Trade payables^	-	65.30	-	65.30
Other financial liabilities	-	37.76	826.00	863.76
	-	2,311.27	6,766.37	9,077.64
Current financial liabilities				
Borrowings	76.62	-	-	76.62
Trade payables	733.00	-	-	733.00
Other financial liabilities^	1,123.49	-	-	1,123.49
	1,933.11	-	-	1,933.11
Total financial liabilities	1,933.11	2,311.27	6,766.37	11,010.75

^ Gross amount including unamortised expense.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 57: SPECIFIED BANK NOTES (SBNs)

Details of Specified Bank Notes (SBNs) held and transacted during the period 8th November, 2016 to 30th December, 2016 as provided below:

	SBNs	Other denomination notes	(₹ in Crore) Total
Closing cash in hand as on 8 th November, 2016	2.01	0.07	2.08
Add: Permitted receipts	181.83	75.37	257.20
Less: Permitted payments	-	0.47	0.47
Less: Amount deposited in banks	183.84	74.11	257.95
Closing cash in hand as on 30 th December, 2016	-	0.86	0.86

Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407 (E), dated 8th November, 2016.

Closing balance as at 8th November, 2016 includes amount refunded by employees against advance given to them.

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 29th May, 2018.

Signature to Note 1 to 59

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairman
DIN: 00061903

Pradip Kanakia
Partner
Membership No.: 39985

T P Vijayasathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Ahmedabad, 29th May, 2018

Ahmedabad, 29th May, 2018

Consolidated Financial Statements 2017-18

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF
TORRENT POWER LIMITED

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

1. We have audited the accompanying consolidated Ind AS financial statements of **TORRENT POWER LIMITED** ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate companies; (refer Note 42 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its associates in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

INDEPENDENT AUDITORS' REPORT (Contd.)

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associates as at 31st March, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of profit / loss and other comprehensive income) of ₹ Nil for the year ended 31st March, 2018 as considered in the consolidated Ind AS financial statements, in respect of six associate companies, whose financial statements/ financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

9. The consolidated Ind AS financial statements of the Company for the year ended 31st March, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated 23rd May, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and associate companies including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and associate companies including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies, none of the directors of the Group companies and its associate companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

INDEPENDENT AUDITORS' REPORT (Contd.)

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate companies and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at 31st March, 2018 on the consolidated financial position of the Group and its associates— Refer Notes 32 and 45 to the consolidated Ind AS financial statements.
 - ii. The Group and its associates have long-term contracts as at 31st March, 2018 for which there were no material foreseeable losses. The Group and its associates did not have any derivative contracts as at 31st March, 2018.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and its associate companies during the year ended 31st March, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended 31st March, 2018.

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 39985

Place: Ahmedabad
Date: 29th May, 2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the consolidated Ind AS financial statements for the year ended 31st March, 2018

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

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls with reference to financial statements of **TORRENT POWER LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the consolidated Ind AS financial statements for the year ended 31st March, 2018

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to six associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 39985

Place: Ahmedabad

Date: 29th May, 2018

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2018

	Note	As at 31 st March, 2018	(₹ in Crore) As at 31 st March, 2017
Assets			
Non-current assets			
Property, plant and equipment	4	17,857.49	16,796.06
Capital work-in-progress		390.47	329.48
Investment property	5	-	0.53
Intangible assets	6	13.23	7.40
Intangible assets under development		2.04	2.61
Financial assets			
Investments	7	192.29	6.63
Loans	8	16.73	15.00
Other financial assets	9	0.77	0.71
Deferred tax assets (net)	44	3.06	-
Non-current tax assets (net)	10	27.07	20.49
Other non-current assets	11	655.88	594.90
		19,159.03	17,773.81
Current assets			
Inventories	12	454.88	369.37
Financial assets			
Investments	13	680.66	664.27
Trade receivables	14	1,130.45	975.05
Cash and cash equivalents	15	136.50	102.85
Bank balances other than cash and cash equivalents	16	181.05	166.49
Loans	17	16.31	3.99
Other financial assets	18	751.05	673.12
Current tax assets (net)	19	-	0.09
Other current assets	20	82.16	63.49
		3,433.06	3,018.72
		22,592.09	20,792.53
Equity and liabilities			
Equity			
Equity share capital	21	480.62	480.62
Other equity	22	7,238.91	6,411.47
		7,719.53	6,892.09
Non-controlling interests		35.92	28.93
		7,755.45	6,921.02
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	8,563.70	8,193.40
Trade payables	24	94.64	53.36
Other financial liabilities	25	956.44	863.76
Provisions	26	79.05	95.98
Deferred tax liabilities (net)	44	1,482.94	1,336.33
Other non-current liabilities	27	882.34	825.30
		12,059.11	11,368.13
Current liabilities			
Financial liabilities			
Borrowings	28	-	76.62
Trade payables	29		
Due to micro and small enterprises		18.34	7.06
Due to others		640.37	726.73
Other financial liabilities	30	1,482.92	1,148.74
Other current liabilities	31	577.52	472.47
Provisions	32	31.83	44.15
Current tax liabilities (net)	33	26.55	27.61
		2,777.53	2,503.38
		22,592.09	20,792.53

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Price Waterhouse Chartered Accountants LLP**

Samir Mehta

Chartered Accountants

Chairman

Firm Registration Number : 012754N / N500016

DIN: 00061903

Pradip Kanakia

T P Vijayasarathy

Partner

Executive Director (Corporate Affairs) &

Membership No.: 39985

Chief Financial Officer

Ahmedabad, 29th May, 2018

Ahmedabad, 29th May, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Crore)

	Note	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Income			
Revenue from operations	34	11,512.09	10,000.10
Other income	35	263.55	190.88
Total income		11,775.64	10,190.98
Expenses			
Electrical energy purchased		3,584.78	3,634.17
Fuel cost		3,237.36	2,525.76
Cost of materials consumed	36	233.44	196.56
Purchase of stock-in-trade		-	0.45
Changes in inventories of finished goods and work-in-progress	37	1.25	(4.30)
Employee benefits expense	38	467.03	417.19
Finance costs	39	848.19	1,057.98
Depreciation and amortization expense and impairment loss	40	1,131.50	1,005.86
Other expenses	41	871.10	769.97
Total expenses		10,374.65	9,603.64
Profit before tax		1,400.99	587.34
Tax expense			
Current tax	44	312.48	123.95
Deferred tax	44	136.39	33.60
		448.87	157.55
Profit for the year		952.12	429.79
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	47	20.50	(9.75)
Tax relating to remeasurement of the defined benefit plans	44	7.16	(3.38)
Other comprehensive income for the year (net of tax)		13.34	(6.37)
Total comprehensive income for the year		965.46	423.42
Profit for the year attributable to:			
Owners of the Company		942.31	428.95
Non-controlling interests		9.81	0.84
		952.12	429.79
Other comprehensive income for the year attributable to:			
Owners of the Company		13.34	(6.37)
Non-controlling interests		*	*
		13.34	(6.37)
Total comprehensive income for the year attributable to:			
Owners of the Company		955.65	422.58
Non-controlling interests		9.81	0.84
		965.46	423.42
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	51	19.61	8.93

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number : 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 39985

Ahmedabad, 29th May, 2018

Samir Mehta

Chairman

DIN: 00061903

T P Vijayasathya

Executive Director (Corporate Affairs) &
Chief Financial Officer

Ahmedabad, 29th May, 2018

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2018

	Note	Year ended 31 st March, 2018	Year ended 31 st March, 2017
(₹ in Crore)			
Cash flow from operating activities			
Net profit before tax		1,400.99	587.34
Adjustments for :			
Depreciation and amortization expense and impairment loss	40	1,131.50	1,005.86
Amortisation of deferred revenue	34	(56.96)	(51.57)
Provision of earlier years written back	34	(8.04)	(25.71)
Loss on sale / discarding of property, plant and equipment	41	31.07	12.18
Gain on disposal of property, plant and equipment	35	(54.97)	(2.67)
Bad debts written off (net)	41	3.32	14.38
Allowance for doubtful advances	41	-	3.74
Allowance for doubtful debts (net)	41	6.45	(0.26)
Finance costs	39	848.19	1,057.98
Interest income	35	(69.25)	(78.15)
Rent income from investment property	35	(1.05)	(1.32)
Goodwill / non-current investment written off	41	0.02	10.00
Profit on sale of current investments in mutual funds	35	(44.57)	(60.77)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	35	(8.48)	(0.63)
Net gain arising on financial assets / liabilities measured at amortised cost	35	(14.39)	-
Net unrealised loss / (gain) on foreign currency transactions		11.87	(18.01)
Operating profit before working capital changes		3,175.70	2,452.39
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		(85.51)	50.86
Trade receivables		(165.17)	67.81
Non-current loans		(1.73)	(15.00)
Current loans		(12.32)	(3.99)
Other current financial asset		(85.81)	(262.64)
Other non-current financial asset		(0.10)	15.03
Other current assets		(18.67)	103.79
Other non-current assets		36.28	12.21
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(76.31)	(2.06)
Non-current trade payables		43.46	(166.69)
Other current financial liabilities		91.46	(41.08)
Other non-current financial liabilities		92.48	83.76
Long-term provisions		(16.93)	15.88
Short-term provisions		8.18	(4.94)
Other current liabilities		98.52	156.27
Cash generated from operations		3,083.53	2,461.60
Taxes paid		(320.03)	(105.60)
Net cash flow from operating activities		2,763.50	2,356.00
Cash flow from investing activities			
Payments for property, plant and equipment & capital work-in-progress		(2,280.67)	(2,449.98)
Payments for intangible assets & intangible asset under development		(8.70)	(4.92)
Non-current advances for capital assets		(97.26)	280.42
Proceeds from sale of property, plant and equipment / investment property		51.68	9.33
Non-current investment in subsidiaries		(0.02)	-
Non-current investment in debentures		(182.40)	-

CONSOLIDATED STATEMENT OF CASH FLOW (Contd.)

Consolidated Financial Statements

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
(₹ in Crore)		
Purchase of non-current investments	(1.69)	(1.63)
Investments (net) in bank deposits (maturity more than three months)	(14.21)	-
Redemption (net) of bank deposits (maturity more than three months)	-	67.40
Interest received	77.12	73.20
Purchase (net) of current investments	(7.91)	(157.70)
Profit on sale of current investments	44.57	60.77
Rent income from investment property	1.05	1.32
Bank balances not considered as cash and cash equivalents	-	0.09
Net cash generated from / (used in) investing activities	(2,418.44)	(2,121.70)
Cash flow from financing activities		
Proceeds from long-term borrowings	987.74	1,572.15
Proceeds from short-term borrowings	-	76.62
Repayment of long-term borrowings	(360.33)	(313.31)
Prepayment of long-term borrowings	(19.33)	(1,087.40)
Repayment of short-term borrowings	(76.62)	-
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	120.52	117.87
Dividend paid	(108.08)	(1.64)
Dividend distribution tax paid	(22.95)	(1.28)
Finance costs paid	(828.54)	(1,033.37)
Net cash generated from / (used in) financing activities	(311.41)	(674.18)
Net (decrease) / increase in cash and cash equivalents	33.65	(439.88)
Cash and cash equivalents as at beginning of the year	102.85	542.73
Cash and cash equivalents as at end of the year	136.50	102.85
See accompanying notes forming part of the consolidated financial statements		
Footnotes:		
1. Cash and cash equivalents as at end of the year:		
Balances with banks		
Balance in current accounts	133.26	99.31
Balance in fixed deposit accounts (original maturity for less than three months)	1.03	1.68
Cheques, drafts on hand	1.61	1.06
Cash on hand	0.60	0.80
	136.50	102.85
2. The consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".		
3. In the consolidated statement of cash flow, the Company has reclassified investment in mutual funds (money market) from cash and cash equivalents to investing activities, for previous year, as it is considered a more appropriate classification and disclosure.		

In terms of our report attached

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

Pradip Kanakia
Partner
Membership No.: 39985

Ahmedabad, 29th May, 2018

For and on behalf of the Board of Directors

Samir Mehta
Chairman
DIN: 00061903

T P Vijayasathya
Executive Director (Corporate Affairs) &
Chief Financial Officer

Ahmedabad, 29th May, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity share capital [Refer note 21]

	(₹ in Crore)
Balance as at 1 st April, 2016	480.62
Changes in equity share capital during the year	-
Balance as at 31 st March, 2017	480.62
Changes in equity share capital during the year	-
Balance as at 31 st March, 2018	480.62

B. Other equity [Refer note 22]

	(₹ in Crore)							Non-controlling interests	Total
	Securities premium reserve	Debt redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	Other equity attributable to equity holders of the Company		
Balance as at 1 st April, 2016	0.03	95.24	4.56	78.07	3,583.89	2,228.05	5,989.84	30.06	6,019.90
Profit for the year	-	-	-	-	-	428.95	428.95	0.84	429.79
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(6.37)	(6.37)	-	(6.37)
Total comprehensive income for the year	-	-	-	-	-	422.58	422.58	0.84	423.42
Transfer to debt redemption reserve	-	34.22	-	-	-	(34.22)	-	-	-
Transfer to contingency reserve	-	-	1.68	-	-	(1.68)	-	-	-
Dividend (including interim dividend) paid	-	-	-	-	-	-	-	-	-
Dividend distribution tax paid	-	-	-	-	-	(0.95)	(0.95)	(1.64)	(1.64)
Balance as at 31 st March, 2017	0.03	129.46	6.24	78.07	3,583.89	2,613.78	6,411.47	28.93	6,440.40
Profit for the year	-	-	-	-	-	942.31	942.31	9.81	952.12
Other comprehensive income for the year, net of income tax	-	-	-	-	-	13.34	13.34	-	13.34
Total comprehensive income for the year	-	-	-	-	-	955.65	955.65	9.81	965.46
Transfer to debt redemption reserve	-	34.22	-	-	-	(34.22)	-	-	-
Transfer to contingency reserve	-	-	1.71	-	-	(1.71)	-	-	-
Dividend (including interim dividend) paid	-	-	-	-	-	(105.74)	(105.74)	(2.34)	(108.08)
Dividend distribution tax paid	-	-	-	-	-	(22.47)	(22.47)	(0.48)	(22.95)
Balance as at 31 st March, 2018	0.03	163.68	7.95	78.07	3,583.89	3,405.29	7,238.91	35.92	7,274.83

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration Number : 012754N / N500016

Pradipt Kanakia

Partner

Membership No.: 39985

Ahmedabad, 29th May, 2018

For and on behalf of the Board of Directors

Samir Mehta

Chairman

DIN: 00061903

T P Vijayasathya

Executive Director (Corporate Affairs) &

Chief Financial Officer

Ahmedabad, 29th May, 2018

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1A: GENERAL INFORMATION

These financial statements comprise financial statements of Torrent Power Limited ("the Company"), its subsidiaries and associates (hereinafter referred to as "the Group") for the year ended 31st March, 2018.

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 Group is an integrated power utility and is engaged in the business of generation, transmission and distribution of power and manufacture and sale of Cables. Information on the Group's structure is provided in note 42.

NOTE 1B: NEW STANDARDS OR INTERPRETATIONS ADOPTED BY THE GROUP

The Group has applied the following amendment for the first time for its annual reporting period commencing 1st April, 2017:

Amendment to Ind AS-7 "Statement of Cash Flows"

The amendment to Ind AS-7 requires the entities to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The adoption of these amendments did not have any impact on the amounts recognised in prior periods. When the Group first applies these amendments, it is not required to provide comparative information for preceding periods.

NOTE 1C: NEW STANDARDS OR INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The Group will apply the following standard for the first time for its annual reporting period commencing 1st April, 2018:

Ind AS-115 "Revenue from Contracts with Customers"

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on 28th March, 2018 which includes Ind AS-115 "Revenue from Contracts with Customers." This will replace Ind AS-18 which covers contracts for goods and services and Ind AS-11 which covers construction contracts.

Ind AS-115 "Revenue from contracts with Customers" outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most current revenue recognition guidance. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively including service revenues and contract modifications and improve guidance for multiple-element arrangements. The new standard will come into effect for the annual reporting periods beginning on or after 1st April 2018. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

In order to identify the potential impact of the standard on the Group's financial statements, the Group is analysing contracts of the revenue streams of the Group. The Group 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 Group progresses further in the implementation process. As a result, at this stage the Group is not able to estimate the impact of the new standard on the Group's financial statements. The Group will make more detailed assessments of the impact over the future periods.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group 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 Principles of consolidation:

Subsidiaries

The consolidated financial statements comprise the financial statements of Torrent Power Limited and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS-12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on 31st March.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS-105 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

2.3 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 Group 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 Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 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 are 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 consolidated 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 or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

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 Group 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 Group 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 Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the consolidated 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 consolidated 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 group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 being 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 UPERC / 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 Group, 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 group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated 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 includes 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 consolidated 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 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. 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 products are delivered or services are rendered to consumers and when no significant uncertainty as to the measurability or collectability exists. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts and other similar allowances.

- (i) Revenue from power supply and transmission charges are accounted for on the basis of billings to consumers and Central transmission utility respectively in accordance with tariff orders issued by the respective regulatory commissions. Revenue recognized in excess of billing has been reflected under “other financial assets” as unbilled revenue.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Further, in view of the uncertainties involved in the recoverability, the quarterly Fuel and Power Purchase Price Adjustment ("FPPPA") claims are accounted for as and when allowed by the regulatory authorities and truing up adjustments claims are accounted for as and when billed to the consumers. [Refer note 3.1(i)]

- (ii) Sales of cables and surplus fuel (RLNG) are recognised, net of returns and rebates, on transfer of significant risks and rewards of ownership to the buyer. Sales includes excise duty but excludes sales-tax, value added tax and Goods and service tax.
- (iii) Gross proceeds from sale of Certified Emission Reduction certificates (CERs) are recognized when all the significant risks and rewards of ownership 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) Dividend is accounted when the right to receive payment is established.
- (vi) Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group 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.

- (vii) 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. Similarly contribution by third party towards construction of overhead transmission lines are recognized 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 consolidated financial statements are prepared in Indian rupee (INR) which is functional as well as presentation currency of the Group.

Transactions and balances

In preparing the financial statements of each individual Group entity, 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 adjustments to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group'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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.14 Employee benefits:

Defined contribution plans

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

Defined benefits plans

The liability or asset recognised in the consolidated 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 approximately to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the consolidated 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 consolidated 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 consolidated balance sheet represents the actual deficit or surplus in the Group'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 consolidated 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 consolidated 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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 Group 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) attributable to owners of the Company by the weighted average number of equity shares outstanding during the year.

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

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

2.17 Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognized when the Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- **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 consolidated 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 Group 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 18 only, the Group 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 Group 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 Group's consolidated balance sheet) when:

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

When the entity has transferred an asset, the Group 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 Group has not retained control over the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities

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

i) Classification

All the Group'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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group 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 Group as lessee): Lease payments under an operating lease are recognized as expense in the consolidated 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 Rounding of amounts:

All amounts disclosed in the financial statements and notes have been presented in crore 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 '**'.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Regulatory matters:

(i) Regulatory deferral accounts

Ind AS-114 “Regulatory Deferral Accounts” permits the Group to apply the requirements of this standard in its first Ind AS consolidated financial statements if and only if it conducts rate-regulated activities and recognised amounts that qualify as regulatory deferral account balances in its consolidated financial statements in accordance with its previous GAAP (i.e. for the year ended 31st March, 2016). As the Group had consistently elected not to recognise the regulatory deferral balances in its previous GAAP, the requirement of IND AS-114 does not apply to the Group.

3.2 Property, plant and equipment:

(i) Service concession arrangements

The Group has assessed applicability of Appendix A of Ind AS-11 “Service Concession Arrangements” with respect to its distribution and transmission assets portfolio. In assessing the applicability, the Group 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 A of Ind AS-11 is not applicable.

(ii) Impairment of property plant and equipment

At the end of each reporting period, the Group 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.

3.3 Impairment of financial assets:

(i) Trade receivables

The Group estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in note 55.

3.4 Taxation:

(i) Current tax

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(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.

3.5 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

As at 31st March, 2018

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss				Net carrying amount
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2018	As at 1 st April, 2017	For the year [^]	Deductions during the year	As at 31 st March, 2018	
Property, plant and equipment										
Freehold land	368.95	18.04	-	-	386.99	-	-	-	-	386.99
Buildings	1,357.56	6792	0.24	0.98	1,426.22	86.51	49.32	*	135.83	1,290.39
Railway siding	1.86	-	-	-	1.86	0.10	0.05	-	0.15	1.71
Plant and machinery	16,817.70	2,122.12	34.96	(15.77)	18,889.09	1,793.81	1,065.14	9.47	2,849.48	16,039.61
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	19.41	4.31	1.35	0.01	22.38	3.82	2.23	0.41	5.64	16.74
Office equipment	71.80	13.45	0.61	0.05	84.69	17.61	7.70	0.22	25.09	59.60
Total	18,708.77	2,233.97	37.55	(14.71)	20,890.48	1,912.71	1,130.58	10.30	3,032.99	17,857.49

[^] Includes impairment loss amounting to ₹14.07 CroreAs at 31st March, 2017

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at 1 st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2017	As at 1 st April, 2016	For the year	Deductions during the year	As at 31 st March, 2017	
Property, plant and equipment										
Freehold land	358.30	10.65	-	-	368.95	-	-	-	-	368.95
Buildings	1,229.74	127.51	*	0.31	1,357.56	39.28	47.23	*	86.51	1,271.05
Railway siding	1.86	-	-	-	1.86	0.05	0.05	-	0.10	1.76
Plant and machinery	14,308.42	2,526.65	20.33	2.96	16,817.70	856.43	939.92	2.54	1,793.81	15,023.89
Electrical fittings and apparatus	31.39	2.76	*	0.01	34.16	2.95	3.07	-	6.02	28.14
Furniture and fixtures	21.75	15.59	0.01	-	37.33	2.13	2.71	*	4.84	32.49
Vehicles	17.03	3.46	1.08	-	19.41	1.75	2.27	0.20	3.82	15.59
Office equipment	65.16	6.84	0.24	0.04	71.80	8.83	8.84	0.06	17.61	54.19
Total	16,033.65	2,693.46	21.66	3.32	18,708.77	911.42	1,004.09	2.80	1,912.71	16,796.06

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Footnotes:

1. Assets mortgaged as security:

Entire movable and immovable properties (including capital work-in-progress) with the net carrying amount of ₹18,247.96 Crore (31st March, 2017 - ₹17,125.54 Crore) have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].

2. Capital commitment:

Refer note 45 (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 ₹5.77 Crore (Previous year - ₹4.50 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 ₹0.71 Crore (31st March, 2017- ₹2.42 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 8.55% (Previous year 11.07% to 11.13%)

6. Adjustments during the year include foreign currency exchange difference (net) of ₹ Nil (Previous year - ₹0.90 Crore net gain).

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

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

Particulars	Proportion of holding	(₹ in Crore)	
		As at 31 st March, 2018	As at 31 st March, 2017
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	1.36	1.36

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 : INVESTMENT PROPERTY

As at 31st March, 2018

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount (₹ in Crore)
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 1 st April, 2017	For the year	As at 31 st March, 2018	
Freehold land	0.53	-	0.53	-	-	-	-	-
Total	0.53	-	0.53	-	-	-	-	-

As at 31st March, 2017

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount (₹ in Crore)
	As at 1 st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 1 st April, 2016	For the year	As at 31 st March, 2017	
Freehold land	0.53	-	-	-	-	-	-	0.53
Total	0.53	-	-	-	-	-	-	0.53

Footnotes:

- The Company had leased the entire freehold land as disclosed above to Torrent Pharmaceuticals Limited.
- The fair value of the Company's investment property as at 31st March, 2017 has been arrived at on the basis of a valuation carried out by the Company. The fair value was determined based on the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.
- Details of the Company's investment property and information about the fair value hierarchy as at 31st March, 2017 are as follows:

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Fair value of investment property (₹ in Crore)	-	45.00
Fair value hierarchy	-	Level 2 [Refer note 55]

- The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop such investment properties or for repairs, maintenance and enhancements thereof.
- Amount recognised in statement of profit and loss for investment property [Refer note 35] :

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Rental income derived from investment property	1.05	1.32
Direct operating expenses arising from investment property	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 : INTANGIBLE ASSETS

As at 31st March, 2018

Particulars	Gross carrying amount				Accumulated amortization			Net carrying amount (₹ in Crore)
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2018	For the year	Deductions during the year	As at 31 st March, 2018
Computer software	17.26	9.27	-	-	26.53	3.44	-	13.30
Total	17.26	9.27	-	-	26.53	3.44	-	13.23

As at 31st March, 2017

Particulars	Gross carrying amount				Accumulated amortization			Net carrying amount (₹ in Crore)
	As at 1 st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2017	For the year	Deductions during the year	As at 31 st March, 2017
Computer software	11.87	5.41	0.02	-	17.26	4.72	0.02	7.40
Total	11.87	5.41	0.02	-	17.26	4.72	0.02	7.40

Footnote:

- The above computer software has been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Investment in equity instruments (unquoted)		
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 - 31 st March, 2018: 9,61,500, 31 st March, 2017: 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 - 31 st March, 2018: 24,500, 31 st March, 2017: 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 - 31 st March, 2018: 25,000, 31 st March, 2017: 25,000)		
UNM Foundation @		
Equity shares of ₹10 each fully paid up	0.03	0.03
(No. of shares - 31 st March, 2018: 25,000, 31 st March, 2017: 25,000)		
	0.06	0.06
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	73.29	-
(No. of debentures - 31 st March, 2018: 7,276, 31 st March, 2017: Nil)		
Wind Four Renergy Private Limited		
Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each	55.35	-
(No. of debentures - 31 st March, 2018: 5,482, 31 st March, 2017: Nil)		
Wind Five Renergy Private Limited		
Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each	55.33	-
(No. of debentures - 31 st March, 2018: 5,482, 31 st March, 2017: Nil)		
	183.97	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS (Contd.)

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
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	-
	8.26	6.57
	192.29	6.63
Aggregate amount of quoted investments	8.26	6.57
Aggregate amount of unquoted investments	184.03	0.06
	192.29	6.63
Aggregate amount of provision for impairment in value of investments	0.63	0.63
Aggregate amount of market value of quoted investments	8.42	7.04
@ 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.		
\$ 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 22 - Contingency reserve]		

NOTE 8 : NON-CURRENT LOANS

Unsecured (considered good unless stated otherwise)

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Security deposits	16.73	15.00
	16.73	15.00

NOTE 9 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Bank fixed deposits	0.62	0.66
Interest accrued on deposits	-	*
Other advances	0.15	0.05
	0.77	0.71

NOTE 10 : NON-CURRENT TAX ASSETS

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Advance income tax (net)	27.07	20.49
	27.07	20.49

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Capital advances	269.49	172.23
Advances for goods and services	230.29	261.42
Balances with government authorities	*	0.01
Prepaid expenses	2.53	2.15
Unamortised premium for leasehold land	153.57	159.09
	<u>655.88</u>	<u>594.90</u>

NOTE 12 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Stores and spares	285.37	246.07
Fuel	135.35	84.56
Raw materials	19.74	23.51
Work-in-progress	5.93	6.50
Finished goods	6.44	7.44
Packing materials	0.54	0.49
Loose tools	1.51	0.80
	<u>454.88</u>	<u>369.37</u>

Footnotes:

1. The cost of inventories recognised as an expense includes ₹5.65 Crore (Previous year - ₹10.97 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.
2. The carrying amount of inventories which has been mortgaged and hypothecated to secure borrowings of the Group was ₹454.88 Crore (31st March, 2017 - ₹369.37 Crore).
3. The above carrying amount of inventories include goods in transit as under :

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Stores and spares	-	0.28
Fuel	6.05	3.77
Raw materials	-	1.51
	<u>6.05</u>	<u>5.56</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Investment in mutual funds (unquoted)		
Baroda Pioneer Liquid Fund-Growth (No. of units- 31 st March, 2018: 4,28,694, 31 st March, 2017: Nil)	85.28	-
DSPBR Liquidity Fund (No. of units- 31 st March, 2018: 1,82,845, 31 st March, 2017: 46,214)	45.24	10.71
IDFC Cash Fund - Growth - (Regular Plan) (No. of units- 31 st March, 2018: Nil, 31 st March, 2017: 4,82,920)	-	95.18
Invesco India Liquid Fund - Growth (No. of units- 31 st March, 2018: 4,59,617, 31 st March, 2017: 4,32,853)	109.56	96.63
Kotak Liquid Scheme Plan A - Growth (No. of units- 31 st March, 2018: Nil, 31 st March, 2017: 2,37,918)	-	78.29
LIC MF Liquid Fund (No. of units- 31 st March, 2018: 17,065, 31 st March, 2017: Nil)	5.35	-
L&T Liquid Fund - Growth (No. of units- 31 st March, 2018: Nil, 31 st March, 2017: 4,08,207)	-	90.82
SBI PLF - Regular Plan Growth # (No. of units- 31 st March, 2018: 7,80,363, 31 st March, 2017: 6,56,194)	211.91	167.05
Sundaram Money Fund - Regular - Growth (No. of units- 31 st March, 2018: Nil, 31 st March, 2017: 11,75,902)	-	4.02
Tata Money Market Fund (No. of units- 31 st March, 2018: 6,68,769, 31 st March, 2017: 4,68,952)	182.37	119.76
UTI Liquid Cash Plan - Growth (No. of units- 31 st March, 2018: 1,44,348, 31 st March, 2017: 6,822)	40.95	1.81
	<u>680.66</u>	<u>664.27</u>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	680.66	664.27
	<u>680.66</u>	<u>664.27</u>
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-
# include ₹89.14 Crore (31 st March, 2017- ₹66.10 Crore) on which a lien has been created in favour of lenders		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 : TRADE RECEIVABLES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Trade receivables		
Secured - Considered good	453.94	390.41
Unsecured - Considered good	676.51	584.64
- Considered doubtful	135.93	129.48
	1,266.38	1,104.53
Less: Allowance for bad and doubtful debts	135.93	129.48
	<u>1,130.45</u>	<u>975.05</u>
Footnotes:		
1. Refer note 55 for credit risk related disclosures.		
2. Refer note 23 for charge on current assets including trade receivables.		

NOTE 15 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Balances with banks		
Balance in current accounts	133.26	99.31
Balance in fixed deposit accounts (original maturity of less than three months)	1.03	1.68
	134.29	100.99
Cheques, drafts on hand	1.61	1.06
Cash on hand	0.60	0.80
	<u>136.50</u>	<u>102.85</u>

NOTE 16 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Unpaid dividend accounts	8.11	7.81
Unpaid fractional coupon accounts	0.34	0.33
Balance in fixed deposit accounts (maturity of more than three months but less than twelve months)	172.60	158.35
	<u>181.05</u>	<u>166.49</u>

NOTE 17 : CURRENT LOANS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Security deposits	16.31	3.99
	<u>16.31</u>	<u>3.99</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Inter-corporate deposits #	155.00	325.00
Interest accrued on non-current investments	0.10	0.10
Interest accrued on deposits	11.35	19.23
Unbilled revenue	484.97	320.13
	651.42	664.46
Other advances / receivables		
Considered good	99.63	8.66
Considered doubtful	6.06	6.06
	105.69	14.72
Less : Allowance for doubtful advances	6.06	6.06
	99.63	8.66
	751.05	673.12

include ₹155 Crore (31st March, 2017- ₹300 Crore) on which a lien has been created in favour of lenders

NOTE 19 : CURRENT TAX ASSETS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Advance tax & tax deducted at source (Net of provision for income tax)	-	0.09
	-	0.09

NOTE 20 : OTHER CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Advances for goods and services	63.05	44.53
Balances with government authorities	3.06	3.97
Prepaid expenses	10.32	9.27
Unamortised premium for leasehold land	5.73	5.72
	82.16	63.49

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at 31 st March, 2017) equity shares of ₹10 each	4,370.00	4,370.00
	<u>4,370.00</u>	<u>4,370.00</u>
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at 31 st March, 2017) equity shares of ₹10 each	480.62	480.62
	<u>480.62</u>	<u>480.62</u>
1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :		
	No. of shares As at 31 st March, 2018	No. of shares As at 31 st March, 2017
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	<u>48,06,16,784</u>	<u>48,06,16,784</u>
2. 25,74,22,311 equity shares (25,74,22,311 equity shares as at 31 st March, 2017) 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 31 st March, 2018 No. of shares % holding	As at 31 st March, 2017 No. of shares % holding
Torrent Private Limited	25,74,22,311 53.56%	25,74,22,311 53.56%
Gujarat State Investment Limited	4,68,71,621 9.75%	4,68,71,621 9.75%
Life Insurance Corporation of India	2,83,83,394 5.91%	2,98,86,827 6.22%
5. Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash :		
During FY 2015-16, the Company has 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 13 th August, 2015.		
6. Distributions made and proposed:		
The amount of per share dividend distributed to equity shareholders during the year ended 31 st March, 2018 is ₹2.20 (Previous year- ₹ Nil) per equity share, being the final dividend declared for the year ended 31 st March, 2017.		
The Board of Directors at its meeting held on 29 th May, 2018 have 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).		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 : OTHER EQUITY

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Reserves and surplus		
Securities premium reserve	0.03	0.03
Debenture redemption reserve	163.68	129.46
Contingency reserve	7.95	6.24
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	3,405.29	2,613.78
	<u>7,238.91</u>	<u>6,411.47</u>

Footnotes:

1. Securities premium reserve:

Securities premium reserve 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 is 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23 : NON-CURRENT BORROWINGS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
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	7,444.24	7,070.12
	7,444.24	7,070.12
	8,539.24	8,165.12
Unsecured loans - at amortised cost		
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	24.46	28.28
	24.46	28.28
	8,563.70	8,193.40
@ After considering unamortised expense of ₹34.31 Crore as at 31 st March, 2018 and ₹36.84 Crore as at 31 st March, 2017.		
Current maturities \$		
Secured loans - at amortised cost		
Term loans		
From banks	730.57	494.30
	730.57	494.30
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
	734.39	498.12
Amount disclosed under the head 'Other current financial liabilities' [Refer note 30]	(734.39)	(498.12)
	-	-

\$ After considering unamortised expense of ₹4.78 Crore as at 31st March, 2018 and ₹4.55 Crore as at 31st March, 2017.

Footnote:

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 ₹8,132.24 Crore and non convertible debentures of ₹1,095.00 Crore.

Amount of term loan of ₹81.66 Crore from bank is secured by way of first pari passu charge created on the entire movable properties including transmission towers, insulators and other movable assets, book debts, operating cash flows, revenues, intangibles, trust and retention account of subsidiary Company, Torrent Power Grid Limited.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24 : NON-CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Trade payables for goods and services	94.64	53.36
	<u>94.64</u>	<u>53.36</u>

NOTE 25 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Security deposits from consumers	955.95	863.16
Payables on purchase of property, plant and equipment	0.42	0.22
Sundry payables	0.07	0.38
	<u>956.44</u>	<u>863.76</u>

NOTE 26 : NON-CURRENT PROVISIONS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Provision for employee benefits		
Provision for gratuity [Refer note 47.2(d)]	-	7.35
Provision for compensated absences	79.05	88.63
	<u>79.05</u>	<u>95.98</u>

NOTE 27 : OTHER NON-CURRENT LIABILITIES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Deferred revenue		
Contribution received from consumers	858.03	798.28
Capital grant from government	24.31	27.02
	<u>882.34</u>	<u>825.30</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 28 : CURRENT BORROWINGS

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Secured loans		
Cash credit from banks	-	76.62
	-	76.62

Footnote:

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.

Net debt reconciliation :

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Cash and cash equivalents	136.50	102.85
Current investments	680.66	664.27
Current borrowings	-	(76.62)
Non-current borrowings (including current maturities and interest accrued)	(9,360.74)	(8,735.06)
	(8,543.58)	(8,044.56)

	Other assets		Liabilities from financing activities		Total
	Cash and cash equivalent	Current investment	Current borrowing	Non-current borrowing	
Net balance as at 31 st March, 2017	102.85	664.27	(76.62)	(8,735.06)	(8,044.56)
Cash flows	33.65	7.91	76.62	(604.26)	(486.08)
Interest expense	-	-	(0.06)	(776.52)	(776.58)
Interest paid	-	-	0.06	755.10	755.16
Fair value adjustment	-	8.48	-	-	8.48
Net balance as at 31 st March, 2018	136.50	680.66	-	(9,360.74)	(8,543.58)

NOTE 29 : CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Trade payables for goods and services		
Due to micro and small enterprises #	18.34	7.06
Due to others	640.37	726.73
	658.71	733.79

Amount due to micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) have been determined based on the information available with the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 30 : OTHER CURRENT FINANCIAL LIABILITIES

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Current maturities of long-term debt [Refer note 23]	734.39	498.12
Interest accrued but not due on loans and security deposits	23.56	2.15
Investor education and protection fund #		
Unpaid / Unclaimed dividend	8.11	7.81
Unclaimed fractional coupons	0.34	0.33
Book overdraft	34.06	25.17
Security deposits from consumers	25.39	16.30
Other deposits	3.69	3.20
Payables on purchase of property, plant and equipment	496.17	503.30
Sundry payables (including for employees related payables)	157.21	92.36
	<u>1,482.92</u>	<u>1,148.74</u>

There is no amount due and outstanding to be credited to investor education and protection fund as at 31st March, 2018.

NOTE 31 : OTHER CURRENT LIABILITIES

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Credit balances of consumers	59.46	62.98
Service line deposits from consumers	239.88	174.19
Deferred revenue		
Contribution received from consumers	58.76	52.23
Capital grant from government	2.71	2.71
Statutory dues	45.67	22.94
Sundry payables (including for electricity duty payable)	171.04	157.42
	<u>577.52</u>	<u>472.47</u>

NOTE 32 : CURRENT PROVISIONS

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Provision for employee benefits		
Provision for gratuity [Refer note 47.2(d)]	11.05	22.92
Provision for compensated absences	20.60	21.00
	<u>31.65</u>	<u>43.92</u>
Other provisions		
Provision for indirect taxes	0.18	0.23
	<u>31.83</u>	<u>44.15</u>
Movement in provision for indirect taxes		
Balance as on 1 st April, 2017	0.23	
Reduction arising from payments	(0.05)	
Balance as on 31 st March, 2018	<u>0.18</u>	

NOTE 33 : CURRENT TAX LIABILITIES

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Provision for taxation (net of advance tax and tax deducted at source)	26.55	27.61
	<u>26.55</u>	<u>27.61</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 34 : REVENUE FROM OPERATIONS

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Revenue from power supply	10,962.38	9,549.01
Revenue from sale of cable products (including excise duty)		
Manufactured goods	286.82	260.26
Traded goods	0.07	0.49
	11,249.27	9,809.76
Less: Discount for prompt payment of bills	15.68	11.39
	11,233.59	9,798.37
Other operating income		
Street lighting maintenance contracts	-	0.49
Cable laying service	0.04	2.40
Hire of meters	52.26	51.05
Provision of earlier years written back	8.04	25.71
Insurance claim receipt	1.35	9.09
Amortisation of deferred revenue		
Contribution received from consumers	54.25	48.86
Capital grant from government	2.71	2.71
Income from Certified Emission Reduction (CERs)	3.40	-
Income from Renewable Energy Certificate and Generation Based Incentive	31.73	7.92
Revenue from sale of RLNG	55.99	-
Miscellaneous income	68.73	53.50
	278.50	201.73
	11,512.09	10,000.10

NOTE 35 : OTHER INCOME

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Interest income from financial assets at amortised cost		
Deposits	27.82	49.29
Consumers	21.21	26.14
Contingency reserve investments	0.60	0.48
Others	19.62	2.24
	69.25	78.15
Rent income from investment property [Refer note 5]	1.05	1.32
Gain on disposal of property, plant and equipment / investment property	54.97	2.67
Profit on sale of current investments in mutual funds	44.57	60.77
Net gain arising on financial assets / liabilities measured at amortised cost	14.39	-
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	8.48	0.63
Net gain on foreign currency transactions	0.76	18.04
Miscellaneous income	70.08	29.30
	263.55	190.88

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 36 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Cost of materials consumed	323.79	299.43
Less: Allocated to capital works	90.35	102.87
	<u>233.44</u>	<u>196.56</u>

NOTE 37 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Inventory of finished goods		
Opening stock	7.44	3.54
Less: Closing stock	6.44	7.44
	<u>1.00</u>	<u>(3.90)</u>
Less: Increase / (decrease) in excise duty on movement of finished goods inventory	0.32	0.16
	<u>0.68</u>	<u>(4.06)</u>
Inventory of work-in-progress		
Opening stock	6.50	6.26
Less: Closing stock	5.93	6.50
	<u>0.57</u>	<u>(0.24)</u>
	<u>1.25</u>	<u>(4.30)</u>

NOTE 38 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Salaries, wages and bonus	556.28	480.23
Contribution to provident and other funds [Refer note 47.1]	33.54	31.50
Employees welfare expenses	20.83	20.98
Compensated absences	4.94	20.57
Gratuity [Refer note 47.2(e)(3)]	32.22	14.23
	<u>647.81</u>	<u>567.51</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	180.78	150.32
	<u>467.03</u>	<u>417.19</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 39 : FINANCE COSTS

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Interest expense for financial liabilities not classified as fair value through profit or loss		
Term loans	666.62	870.05
Non convertible debentures	109.90	88.04
Working capital loans	0.06	0.03
Security deposits from consumers	59.51	61.61
Others	3.04	0.19
Other borrowing costs	8.47	11.15
Amortisation of borrowing costs	4.65	11.47
Unwinding of discount	-	22.16
	852.25	1,064.70
Less: Allocated to capital works	4.06	6.72
	<u>848.19</u>	<u>1,057.98</u>

NOTE 40 : DEPRECIATION, AMORTIZATION EXPENSE AND IMPAIRMENT LOSS

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Depreciation expense and impairment loss on property, plant and equipment	1,130.58	1,004.09
Amortization expense on intangible assets	3.44	4.72
	1,134.02	1,008.81
Less: Transfer from others	0.09	0.20
Less: Allocated to capital works	2.43	2.75
	<u>1,131.50</u>	<u>1,005.86</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 41 : OTHER EXPENSES

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Consumption of stores and spares	171.57	144.77
Consumption of packing materials	-	0.38
Rent and hire charges	19.26	17.07
Repairs to		
Buildings	12.28	12.00
Plant and machinery	315.54	281.51
Others	16.41	12.62
	344.23	306.13
Insurance	19.85	19.39
Rates and taxes	9.83	9.94
Excise duty	9.92	40.50
Corporate social responsibility expenses [Refer note 49]	15.69	14.73
Vehicle running expenses	30.64	28.87
Electricity expenses	27.13	28.21
Security expenses	38.63	32.75
Water charges	16.66	15.23
Loss on sale / discarding of property, plant and equipment	31.07	12.18
Commission to non-executive directors	1.29	1.33
Directors sitting fees	0.90	0.99
Auditors remuneration [Refer note 48]	0.97	2.63
Legal, professional and consultancy fees	35.66	31.89
Donations	17.68	16.83
Net loss on foreign currency transactions	31.99	0.03
Goodwill / non-current investment written off	0.02	10.00
Bad debts written off (net)	3.32	14.38
Allowance for doubtful advances	-	3.74
Allowance for doubtful debts (net)	6.45	(0.26)
Miscellaneous expenses	117.48	105.99
	950.24	857.70
Less: Allocated to capital works, repairs and other relevant revenue accounts	79.14	87.73
	871.10	769.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 42: COMPOSITION OF THE GROUP

(a) Subsidiaries

(1) Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at 31 st March, 2018	As at 31 st March, 2017
Torrent Solargen Limited	Power Generation	India	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%
Latur Renewable Private Limited (w.e.f. 29 th January, 2018)	Power Generation	India	100%	-
Jodhpur Wind Farms Private Limited (w.e.f. 29 th January, 2018)	Power Generation	India	100%	-

(2) Disclosure of additional information pertaining to the Parent Company and its Subsidiaries as per Schedule III of Companies Act, 2013 as at and year ended 31st March, 2018:

Name of the entity in the Group	Consolidated net assets i.e total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited-Parent Company	99.19%	7,692.69	96.81%	921.74	99.95%	13.33	96.85%	935.07
Torrent Solargen Limited	1.09%	84.22	0.40%	3.80	-	-	0.39%	3.80
Torrent Pipavav Generation Limited	0.46%	36.02	(1.05)%	(9.95)	-	-	(1.03)%	(9.95)
Torrent Power Grid Limited	1.25%	96.76	3.09%	29.40	0.04%	0.01	3.05%	29.40
Latur Renewable Private Limited	(0.05)%	(3.67)	(0.39)%	(3.67)	-	-	(0.38)%	(3.67)
Jodhpur Wind Farms Private Limited	(0.05)%	(3.78)	(0.40)%	(3.78)	-	-	(0.39)%	(3.78)
Non-controlling interests	0.46%	35.92	1.03%	9.81	0.01%	*	1.02%	9.81
Consolidation adjustments	(2.35)%	(182.71)	0.50%	4.77	-	-	0.49%	4.77
Total	100.00%	7,755.45	100.00%	952.12	100.00%	13.34	100.00%	965.46

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 42: COMPOSITION OF THE GROUP (Contd.)

(b) Associates

Details of the Company's associates at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Quoted fair value	Carrying amount as at 31 st March, 2018
			As at 31 st March, 2018	As at 31 st March, 2017		
Wind Two Renergy Private Limited (w.e.f. 12 th December, 2017)	Power Generation	India	0%	-	Unlisted	#
Wind Four Renergy Private Limited (w.e.f. 12 th December, 2017)	Power Generation	India	0%	-	Unlisted	#
Wind Five Renergy Private Limited (w.e.f. 12 th December, 2017)	Power Generation	India	0%	-	Unlisted	#
Nani Virani Wind Energy Private Limited (w.e.f. 9 th March, 2018)	Power Generation	India	0%	-	Unlisted	\$
Ravapar Wind Energy Private Limited (w.e.f. 9 th March, 2018)	Power Generation	India	0%	-	Unlisted	\$
Khatiyu Wind Energy Private Limited (w.e.f. 9 th March, 2018)	Power Generation	India	0%	-	Unlisted	\$

The Company has made investments in the above three entities in the form of secured redeemable (with premium) non-convertible debentures and does not hold any equity investments. To protect the investment aggregating to ₹182.40 Crores made by the Company, the Company has acquired certain rights which include the right to nominate directors on the board. Considering the above facts and based on the requirements of Ind AS, the investments in aforesaid entities have been classified as Investments in associates. As the Company does not have any equity interest, the Company does not have any share in the profit, loss or comprehensive income of the entities and accordingly, there is no impact on the Consolidated Statement of Profit and Loss and the aforesaid investments in redeemable debentures of ₹182.40 Crores have been carried at amortized cost.

\$ The Company is going to make investments in the above three entities in the form of secured redeemable (with premium) non-convertible debentures and does not hold any equity investments. To protect the investment, the Company has acquired certain rights which include the right to nominate directors on the board. Considering the above facts and based on the requirements of Ind AS, the above entities have been classified as Investments in associates.

Refer note 45(c) for investment commitment in the above associates.

NOTE 43:

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 has communicated during the year that the said project may not be developed and accordingly, the joint venture between Torrent Power Limited and Gujarat Power Corporation Limited is intended to be dissolved. The cost of land would be reimbursed through disposal by the State Government.

Consequently, the capital work in progress balances, not recoverable, has been written off and the necessary adjustments have been made to the carrying value of assets and liabilities to reflect them at their net realisable values or cost whichever is lower.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 44: INCOME TAX EXPENSE

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

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Current tax		
Current tax on profits for the year	317.30	130.30
Adjustment for current tax of prior periods	(4.82)	(6.35)
	<u>312.48</u>	<u>123.95</u>
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(129.90)	(155.07)
(Decrease) / increase in deferred tax liabilities	266.29	188.67
	<u>136.39</u>	<u>33.60</u>
Income tax expense attributable to continuing operations	<u>448.87</u>	<u>157.55</u>

(b) Reconciliation of current tax

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Profit before tax	1,400.99	587.34
Expected income tax expense calculated using tax rate at 34.608% (Previous year - 34.608%)	484.85	203.27
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	21.02	14.77
Tax incentives	(11.41)	(89.01)
Unabsorbed depreciation / tax credits and other items	(59.38)	34.71
Different tax rates of subsidiaries	1.57	(0.09)
Impact of enacted income tax rate on deferred tax balance	17.04	0.25
Total	<u>453.69</u>	<u>163.90</u>
Adjustment for current tax of prior periods	(4.82)	(6.35)
Total expense as per statement of profit and loss	<u>448.87</u>	<u>157.55</u>

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 31 st March, 2018	Year ended 31 st March, 2017
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	20.50	(9.75)
Income tax expense / (income) recognised in other comprehensive income	<u>7.16</u>	<u>(3.38)</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 44: INCOME TAX EXPENSE (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 31 st March, 2018	As at 31 st March, 2017
Deferred tax assets	626.58	503.83
Deferred tax liabilities	(2,106.46)	(1,840.16)
	<u>(1,479.88)</u>	<u>(1,336.33)</u>
Disclosed as deferred tax assets (net)	3.06	-
Disclosed as deferred tax liabilities (net)	(1,482.94)	(1,336.33)
	<u>(1,479.88)</u>	<u>(1,336.33)</u>

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

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	(1,835.11)	(258.47)	-	(2,093.58)
Expense allowable for tax purposes when paid	58.30	7.19	(7.16)	58.33
Tax effect on fair value change in financial instruments and unamortised cost	(5.05)	(7.83)	-	(12.88)
Unabsorbed depreciation / Minimum Alternate Tax (MAT) credit entitlement	445.53	122.72	-	568.25
	<u>(1,336.33)</u>	<u>(136.39)</u>	<u>(7.16)</u>	<u>(1,479.88)</u>

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2017

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(1,644.71)	(190.40)	-	(1,835.11)
Expense allowable for tax purposes when paid	31.35	23.57	3.38	58.30
Tax effect on fair value change in financial instruments and unamortised cost	(6.78)	1.73	-	(5.05)
Unabsorbed depreciation / Minimum Alternate Tax (MAT) credit entitlement	314.03	131.50	-	445.53
	<u>(1,306.11)</u>	<u>(33.60)</u>	<u>3.38</u>	<u>(1,336.33)</u>

(3) Unrecognised deferred tax assets

(₹ in Crore)

	As at 31 st March, 2018	As at 31 st March, 2017
Unused tax losses	146.09	41.63
Unused tax credits	827.64	1,076.95
	<u>973.73</u>	<u>1,118.58</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 45: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Disputed income tax matters	29.32	30.89
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 VAT matters	3.11	3.11
Disputed CST matters	2.55	2.55
Claims against the Group not acknowledged as debt	28.30	16.42
Footnote:		
In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute.		
No reimbursement is expected.		

(b) Contingent assets

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Coal grade slippage claim	16.02	13.16
	<u>16.02</u>	<u>13.16</u>

(c) Capital commitments

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	2,219.98	611.80
Other commitments		
Investment in associates	350.10	-

NOTE 46 : OPERATING LEASE

The Group'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 Group has not entered into any material financial lease. The Group does not have any non-cancellable lease.

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

NOTE 47: EMPLOYEE BENEFIT PLANS

47.1 Defined contribution plan:

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

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

The Group's contribution to provident fund and superannuation fund aggregating to ₹33.54 Crore (Previous year - ₹31.50 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 38].

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 47: EMPLOYEE BENEFIT PLANS (Contd.)

47.2 Defined benefit plans:

(a) Gratuity

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

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

(b) Risk exposure to defined benefit plans

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

Asset volatility

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

Interest risk

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

Longevity risk

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

Salary risk

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2018. 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 31 st March, 2018	As at 31 st March, 2017
Discount rate	7.78%	7.20%
Salary escalation rate	8.50%	8.50%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 47: EMPLOYEE BENEFIT PLANS (Contd.)

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

Balances of defined benefit plan

	As at 31 st March, 2018	As at 31 st March, 2017
Present value of funded defined benefit obligation	239.34	236.73
Fair value of plan assets	228.29	206.46
Net (asset) / liability [Refer note 26 and 32]	11.05	30.27

(₹ in Crore)

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

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

	As at 31 st March, 2018	As at 31 st March, 2017
(1) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	236.73	221.03
Current service cost	12.23	12.63
Past service cost	17.81	-
Interest cost	17.04	17.68
Actuarial (gains) / losses from changes in demographic assumptions	(4.33)	-
Actuarial (gains) / losses arising changes in financial assumptions	(8.08)	13.03
Actuarial (gains) / losses from experience adjustments	(5.73)	(2.33)
Liability transferred in	0.01	0.44
Liability transferred out	(0.08)	(0.18)
Benefits paid directly by employer	(1.42)	(2.32)
Benefits paid	(24.84)	(23.25)
Obligation at the end of the year	239.34	236.73
(2) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	206.46	201.10
Interest income	14.86	16.08
Return on plan assets (excluding interest income)	2.36	0.95
Contributions	29.45	11.58
Benefits paid	(24.84)	(23.25)
Plan assets at the end of the year, at fair value	228.29	206.46
(3) Gratuity cost recognized in the statement of profit and loss		
Current service cost	12.23	12.63
Interest cost, net	2.18	1.60
Past service cost	17.81	-
Net gratuity cost recognized in the statement of profit and loss [Refer note 38]	32.22	14.23
(4) Gratuity cost recognized in the other comprehensive income (OCI)		
Return on plan assets, excluding interest income	(2.36)	(0.95)
Actuarial (gains) / losses on obligation for the period	(18.14)	10.70
Net (income) / expense for the year recognized in OCI	(20.50)	9.75

(₹ in Crore)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 47: EMPLOYEE BENEFIT PLANS (Contd.)

(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 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 31 st March, 2018	As at 31 st March, 2017
Impact on defined benefit obligation of gratuity		
50 basis points increase in discount rate	(6.62)	(8.33)
50 basis points decrease in discount rate	7.09	8.99
50 basis points increase in salary escalation rate	6.43	11.73
50 basis points decrease in salary escalation rate	(7.17)	(5.64)

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 - 16 years).
- (i) Expected contributions to the plan for the next annual reporting period is ₹11.05 Crore (Previous year - ₹30.27 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 31 st March, 2018	As at 31 st March, 2017
1 st following year	37.72	26.89
2 nd following year	21.58	18.36
3 rd following year	30.24	23.81
4 th following year	32.75	23.36
5 th following year	28.70	26.61
sum of years 6 to 10 th	96.54	101.63

47.3 Other long-term employee benefit obligations:

The leave obligation covers the Group'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, superannuation or resignation; at the rate of daily salary, as per accumulation of leave days as at the end of relevant period. Refer notes 26, 32 and 38 with respect to item of balance sheet and profit or loss where such provision / charge has been presented.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 48: AUDITORS REMUNERATION (INCLUDING TAXES)

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
As auditor		
Audit fees	0.81	1.14
Other services- certificates etc.	0.07	1.35
Reimbursement of expenses	0.09	0.14
	<u>0.97</u>	<u>2.63</u>

NOTE 49: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
(a) Gross amount required to be spent by the Group	15.76	13.86
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above [Refer note 41]	15.85	14.26
	<u>15.85</u>	<u>14.26</u>
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornascent Care Institute	8.66	9.82
(ii) UNM Foundation	2.87	2.10
	<u>11.53</u>	<u>11.92</u>

NOTE 50: DONATIONS INCLUDE POLITICAL CONTRIBUTIONS AS UNDER

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Prudent Electoral Trust (earlier known as "Satya Electoral Trust")	10.00	10.50
	<u>10.00</u>	<u>10.50</u>

NOTE 51: EARNINGS PER SHARE

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Basic earnings per share (₹)	19.61	8.93
Diluted earnings per share (₹)	19.61	8.93

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 31 st March, 2018	Year ended 31 st March, 2017
Profit for the year attributable to the Group used in calculation of basic earnings per share (₹ in Crore)	942.31	428.95
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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 52: IMPAIRMENT ASSESSMENT OF DGEN POWER PLANT

The 1200 MW gas based power plant located at Dahej, India (DGEN), started commercial operations from November 2014. During FY 2015-16, Torrent Power Limited (the “Company”) operated DGEN for intermittent periods. It did not operate the plant in subsequent periods and maintained it in cold standby mode for immediate start-up, as and when required.

In the last 3 years lot of new LNG capacity has been commissioned across the world. This is also expected to continue for next couple of years as a result of which the LNG market will remain well supplied. Further, it is also expected that the domestic gas supply will also increase in the coming years and the power demand in the country would grow in view of GDP growth projections and various initiatives launched by Government of India. The combination of these factors is expected to improve the availability of LNG and the economic viability of DGEN, based on which the estimated value in use does not indicate any requirement for impairment provision in the carrying amount of the fixed assets of ₹4,439.01 Crore relating to the DGEN plant as at 31st March, 2018.

NOTE 53: OPERATING SEGMENT

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 54: RELATED PARTY DISCLOSURES

(a) Names of related parties and description of relationship

1.	Parent Company	Torrent Private Limited
2.	Associates	Power Grid Corporation of India Limited, Wind Two Renergy Private Limited (w.e.f. 12 th December, 2017), Wind Four Renergy Private Limited (w.e.f. 12 th December, 2017), Wind Five Renergy Private Limited (w.e.f. 12 th December, 2017), Nani Virani Wind Energy Private Limited (w.e.f. 9 th March, 2018), Ravapar Wind Energy Private Limited (w.e.f. 9 th March, 2018), Khatiyu Wind Energy Private Limited (w.e.f. 9 th March, 2018)
3.	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, TPG Gratuity Trust, TPG Superannuation Fund, TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust), TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund)
4.	Key management personnel	Sudhir Mehta Samir Mehta Markand Bhatt Jinal Mehta
5.	Non-executive directors	Pankaj Patel Samir Barua Kiran Karnik Keki Mistry R. Ravichandran (upto 1 st August, 2017) Bhavna Doshi Dharmishta Raval P. K. Taneja (upto 23 rd May, 2017) Pankaj Joshi (w.e.f. 23 rd May, 2017) Varun Mehta, Aman Mehta
6.	Relatives of key management personnel*	
7.	Enterprise controlled by relatives of key management personnel*	Munjil Bhatt Architects
8.	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

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

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 54: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	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		Total	
	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17
	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
Nature of transactions										
Purchase / (return) of materials	-	-	-	-	-	-	-	(0.08)	-	(0.08)
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	(0.08)	-	(0.08)
Sale of cables	-	-	-	-	-	-	0.14	0.03	0.14	0.03
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	0.14	0.03	0.14	0.03
Sale of investment property	-	-	-	-	-	-	45.00	-	45.00	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	45.00	-	45.00	-
Transfer of gratuity / leave liability to / (from)	-	-	-	-	-	-	0.13	0.37	0.13	0.37
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	0.05	0.34	0.05	0.34
UNM Foundation	-	-	-	-	-	-	-	0.03	-	0.03
Tornascent Care Institute	-	-	-	-	-	-	0.08	-	0.08	-
Services provided (rent income including tax)	-	-	-	-	-	-	1.25	1.52	1.25	1.52
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	1.23	1.52	1.23	1.52
UNM Foundation	-	-	-	-	-	-	0.01	-	0.01	-
Tornascent Care Institute	-	-	-	-	-	-	0.01	-	0.01	-
Torrent Power Services Private Ltd.	-	-	-	-	-	-	0.01	-	0.01	-
Services received / remuneration paid	1.56	1.47	-	-	-	-	1.09	1.36	2.65	2.83
Munjil Bhatt Architects	-	-	-	-	-	-	0.62	0.82	0.62	0.82
Power Grid Corporation of India Ltd.	1.56	1.47	-	-	-	-	-	-	1.56	1.47
Aman Mehta	-	-	-	-	-	-	-	0.01	-	0.01
Varun Mehta	-	-	-	-	-	-	0.47	0.53	0.47	0.53
Transmission income	62.14	38.78	-	-	-	-	-	-	62.14	38.78
Power Grid Corporation of India Ltd.	62.14	38.78	-	-	-	-	-	-	62.14	38.78
Shared expenditure charged to	-	-	-	-	-	-	-	0.01	-	0.01
UNM Foundation	-	-	-	-	-	-	-	0.01	-	0.01
Managerial remuneration@	-	-	-	-	66.59	36.72	-	-	66.59	36.72
Sudhir Mehta	-	-	-	-	10.00	5.04	-	-	10.00	5.04
Samir Mehta	-	-	-	-	10.00	5.00	-	-	10.00	5.00
Markand Bhatt	-	-	-	-	39.00	21.00	-	-	39.00	21.00
Jinal Mehta	-	-	-	-	7.59	5.68	-	-	7.59	5.68
Commission to non-executive directors ^	-	-	-	-	1.11	1.17	-	-	1.11	1.17
Samir Barua	-	-	-	-	0.19	0.17	-	-	0.19	0.17
Kiran Karnik	-	-	-	-	0.16	0.17	-	-	0.16	0.17
Keki Mistry	-	-	-	-	0.12	0.13	-	-	0.12	0.13
R. Ravichandran#	-	-	-	-	0.06	0.12	-	-	0.06	0.12
Pankaj Patel	-	-	-	-	0.15	0.12	-	-	0.15	0.12
Bhavna Doshi	-	-	-	-	0.16	0.17	-	-	0.16	0.17
Pankaj Joshi#	-	-	-	-	0.12	-	-	-	0.12	-
P. K. Taneja#	-	-	-	-	-	0.12	-	-	-	0.12
Dharmishta Raval	-	-	-	-	0.15	0.17	-	-	0.15	0.17

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 54: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	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		Total	
	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17
Sitting Fees to non-executive directors^	-	-	-	-	0.72	0.80	-	-	0.72	0.80
Samir Barua	-	-	-	-	0.15	0.14	-	-	0.15	0.14
Kiran Karnik	-	-	-	-	0.11	0.13	-	-	0.11	0.13
Keki Mistry	-	-	-	-	0.07	0.08	-	-	0.07	0.08
R. Ravichandran#	-	-	-	-	0.02	0.04	-	-	0.02	0.04
Pankaj Patel	-	-	-	-	0.12	0.12	-	-	0.12	0.12
Bhavna Doshi	-	-	-	-	0.12	0.12	-	-	0.12	0.12
P. K. Taneja#	-	-	-	-	-	0.04	-	-	-	0.04
Dharmishta Raval	-	-	-	-	0.09	0.13	-	-	0.09	0.13
Pankaj Joshi#	-	-	-	-	0.04	-	-	-	0.04	-
Contribution towards CSR	-	-	-	-	-	-	11.53	11.92	11.53	11.92
Tornascent Care Institute	-	-	-	-	-	-	8.66	9.82	8.66	9.82
UNM Foundation	-	-	-	-	-	-	2.87	2.10	2.87	2.10
Contribution to employee benefit plans (net)	-	-	34.42	15.72	-	-	-	-	34.42	15.72
TPL (Ahmedabad) Gratuity Trust	-	-	21.48	9.52	-	-	-	-	21.48	9.52
TPL (Ahmedabad) Superannuation Fund	-	-	4.29	3.54	-	-	-	-	4.29	3.54
TPL (Surat) Gratuity Trust	-	-	4.70	0.10	-	-	-	-	4.70	0.10
TPL (Surat) Superannuation Fund	-	-	0.97	0.92	-	-	-	-	0.97	0.92
TPL (SUGEN) Gratuity Trust	-	-	1.40	0.49	-	-	-	-	1.40	0.49
TPL (SUGEN) Superannuation Fund	-	-	0.38	0.31	-	-	-	-	0.38	0.31
TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust)	-	-	0.86	0.49	-	-	-	-	0.86	0.49
TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund)	-	-	0.33	0.33	-	-	-	-	0.33	0.33
TPG Superannuation Fund	-	-	0.01	0.02	-	-	-	-	0.01	0.02
TPG Gratuity Trust	-	-	-	-	-	-	-	-	-	-
Investment in non-convertible debentures	182.40	-	-	-	-	-	-	-	182.40	-
Wind Two Renergy Private Ltd.	72.76	-	-	-	-	-	-	-	72.76	-
Wind Four Renergy Private Ltd.	54.82	-	-	-	-	-	-	-	54.82	-
Wind Five Renergy Private Ltd.	54.82	-	-	-	-	-	-	-	54.82	-
Deposits given for nomination of directors	-	-	-	-	-	-	-	0.03	-	0.03
Tornascent Care Institute	-	-	-	-	-	-	-	0.01	-	0.01
UNM Foundation	-	-	-	-	-	-	-	0.02	-	0.02
Deposits received back on appointment of directors	-	-	-	-	-	-	-	0.03	-	0.03
Tornascent Care Institute	-	-	-	-	-	-	-	0.01	-	0.01
UNM Foundation	-	-	-	-	-	-	-	0.02	-	0.02

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 54: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Relatives of key management personnel / enterprises controlled by relatives of key management personnel / enterprise where the Company has 50% voting right / enterprises controlled by the Parent Company		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Deposits received										
UNM Foundation	-	-	-	-	-	-	-	*	-	*
Tornascent Care Institute	-	-	-	-	-	-	-	*	-	*
Torrent Power Services Private Ltd.	-	-	-	-	-	-	-	*	-	*

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

Commission of Shri R. Ravichandran (nominee of LIC) is paid / payable to Life Insurance Corporation of India. Sitting fees and Commission of Shri Pankaj Joshi and Shri P.K. Taneja (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

^ Excluding service tax / Goods and Service Tax.

Public utilities as covered under Ind AS - 24 "Related Party Disclosures", are not related parties. Hence transactions related to sale of electricity, by the Company as per GERC tariff order, have not been reported as related party transactions.

(c) Key management personnel compensation

	Year ended		Year ended	
	31 st March, 2018	31 st March, 2017	31 st March, 2018	31 st March, 2017
Short-term employee benefits	63.59	36.72		
Post-employment benefits	-	-		
Long-term employee benefits	3.00	-		
Termination benefits	-	-		
Employee share-based payment	-	-		
	66.59	36.72		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 54: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

	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			Total	
	As at 31.03.18	As at 31.03.17	As at 31.03.18	As at 31.03.17	As at 31.03.18	As at 31.03.17	As at 31.03.18	As at 31.03.17	As at 31.03.18	As at 31.03.17	As at 31.03.18	As at 31.03.17	As at 31.03.18	As at 31.03.17
Balances at the end of the year														
Current liability														
Torrent Power Services Private Ltd.	-	-	-	-	-	-	4761	23.91	0.13	0.03	47.74	23.94	*	*
UNM Foundation	-	-	-	-	-	-	-	-	*	0.03	*	0.03	*	*
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.08	*	0.08	*	*	*
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	0.05	-	0.05	-	-	-
Sudhir Mehta	-	-	-	-	-	-	10.00	5.00	-	-	10.00	5.00	10.00	5.00
Samir Mehta	-	-	-	-	-	-	10.00	5.00	-	-	10.00	5.00	10.00	5.00
Markand Bhatt	-	-	-	-	-	-	24.00	9.00	-	-	24.00	9.00	24.00	9.00
Jinal Mehta	-	-	-	-	-	-	2.50	3.74	-	-	2.50	3.74	2.50	3.74
Samir Barua	-	-	-	-	-	-	0.19	0.17	-	-	0.19	0.17	0.19	0.17
Kiran Karnik	-	-	-	-	-	-	0.16	0.17	-	-	0.16	0.17	0.16	0.17
Keki Mistri	-	-	-	-	-	-	0.12	0.13	-	-	0.12	0.13	0.12	0.13
R. Ravichandran#	-	-	-	-	-	-	0.06	0.12	-	-	0.06	0.12	0.06	0.12
Pankaj Patel	-	-	-	-	-	-	0.15	0.12	-	-	0.15	0.12	0.15	0.12
Bhavna Doshi	-	-	-	-	-	-	0.16	0.17	-	-	0.16	0.17	0.16	0.17
Pankaj Joshi#	-	-	-	-	-	-	0.12	-	-	-	0.12	-	0.12	-
P. K. Taneja#	-	-	-	-	-	-	-	0.12	-	-	-	-	-	0.12
Dharmishta Raval	-	-	-	-	-	-	0.15	0.17	-	-	0.15	0.17	0.15	0.17
Investment in equities														
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.06	0.06	0.06	0.06	0.06	0.06
UNM Foundation	-	-	-	-	-	-	-	-	0.03	0.03	0.03	0.03	0.03	0.03
Investment in non-convertible debentures														
Wind Two Renergy Private Ltd.	183.97	-	-	-	-	-	-	-	-	-	183.97	-	-	-
Wind Four Renergy Private Ltd.	73.29	-	-	-	-	-	-	-	-	-	73.29	-	-	-
Wind Five Renergy Private Ltd.	55.35	-	-	-	-	-	-	-	-	-	55.35	-	-	-
Loans and advances														
Torrent Pharmaceuticals Ltd.	55.33	-	-	-	-	-	-	-	-	-	55.33	-	-	-
	-	-	-	-	-	-	-	-	-	-	0.34	-	0.34	-
Trade receivables														
Torrent Pharmaceuticals Ltd.	5.98	6.14	-	-	-	-	-	-	0.14	-	6.14	6.14	6.14	6.14
Power Grid Corporation of India Ltd.	-	-	-	-	-	-	-	-	0.14	-	0.14	-	0.14	-
	5.98	6.14	-	-	-	-	-	-	-	-	5.98	6.14	5.98	6.14

Commission of Shri R. Ravichandran (nominee of LIC) is payable to Life Insurance Corporation of India. Commission of Shri Pankaj Joshi and Shri P.K.Taneja (nominees 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 on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement is expected to occur in cash.

Consolidated Financial Statements

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55: FINANCIAL INSTRUMENTS AND RISK REVIEW

(a) Capital management

The Group 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 Group's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 21,22) and debt (borrowings as detailed in note 23).

The Group's management reviews the capital structure of the Group 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 Group'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 year is as follows.

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Debt	9,337.18	8,732.91
Total equity	9,220.06	8,247.34
Debt to equity ratio	1.01	1.06
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 group has complied with financial covenants specified as per the terms of borrowing facilities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(b) Categories of financial instruments

(₹ in Crore)

	As at 31 st March, 2018		As at 31 st March, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Cash and cash equivalent	136.50	136.50	102.85	102.85
Bank balance other than cash and cash equivalents	181.05	181.05	166.49	166.49
Investment in bonds and debentures	192.23	192.23	6.57	6.57
Trade receivables	1,130.45	1,130.45	975.05	975.05
Loans	33.04	33.04	18.99	18.99
Other financial assets	751.82	751.82	673.83	673.83
	2,425.09	2,425.09	1,943.78	1,943.78
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	680.66	680.66	664.27	664.27
Investment in equity instruments#	0.06	0.06	0.06	0.06
	680.72	680.72	664.33	664.33
Financial liabilities				
Measured at amortised cost				
Borrowings	8,563.70	8,616.69	8,270.02	8,312.60
Trade payables	753.35	753.35	787.15	787.15
Other financial liabilities	2,439.36	2,439.36	2,012.50	2,012.50
	11,756.41	11,809.40	11,069.67	11,112.25

Other than equity instruments in 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55: 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 31 st March, 2018	As at 31 st March, 2017		
Investment in mutual fund units	680.66	664.27	Level 1	Quoted bid prices in an active market
	<u>680.66</u>	<u>664.27</u>		

(2) Financial liabilities at amortised cost

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 st March, 2018	As at 31 st March, 2017		
Fixed rate borrowings (Non-convertible debentures)	1,147.99	1,137.58	Level 2	Inputs other than quoted prices that are observable
	<u>1,147.99</u>	<u>1,137.58</u>		

(d) Financial risk management objectives

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations, routine and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks viz foreign currency risk, interest rate risk, credit risk, liquidity risk etc. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Foreign currency risk

The Group is exposed to foreign currency risks arising from various currency exposures, primarily with respect to the USD and EUR. 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 Group's exposure with regards to foreign exchange risk which are not hedged are given below. However, these risks are not significant to the group's operation and accordingly sensitivity analysis is not given.

Unhedged foreign currency exposures

Foreign currency exposures not hedged by derivative instruments are as under:

(in Crore)

Nature of transactions	Currency	As at 31 st March, 2018	As at 31 st March, 2017
Financial liabilities			
Trade payable	USD	-	0.02
Capital liability	USD	*	0.06
Trade payable	EURO	1.11	2.11
Capital liability	EURO	0.01	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Interest rate risk

Most of the Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group 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 Group's fixed and floating rate borrowings:

	(₹ in Crore)	
	As at 31 st March, 2018	As at 31 st March, 2017
Fixed rate borrowings	1,123.28	1,127.10
Floating rate borrowings [^]	8,213.90	7,605.81
	<u>9,337.18</u>	<u>8,732.91</u>

[^] 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.

	(₹ in Crore)	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Impact on profit before tax - increase in 50 basis points	(41.07)	(38.03)
Impact on profit before tax - decrease in 50 basis points	41.07	38.03

Credit risk

Trade receivables

(1) Exposures to credit risk:

The Group is exposed to the counterparty credit risk arising from the possibility that counterparties 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 Group 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, 2018 and 31st March, 2017. However, the Group is dependent on the domestic market for its business and revenues.

The Group'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, Group generally has letter of credits / bank guarantees to limit its credit exposure.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(3) Other credit enhancements

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

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

As at 31st March, 2018

	Gross trade receivables	Expected credit loss (%)	(₹ in Crore) Allowance for doubtful debt
Less than or equal to 6 months	1,110.93	3.03%	33.63
More than 6 months but less than or equal to 1 year	53.70	40.99%	22.01
More than one year	101.75	78.91%	80.29
	<u>1,266.38</u>		<u>135.93</u>

As at 31st March, 2017

	Gross trade receivables	Expected credit loss (%)	(₹ in Crore) Allowance for doubtful debt
Less than or equal to 6 months	976.82	2.71%	26.52
More than 6 months but less than or equal to 1 year	38.00	58.13%	22.09
More than one year	89.71	90.15%	80.87
	<u>1,104.53</u>		<u>129.48</u>

(5) Movement in the expected credit loss allowance

	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Opening balance	129.48	129.73
Movement in expected credit loss allowance on trade receivable calculated, net	6.45	(0.25)
Closing balance [Refer note 14]	<u>135.93</u>	<u>129.48</u>

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Liquidity risk

Liquidity risk is the risk that the Group 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 Group 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 Group'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 Group can be required to pay. The tables include both interest (accrued upto 31st March, 2018) and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

As at 31st March, 2018

	(₹ in Crore)			
	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings [^]	-	3,100.32	5,497.69	8,598.01
Trade payables [^]	-	114.99	4.40	119.39
Other financial liabilities	-	42.37	914.07	956.44
	-	3,257.68	6,416.16	9,673.84
Current financial liabilities				
Trade payables	658.71	-	-	658.71
Other financial liabilities [^]	1,487.70	-	-	1,487.70
	2,146.41	-	-	2,146.41
Total financial liabilities	2,146.41	3,257.68	6,416.16	11,820.25

As at 31st March, 2017

	(₹ in Crore)			
	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings [^]	-	2,284.67	5,945.57	8,230.24
Trade payables [^]	-	65.30	-	65.30
Other financial liabilities	-	37.76	826.00	863.76
	-	2,387.73	6,771.57	9,159.30
Current financial liabilities				
Borrowings	76.62	-	-	76.62
Trade payables	733.79	-	-	733.79
Other financial liabilities [^]	1,153.29	-	-	1,153.29
	1,963.70	-	-	1,963.70
Total financial liabilities	1,963.70	2,387.73	6,771.57	11,123.00

[^] Gross amount including unamortised expense.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 56: SPECIFIED BANK NOTES (SBNs)

Details of Specified Bank Notes (SBNs) held and transacted during the period 8th November, 2016 to 30th December, 2016 as provided below :

	SBNs	Other denomination notes	(₹ in Crore) Total
Closing cash in hand as on 8 th November, 2016	2.01	0.07	2.08
Add: Permitted receipts	181.83	75.37	257.20
Less: Permitted payments	-	0.47	0.47
Less: Amount deposited in banks	183.84	74.11	257.95
Closing cash in hand as on 30 th December, 2016	-	0.86	0.86

Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated 8th November, 2016.

Closing balance as at 8th November, 2016 includes amount refunded by employees against advance given to them.

NOTE 57:

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

NOTE 58: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on 29th May, 2018.

Signature to Note 1 to 58

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairman
DIN: 00061903

Pradip Kanakia
Partner
Membership No.: 39985

T P Vijayasathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Ahmedabad, 29th May, 2018

Ahmedabad, 29th May, 2018

FORM AOC-1

Statement pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014:

(a) Statement containing salient features of the financial statement of subsidiaries

1.	Name of Subsidiary Company	(₹ in Crore)				
		Torrent Solargen Limited	Torrent Pipavav Generation Limited	Torrent Power Grid Limited	Jodhpur Wind Farms Private Limited (w.e.f. 29 th January, 2018)	Latur Renewable Private Limited (w.e.f. 29 th January, 2018)
2.	Financial year ended on	31 st March, 2018	31 st March, 2018	31 st March, 2018	31 st March, 2018	31 st March, 2018
3.	Share capital	80.05	50.00	90.00	*	*
4.	Reserves and surplus	4.17	(12.05)	40.76	(3.78)	(3.67)
5.	Total assets	84.45	94.41	231.26	443.70	436.76
6.	Total liabilities (excluding share capital and reserves and surplus)	0.23	56.46	100.50	447.48	440.43
7.	Investments	36.80	-	29.74	-	-
8.	Turnover	-	-	63.23	-	-
9.	Profit / (loss) before taxation	4.55	(10.48)	37.12	(5.34)	(5.18)
10.	Provision for taxation (including deferred tax)	0.75	*	(2.61)	(1.56)	(1.51)
11.	Profit / (loss) after taxation	3.80	(10.48)	39.73	(3.78)	(3.67)
12.	Other comprehensive income (net of tax)	-	-	0.01	-	-
13.	Total comprehensive income	3.80	(10.48)	39.74	(3.78)	(3.67)
14.	Proposed dividend (including dividend distribution tax)	-	-	10.85	-	-
15.	Extent of shareholding (in percentage)	100.00%	95.00%	74.00%	100.00%	100.00%
Footnote :						
Torrent Pipavav Generation Limited is yet to commence its operations.						
* Figures below ₹50,000						

FORM AOC-1 (Contd.)

(b) Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Companies

Name of Associates	Wind Two Renergy Private Limited 31 st March, 2018 12 th December, 2017	Wind Four Renergy Private Limited 31 st March, 2018 12 th December, 2017	Wind Five Renergy Private Limited 31 st March, 2018 12 th December, 2017	Nani Virani Wind Energy Private Limited 31 st March, 2018 9 th March, 2018	Ravapar Wind Energy Private Limited 31 st March, 2018 9 th March, 2018	Khatiyu Wind Energy Private Limited 31 st March, 2018 9 th March, 2018
1. Latest audited balance sheet date	31 st March, 2018	31 st March, 2018	31 st March, 2018	31 st March, 2018	31 st March, 2018	31 st March, 2018
2. Date on which the associate was associated or acquired	12 th December, 2017	12 th December, 2017	12 th December, 2017	9 th March, 2018	9 th March, 2018	9 th March, 2018
3. Shares of associate held by the company on the year end						
(i) Numbers	-	-	-	-	-	-
(ii) Amount of investment in associates	-	-	-	-	-	-
(iii) Extend of holding (in percentage)	0%	0%	0%	0%	0%	0%
4. Description of how there is significant influence	The Company has acquired certain rights which include the right to nominate directors on the board. Considering the said facts and based on the requirements of Ind AS, Company has significant influence in the above companies.					
5. Reason why the associate is not consolidated	As the Company does not have equity interest in the companies, the Company does not have any share in the profit, loss or comprehensive income of the entities and accordingly, there is no impact on the consolidated statement of profit and loss.					
6. Networth attributable to shareholding as per latest audited balance sheet	-	-	-	-	-	-
7. Profit / (loss) for the year						
(i) Considered in consolidation	-	-	-	-	-	-
(ii) Not considered in consolidation	(0.05)	(0.05)	(0.05)	*	*	*
Footnote :						
All associates are yet to commence its operations.						
* figures below ₹50,000						

Shareholders interested in obtaining the statement of Company's interest in the subsidiaries or stand-alone financial statements of the subsidiaries may obtain it by writing an email to cs@torrentpower.com

The annual accounts of subsidiary companies are available for inspection by any investor at the registered office of the Company and on its website www.torrentpower.com

For and on behalf of the Board of Directors

Samir Mehta
Chairman
DIN: 00061903

T P Vijayarathay
Executive Director (Corporate Affairs) &
Chief Financial Officer
Ahmedabad, 29th May, 2018

5 YEARS' HIGHLIGHTS - CONSOLIDATED

Particulars	UoM	2017-18 (Ind AS)	2016-17 (Ind AS)	2015-16 (Ind AS)	2014-15 (IGAAP)	2013-14 (IGAAP)
TECHNICAL DATA						
Generation Capacity	MW	3,721	3,556	3,334	3,253	2,102
Units Dispatched by Generating Stations	MUs	9,671	7,543	9,362	5,327	4,782
Units Purchased	MUs	8,046	8,986	7,504	11,314	11,021
Units Sold	MUs	15,957	14,454	14,673	14,155	13,331
No. of Consumers	Mn	3.23	3.12	3.03	2.95	2.87
KEY FINANCIALS						
Total Income	₹ in Crore	11,776	10,191	11,998	10,762	8,932
EBDITA	₹ in Crore	3,381	2,651	3,336	2,423	1,534
Profit Before Tax	₹ in Crore	1,401	587	1,290	740	275
Total Comprehensive Income (after Non-controlling interests)	₹ in Crore	956	423	893	360	105
Equity Share Capital	₹ in Crore	481	481	481	472	472
Other Equity (Reserves and Surplus)	₹ in Crore	7,239	6,411	5,990	6,083	5,733
Loan Funds (Gross)	₹ in Crore	9,337	8,733	8,565	9,355	9,463
Fixed Assets	₹ in Crore	18,263	17,136	15,343	15,311	14,724
KEY FINANCIAL RATIOS						
EBDITA / Total Income	%	28.71	26.01	27.80	22.51	17.17
Total Comprehensive Income / Total Income	%	8.12	4.15	7.44	3.35	1.18
Return on Net Worth*	%	11.04	5.26	11.95	5.00	1.54
Return on Capital Employed	%	9.78	7.68	11.70	8.23	5.07
Debt Equity Ratio*		1.01	1.06	1.10	1.26	1.37
Earning Per Share	₹	19.61	8.93	18.73	7.61	2.23
* Deferred Tax Liability is included as a part of Equity						

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ROUTE MAP TO THE AGM VENUE

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068



14th Annual General Meeting
Date: Wednesday, 1st August, 2018
Time: 09.30 a.m.

Venue: J. B. Auditorium, Torrent-AMA Centre,
Ahmedabad Management Association,
Vastrapur, Ahmedabad-380015

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

Regd. Office: "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad-380015, Gujarat, India.

Phone: +91-79-26628300, Fax: +91-79-26764159

Website: www.torrentpower.com; E-mail: cs@torrentpower.com

**14th Annual General Meeting – August 1, 2018****ATTENDANCE SLIP**

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

For Demat Shares

For Physical Shares

DP ID :	REGD. FOLIO NO.:
CLIENT ID :	NO. OF SHARES HELD :

Full name of the member attending : _____

Name of Proxy : _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the **14th Annual General Meeting** of the Company at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad - 380015 on Wednesday, 1st August, 2018 at 9.30 a.m.

Member's / Proxy's Signature

(To be signed at the time of handing over this slip)

Note : Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

**TORRENT POWER LIMITED**

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**14th Annual General Meeting – August 1, 2018****PROXY FORM**

[pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) : _____
 Registered address : _____
 E-mail ID : _____
 Folio No. / Client ID : _____
 DP ID : _____

I/ We being the member (s) of _____ equity shares of the Torrent Power Limited, hereby appoint;

1 Name :	E-mail Id :
Address :	Signature :

or failing him/her

2 Name :	E-mail Id :
Address :	Signature :

or failing him/her

3 Name :	E-mail Id :
Address :	Signature :

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **14th Annual General Meeting** of the Company, to be held on Wednesday, 1st August, 2018 at 9.30 a.m. at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad – 380015 and at any adjournment thereof in respect of such Resolutions as are indicated overleaf:



Resolution	Vote - Refer Note 4		
	For	Against	Abstain
ORDINARY BUSINESS			
1. Adoption of the Financial Statements			
2. Declaration of Dividend			
3. Re-appointment of Director, retiring by rotation			
4. Modification to the resolution related to appointment of Statutory Auditors			
SPECIAL BUSINESS			
5. Appointment of Shri Samir Mehta as Chairman			
6. Appointment of Shri Jinal Mehta as Managing Director			
7. Ratification of Remuneration of Cost Auditors			
8. Modification in Remuneration of Shri Varun Mehta			
9. Enhancement of Borrowing Limits			
10. Creation of Charges			
11. Re-appointment of Smt. Bhavna Doshi as an Independent Director			
12. Re-appointment of Ms. Dharmishta N. Raval as an Independent Director			
13. Re-appointment of Shri Samir Barua as an Independent Director			
14. Re-appointment of Shri Keki Mistry as an Independent Director			
15. Re-appointment of Shri Pankaj Patel as an Independent Director			

Signed this _____ day of _____, 2018.

Signature of member(s)

Signature of proxy holder(s)

Affix
Revenue
Stamp

Notes:

- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 14th Annual General Meeting.
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- It is optional to indicate your preference. If you leave 'for,' 'against' or 'abstain' column blank against any or all of the Resolutions, your proxy will be entitled to vote in any manner as he/she may deem appropriate.



Smart Grid Journey

Change is the only constant that helps in identifying new opportunities in excellence. The distribution business has been a front-runner in adopting new technologies to realize its vision of providing reliable power supply and top quality services to the consumers. The Company implemented Geographic Information System (GIS) solution for its Ahmedabad, Gandhinagar and Surat distribution areas. GIS uses digital technologies to locate and integrate all its network assets with seamless flow of integrated information within the network and across the organization to efficiently plan, design, build, operate and manage the network. It facilitates comprehensive visual representation of all relevant data in geographical format to manage a set of complex network assets coupled with analytical capabilities for a decision support system. This will help optimize the network design, improve prudence in capital investments, reduce downtime of customers' outage and thus improve customer service cycle time across all range of services.





Path to Sustainable Development

As the power sector worldwide moves towards creating sustainable business models, Torrent also continued its march further on this path. Today's world needs more energy but cannot afford the emissions caused by it. Renewable Energy is the way to decoupling emission intensity from economic growth to meet energy needs of the people and ensure a sustainable future. As a major and responsible player in the Indian power sector, Torrent has also adopted Renewable Energy as one of the engines for growth. FY 2017-18 saw an expansion of renewable power portfolio of the Company reaching 1,550 MW of operational and under development projects.



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'Samanvay', 600, Tapovan, Ambawadi, Ahmedabad- 380015,
Gujarat, India

Phone: +91 79 26628000, Website: www.torrentpower.com,

Email: cs@torrentpower.com

566

15th
ANNUAL
REPORT
2018-19

CREATING
VALUE



SPREADING
SMILES



Growth and Value Cycle

Sustaining Growth. Enhancing Shareholders' Value.

The Company's growth philosophy focuses on increasing the capital employed by investing in new projects at returns higher than cost of capital and continuous improvement in capital efficiency through operational excellence. The Company expanded its assets base from Rs. 6971 crores in FY 09 to Rs. 24554 crores in FY 19, delivering a CAGR of about 14%. For FY 19 the total shareholder return was about 14% compared with BSE Power Index return of (-4%).

Consistent with its objective of steady growth with superior returns, Company also has a dividend policy of distributing 30% of its annual consolidated net profit after tax.

The Company seeks to enhance the quality of its growth and earnings by setting them within a corporate governance philosophy based on the core principles of transparency, integrity and accountability.



Focus on Long Term Financial Health



Plug Point – Customer Convenience

Partnering Progress. Transforming Lives.

The Company touches 3 million plus customers, whose satisfaction is a core value. It is a continuous endeavour to increase the delight of customers in every which way, through transparent billing, near zero downtime, quick fault attendance, ease of interaction through use of digital technology and most importantly reasonable tariff based on continuous improvements in efficiency of operations.

Continuous strategic investments are made to upgrade and underground the power network, leading to industry best standards of reliability and quality of power. Benchmarking against the best globally, the Company also offers a highly rated mobile App and service portal that brings the entire bouquet of customer services at fingertips. Well-appointed and dedicated service centres, aptly named "Plugpoints", and service camps in large residential zones, energy efficiency audits and safety education embodies the spirit to be amongst the best utilities in the country.

We strive being a critical yet reliable partner in progress of every society we serve through dependable product and unmatched service.



Customer Delight

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CORPORATE INFORMATION

Board of Directors

Sudhir Mehta, Chairman Emeritus
 Samir Mehta, Chairman
 Pankaj Patel
 Samir Barua
 Keki Mistry
 Bhavna Doshi
 Dharmishta Raval
 Pankaj Joshi, IAS
 Jinal Mehta, Managing Director

Audit Committee

Keki Mistry, Chairman
 Samir Barua
 Bhavna Doshi
 Dharmishta Raval

Stakeholders Relationship Committee

Pankaj Patel, Chairman
 Samir Mehta
 Jinal Mehta

Nomination and Remuneration Committee

Pankaj Patel, Chairman
 Sudhir Mehta
 Dharmishta Raval

Corporate Social Responsibility Committee

Bhavna Doshi, Chairperson
 Samir Barua
 Jinal Mehta

Risk Management Committee

Samir Barua, Chairman
 Jinal Mehta
 Sanjay Dalal

Committee of Directors

Samir Mehta, Chairman
 Jinal Mehta

Chief Financial Officer

Sanjay Dalal

Company Secretary

Samir Shah
(upto 15/05/2019)
 Rahul Shah
(wef 16/05/2019)

Statutory Auditors

Price Waterhouse Chartered Accountants LLP
 Chartered Accountants

Registered Office

“Samanvay”,
 600 Tapovan,
 Ambawadi, Ahmedabad-380015,
 Gujarat, India.
 Phone: +91 79 26628300
 Fax: +91 79 26764159

Corporate Identity Number

L31200GJ2004PLC044068

Website

www.torrentpower.com

Investor Services Email Id

cs@torrentpower.com

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
 Unit : Torrent Power Limited
 5th floor, 506-508, Amarnath Business Centre-1,
 Beside Gala Business Centre,
 Nr. St. Xavier's College Corner, Off. C. G. Road,
 Ellisbridge, Ahmedabad-380006 (Gujarat)
 Phone: +91 79 26465179 / 86 / 87
 Email: ahmedabad@linkintime.co.in
 Website: www.linkintime.co.in

NOTICE

NOTICE is hereby given that 15th Annual General Meeting of the members of **TORRENT POWER LIMITED** will be held on Monday, 5th August, 2019 at 9:30 am at **J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015*** to transact the following businesses:

ORDINARY BUSINESSES

1. Adoption of the Financial Statements

To consider and adopt the Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2019, including Auditor's Report and the Board's Report thereon.

2. Declaration of dividend

To declare dividend of ₹5.00 per share on equity shares of the Company for the Financial Year ended 31st March, 2019.

3. Re-appointment of Director retiring by rotation

To appoint a Director in place of Shri Jinal Mehta (DIN: 02685284), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESSES

4. Commission to Non-Executive Directors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, Articles of Association of the Company and regulation 17(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby accorded for annual commission to Non-Executive Directors for such amounts / rate as may be determined by the Board, but not exceeding in aggregate for all Non-Executive Directors, 1% of the net profit of the Company for each Financial Year, computed in the manner laid down in section 198 of the Companies Act, 2013 or any statutory modifications(s) or re-enactment thereof, for a period of 5 years from 1st April, 2019."

5. Ratification of Remuneration of Cost Auditors

To consider and if thought fit, to pass the following resolutions as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, rules or notifications of the Act including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, the Cost Auditors appointed by the Board of Directors of the Company to conduct audit of cost records of the Company for FY 20 be paid remuneration of ₹12,00,000/- plus applicable taxes and out of pocket expenses incurred by them during the course of cost audit.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to take such actions as may be necessary for implementing the above resolution."

6. Commission to Shri Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 19

To consider and if thought fit, to pass the following resolutions as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby accorded to remuneration by way of annual commission of ₹5 Crore to Shri Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 19.

* Please refer to page no. 246 for route map to the AGM venue.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to take such actions as may be necessary for implementing the above resolution.”

7. Issuance of Non-Convertible Debentures on a private placement basis

To consider and if thought fit, to pass the following resolutions as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 42, 71, 179, 180 and other applicable provisions, if any, of the Companies Act, 2013 and all applicable rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (“the Act”), the Memorandum of Association and the Articles of Association of the Company, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI regulations, circulars and guidelines for the time being in force and Foreign Exchange Management Act & RBI directives, circulars and guidelines for the time being in force, approval be and is hereby accorded for issuance of Non-Convertible Debentures (NCDs) by way of offer or invitation, upto an aggregate ₹1,500 Crore, on a private placement basis to the following identified investor classes viz.

- (a) Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) Banks other than scheduled commercial banks, companies, bodies corporate, Foreign Portfolio Investors (category III) registered with SEBI, financial institutions (including NBFCs), pension / gratuity / provident / superannuation funds;

in one or more tranches, within the overall borrowing limits approved for the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds and things as may be necessary for or incidental to the above resolution.”

By Order of the Board
For Torrent Power Limited

Ahmedabad
15th May, 2019

Samir Shah
Company Secretary

Registered Office:

“Samanvay”,
600 Tapovan,
Ambawadi, Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Phone: +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 15TH ANNUAL GENERAL MEETING (“AGM” or “meeting”) OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. However, a member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.
2. A Proxy Form is sent herewith. In case a member wants to appoint a Proxy, duly completed and stamped Proxy Form, must reach the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting.
3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company/ Registrar and Transfer Agent, authorising their representative to attend and vote on their behalf at the meeting.

4. Members/ Proxies/ authorised representatives are requested to bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The dividend, if declared, would be paid after the conclusion of said AGM to those persons whose names appear as Beneficial Owners as at the end of the business hours on Friday, 14th June, 2019 in the list of Beneficial Owner.
7. The statement pursuant to section 102 of the Companies Act, 2013 and / or regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and forms part of this Notice.
8. In terms of the section 124 of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 years from the date of its transfer to the unpaid dividend account, will be transferred to the IEPF established by the Government. Accordingly, the unclaimed dividend in respect of FY 12 of the erstwhile Torrent Cables Limited (since amalgamated with the Company) and the Company will be due for transfer to the said Fund in August, 2019. Members who have not encashed their dividend warrants for FY 12 are requested to approach the Company for payment.

Further, pursuant to the provisions of section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all shares on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to the Demat Account of IEPF Authority. The Company has sent intimation to all such members who have not claimed their dividend for seven consecutive years. All such members are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to the Demat Account of IEPF Authority and no claim shall lay against the Company. The members thereafter need to claim their shares from IEPF Authority by filing IEPF Form-5 and by following such procedures as prescribed in the IEPF Rules.

9. The Companies Act, 2013 provides nomination facility to the members. As a member of the Company, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail this facility especially by the members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to your Depository Participant.
10. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. For further information, you are requested to approach the Registrar and Share Transfer Agent of the Company.
11. **As per provisions of SEBI, transfer of listed securities shall not be processed unless the securities are held in dematerialized form. This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.**
12. **Trading in equity shares of the Company is compulsorily in dematerialised mode by all the members. Members are therefore advised to convert their shareholding in dematerialised form in case they wish to trade their equity shares.**
13. Members seeking any information or clarification on the accounts are requested to send written queries to the Company, atleast 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
14. Annual Report for FY 19 of the Company has been uploaded on website of the Company i.e. www.torrentpower.com.

15. All documents referred to in the accompanying Notice and the explanatory statement alongwith the Statutory Registers maintained by the Company as per the Companies Act, 2013 shall be open for inspection at the Registered Office during normal business hours (9:30 am to 6:30 pm) on all working days, (except Saturday) upto and including the date of the AGM of the Company and also will be available for inspection by the members at the AGM venue.
16. Electronic copy of the Notice of the 15th AGM along with Annual Report, inter-alia, including the remote e-voting instructions, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has specifically requested for a hard copy of the same. For members, who have not registered their email address, physical copies are being sent by the permitted mode.
17. With a view to conserve natural resources, we request members to update and register their email addresses with their Depository Participants or with the Company, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars, etc. electronically.
18. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names, are requested to send the share certificates to the Registrar and Share Transfer Agent, for consolidation of such multiple folios into a single folio.
19. **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Monday, 29th July, 2019.**
20. In terms of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the e-voting facility through Central Depository Services Limited (CDSL) to its members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice (the "Remote e-voting"). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail the facility at his / her discretion, subject to compliance with the instructions for remote e-voting.

In case of members who are present in person at the meeting and entitled to vote, and have not exercised their right to vote by electronic means, the Chairman of the Company shall allow voting by way of poll in terms of rule 20 of the said rules for the businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the meeting.

The information and other instructions regarding remote e-voting are detailed in Note No. 24.

Shri Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

21. The results shall be declared by the Chairman or a person so authorised by him in writing on receipt of consolidated report from Scrutinizer. The results declared along with Scrutinizer's Report shall be placed on the Company's website www.torrentpower.com and on the website of CDSL and shall also be communicated to the stock exchanges where the shares of the Company are listed.
22. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agent of the Company.
23. **The resolutions shall be deemed to have been passed on the date of the AGM, subject to the same being passed with requisite majority.**

24. Voting Process and other instructions regarding Remote e-voting:

Section A: Voting Process

The members should follow the following steps to cast their votes electronically:

Step 1: Open your web browser during the voting period and log on to the e-voting website: www.evotingindia.com

Step 2: Click on “Shareholders” to cast your vote(s).

Step 3: Please enter User ID –

- a. For account holders in CDSL: Your 16 digits beneficiary ID.
- b. For account holders in NSDL: Your 8 Character DP ID followed by 8 Digits Client ID.
- c. Members holding shares in physical form should enter Folio Number registered with the Company.

Step 4: Enter the Image Verification as displayed and Click on “LOGIN”

Step 5: If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you have forgotten the password, then enter the User ID and the image verification code and click on “FORGOT PASSWORD” and enter the details as prompted by the system.

Step 6: Follow the steps given below if you are:

- a. holding shares in physical form, or
- b. holding shares in dematerialised form and are a first time user,

6.1(a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both, members holding shares in physical or dematerialized form).

Members holding shares in physical form and who have not updated their PAN with the Company are requested to enter the last 7 digits of their Share Certificate No. prefixed by “TPL”. In case the certificate number is less than 7 digits enter the required number of 0's before the number. In case you are holding more than one share certificate under the same folio, enter the details of the share certificate which is higher in number.

Eg. If you are holding 3 share certificates under the same folio having certificate nos. 50111, 50112, 50113, then enter TPL0050113 in the PAN field.

Members who are holding shares in dematerialized form and who have not updated their PAN with depository are requested to use the Sequence Number as printed on the Address Sticker in case of the dispatch of the Annual Report through physical mode and as mentioned in covering email in case of dispatch of soft copy.

6.1(b) Enter the Date of Birth (DOB) as recorded in your demat account or registered with the Company for the said demat account or folio in dd/mm/yyyy format. #

6.1(c) Enter the Dividend Bank Account details (account number) as recorded in your demat account or registered with the Company for the said demat account or folio. #

Please enter either the DOB or Dividend Bank Account details in order to login. If the details are not recorded with the depository or Company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in Step 3.

After entering these details appropriately, click on “SUBMIT” tab.

6.2 For demat holding:

Members holding shares in demat form will now reach “PASSWORD CREATION” menu wherein they are required to create their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**

6.3 For physical holding:

Members holding shares in physical form will then directly reach the Company selection screen. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Step 7: Click on the EVSN of the Company i.e. 190615002 to vote.

Step 8: On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select the option YES or NO as desired for casting your vote.

Step 9: Click on “RESOLUTION FILE LINK” if you wish to view the Notice.

Step 10: After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

Step 11: Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

You can also take print-out of the voting done by you by clicking on “CLICK HERE TO PRINT” option on the voting page.

Members can also use Mobile app - “m-Voting” for e voting. m-Voting app is available on Apple, Android and Windows platforms. Members may log in to m-Voting using their e voting credentials to vote for the Company resolution(s).

Section B: Other instructions regarding Remote e-voting

Step 1: The Remote e-voting period shall commence on Thursday, 1st August, 2019 at 9:00 am and end on Sunday, 4th August, 2019 at 5:00 pm. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their votes electronically. The e-voting module shall be disabled for voting thereafter.

Step 2: Institutional members (i.e. members other than Individuals, HUF, NRI, etc.) are additionally requested to note and follow the instructions mentioned below, if they are first time user:

- Institutional members and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

Step 3: Institutional members and Custodian are required to upload the following in PDF format in the system for the scrutinizer to verify the same:

- a. Copy of the Board Resolution (where institution itself is voting).
- b. Power of Attorney issued in favour of the Custodian (if PoA is not uploaded earlier) as well as Board Resolution of Custodian.

Step 4: **Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.**

Step 5: Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 3

Brief profile of Shri Jinal Mehta is set forth in the table below :

Age	36 years
Qualification	Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) in International Business and Finance from University of Technology Sydney (UTS), Sydney, Australia.
Experience / Brief resume	<p>He has more than 12 years of experience in the power sector, in generation, transmission and distribution segments. He was involved in set-up and operations of 1,147.5 MW SUGEN Mega Power Project and later in the implementation of 382.5 MW SUGEN Expansion (i.e. UNOSUGEN) and 1200 MW DGEN Mega Power Project. He was Director and CEO of erstwhile Torrent Energy Limited (now merged with the Company), for a period of about 3 years until 31st March, 2014.</p> <p>He took charge of distribution operations since April, 2014 and played a leading role in bringing about significant operational improvements in licensed and franchised distribution businesses, in terms of network modernisation, reduction in T&D losses, improved customer services and timely regulatory approvals for recovery of costs. During the year under his leadership, the Company obtained a distribution license for Dholera Special Industrial Region and won the franchised distribution area of Shil, Mumbra & Kalwa.</p>
Date of first appointment on the Board	19 th October, 2011
No. of shares held in the Company	8000
Relationship with other Directors and Key Managerial Personnel	He is son of Shri Sudhir Mehta, Chairman Emeritus and relative of Shri Samir Mehta, Chairman.
List of directorship of listed entities	Torrent Power Limited
Chairmanship / Membership of Committees of the Board in such Companies	<p>Torrent Power Limited</p> <p>CSR Committee (Member)</p> <p>Stakeholders Relationship Committee (Member)</p> <p>Risk Management Committee (Member)</p> <p>Committee of Directors (Member)</p>

Item No. 4

The members had, at the 10th Annual General Meeting of the Company held on 28th July, 2014 by way of Special Resolution, approved the payment of remuneration by way of annual commission to the Non-Executive Directors (i.e. other than the Managing Directors and Whole-time Directors) of the Company at a rate not exceeding 1% of net profits for each Financial Year, for a period of 5 years effective from 1st April, 2014. The aforesaid approval expired on 31st March, 2019.

Section 197 of the Companies Act 2013 ("the Act"), inter alia, provides that a company may pay remuneration to its Non-Executive directors (i.e. other than a Managing Director or Whole-time Director), by way of commission, not exceeding, in aggregate, 1% of the net profit of the Company for each Financial Year, as computed in the manner laid down in section 198 of the Act.

Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that all fees or commission, paid to the Non-Executive directors, shall be recommended by the board of directors and shall require approval of the members in a general meeting.

It is proposed to take approval of members for payment of annual commission to Non-Executive Directors effective from 1st April, 2019 at a rate as may be determined by the Board for each year, such that the total commission does not exceed 1% of the net profit of the Company for the Financial Year, computed in the manner laid down in section 198 of the Act.

The Board recommends the resolution at Item No. 4 of the Notice, for your approval as an Ordinary Resolution.

All the Non-Executive Directors are deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 5

The members had, at the 14th Annual General Meeting of the Company held on 1st August, 2018, ratified the remuneration of M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company at ₹12,00,000/- plus applicable taxes and reimbursements of out of pocket expenses incurred by them during the course of cost audit for the FY 19.

The Audit Committee had at its meeting held on 5th February, 2019 recommended and the Board had at its meeting held on the same day approved the re-appointment of M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for the FY 20 at a remuneration of ₹12,00,000/- plus applicable taxes and out of pocket expenses incurred by them during the course of cost audit.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, members are requested to ratify the remuneration of ₹12,00,000/- plus applicable taxes and out of pocket expenses payable to M/s. Kirit Mehta & Co., Cost Auditors of the Company for the FY 20 by passing an Ordinary Resolution at Item No. 5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 6

Shri Sudhir Mehta relinquished his position as a Chairman wef 1st April, 2018, but at the request of the Board, agreed to continue as Non-Executive Director. In recognition of long and pioneering services in the development of the Company, the Board also conferred on him the title of Chairman Emeritus. Shri Sudhir Mehta even in Non-Executive capacity, spent considerable time on key matters in the business of the Company. In recognition of his mentoring and constant support during the FY 19, the Board approved annual commission of ₹5 Crore for Shri Sudhir Mehta, subject to approval of members. For the FY 18 (during which he occupied an executive role) annual commission paid to him was ₹10 Crore.

In terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of members by way of Special Resolution is sought for annual commission of ₹5 Crore for FY 19.

The Board recommends the resolutions at Item No. 6 of the Notice for your approval as a Special Resolution.

Shri Sudhir Mehta holds 6,882 equity shares of the Company and is related to Shri Samir Mehta, Chairman and Shri Jinal Mehta, Managing Director. Shri Sudhir Mehta, Shri Samir Mehta and Shri Jinal Mehta are, therefore, deemed interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 7

Members of the Company at Annual General Meeting held on 1st August, 2018 accorded consent to the Board of Directors to borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) and create security on assets of the Company for such borrowing, in such form and manner and on such terms and conditions as the Board may deem fit, such that the total amount borrowed and outstanding at any time does not exceed ₹20,000 Crore and for the said purpose authorised the Board inter-alia, to delegate all or any of the above powers to the Committee of Directors.

Out of above borrowing limit, the Company may, at an appropriate time consider offering or inviting subscriptions for Non-Convertible Debentures (NCDs), in one or more series / tranches, on private placement basis, in order to augment long-term resources for financing the ongoing capital expenditure and other general corporate purposes.

Section 42 of the Companies Act, 2013 read with rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a company which intends to make a private placement of its NCDs, shall obtain approval of its members by means of a Special Resolution. It shall be sufficient if the company passes a Special Resolution only once in a year for all the offers or invitations for such NCDs during the year.

It is therefore found desirable to have the requisite enabling approval in place for meeting the fund requirements of the Company in an efficient manner.

Approval of members is sought for issuance of NCDs upto an aggregate ₹1,500 Crore, within overall approved borrowing limit of the Company. Such approval shall be valid in respect of all offers and invitations for such NCDs to be made in one or more series / tranches, within 12 months from the date of passing of the Special Resolution.

The Board recommends the resolutions at Item No. 7 of the Notice for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution.

By Order of the Board
For Torrent Power Limited

Ahmedabad
15th May, 2019

Samir Shah
Company Secretary

Registered Office:

"Samanvay",
600 Tapovan,
Ambawadi, Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Phone: +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Fifteenth Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2019.

1. OPERATIONAL & FINANCIAL HIGHLIGHTS

The Management Discussion and Analysis Report for FY 19 is part of the Annual Report and explains the operating and financial performance of the business for the year.

Summary of the financial results of the Company for the year under review is as under:

(₹ in Crore except per share data)

Particulars	Standalone		Consolidated	
	FY 19	FY 18	FY 19	FY 18
Total Income	13,239	11,717	13,341	11,776
Profit Before Tax	1,248	1,376	1,264	1,401
Total comprehensive income for the year (after non-controlling interest)	883	935	893	955
Add: Balance brought forward	3,378	2,606	3,405	2,614
Add: Impact on adoption of Ind AS 115	649	-	648	-
Balance available for Appropriation	4,910	3,541	4,946	3,569
Appropriations				
Transfer to specific reserves	36	36	36	36
Dividend paid (including dividend distribution tax)	288	127	290	128
Balance carried to Balance Sheet	4,586	3,378	4,620	3,405
Basic and Diluted Earnings per Share (₹ per share)	19	19	19	20

2. DIVIDEND

The Company, as a policy, endeavours to distribute approx. 30% of its consolidated annual profits after tax as dividend in one or more tranches. Following the said policy, the Board of Directors have recommended dividend of ₹5 per equity share having face value of ₹10/- on 48,06,16,784 equity shares (PY ₹5 per equity share having face value of ₹10/- on 48,06,16,784 equity shares), amounting to ₹240.31 Crore (PY ₹240.31 Crore).

The Company will pay Dividend Distribution Tax of ₹49.40 Crore (PY ₹49.40 Crore) on the above dividend; the total outflow on account of dividend thus is ₹289.71 Crore (PY ₹289.71 Crore) i.e. 32.28% (PY 30.01%) of consolidated total comprehensive income for FY 19.

The Dividend Distribution Policy of the Company can be accessed at the Company's website: https://www.torrentpower.com/pdf/investors/06-01-2017_hfl6a_Dividend_Distribution_Policy.pdf

3. FINANCE

During the year under review, the Company has tied up ₹2,355 Crore in the form of Capex LC facility and part of the Rupee Term Loan for 499.8 MW Wind Power Project and ₹1,680 Crore in the form of term loan for its routine capex requirements, mainly for its Distribution Licensee and Distribution Franchisee businesses as well as cable business of the Company incurred and to be incurred during FY 19 and FY 20.

Outstanding amount towards long term loans, Non-Convertible Debentures (NCDs) and Accelerated Power Development and Reforms Programme (APDRP) loans as on 31st March, 2019 was ₹9,455 Crore. Details of long term loans of the Company for the year under review are provided in Note 22 to the Consolidated Financial Statements.

The consolidated debt to equity (including deferred tax liability) ratio as at the end of FY 19 was 0.90 (PY 1.01).

The particulars of loans given, guarantees provided and investments made are disclosed in Note 55 to the Standalone Financial Statements.

Credit Rating of the Company's long term loans, cash credit and NCDs has been reaffirmed by CRISIL at AA- / Stable and that of Letters of Credit / Bank Guarantees of the Company has been reaffirmed at A1+ on 29th September, 2018.

4. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Board reviews the affairs of the Company's subsidiaries and associates at regular intervals. In accordance with section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company which form part of this Annual Report. Further, a statement containing salient features of the Financial Statements of the Company's subsidiaries and associates is given in prescribed form AOC-1 which forms part of this Annual report at page no. 238. The said Form also highlights the financial performance of each of the subsidiaries and associate companies included in the Consolidated Financial Statements.

Details pertaining to companies that ceased to be the associates of the Company during the year are provided in Note no. 41 of the notes to the Consolidated Financial Statements, forming part of the Annual Report.

In accordance with section 136(1) of the Companies Act, 2013, the Financial Statements of the subsidiary and associate companies are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturday, Sunday and Public Holiday. Any person desirous of obtaining said financial statements may write at cs@torrentpower.com. The Annual Report of the Company and Audited Financial Statements of each of the subsidiary companies have been placed on the website of the Company www.torrentpower.com.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The members of the Company at the 14th Annual General Meeting (AGM) held on 1st August, 2018, appointed Shri Samir Mehta as Chairman (with substantial powers of management) and Shri Jinal Mehta as Managing Director of the Company wef 1st April, 2018, for a term of five years.

The members in the same meeting re-appointed Smt. Bhavna Doshi (from 4th August, 2018 till 30th September, 2021), Ms. Dharmishta N Raval (from 16th October, 2018 till 30th September, 2021), Shri Samir Barua (from 1st April, 2019 till 30th September, 2022), Shri Keki Mistry (from 1st April, 2019 till 31st March, 2024) and Shri Pankaj Patel (from 1st April, 2019 till 31st March, 2024) as Independent Directors of the Company for second and final term.

Shri Markand Bhatt, Whole-time Director relinquished his position wef 30th September, 2018.

Shri Kiran Karnik completed his term as an Independent Director of the Company on 31st March, 2019 and in deference to his wish, was not re-appointed for second term.

The Board meeting held on 7th February, 2018 appointed Shri Sanjay Dalal as Chief Financial Officer & Whole-time KMP of the Company wef 30th May, 2018 in place of Shri T. P. Vijayasathya who was assigned a new role in the Company.

The Board meeting held on 1st August, 2018 appointed Shri Samir Shah as Company Secretary & Whole-time KMP of the Company wef 2nd August, 2018.

As per the provisions of the Companies Act, 2013, Shri Jinal Mehta (DIN: 02685284), Director, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. A brief resume and other relevant details of Shri Jinal Mehta are given in the Explanatory Statement to the Notice convening the 15th AGM.

6. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Independent Directors are in compliance with the Code of Conduct prescribed under Schedule IV of the Companies Act, 2013.

7. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

The Nomination and Remuneration Committee (NRC) has approved the following criteria and process for identification / appointment of Directors:

Criteria for appointment:

- i. Proposed Director ("Person") shall meet all statutory requirements and should:
 - possess the highest ethics, integrity and values
 - not have direct / indirect conflict with present or potential business / operations of the Company
 - have the balance and maturity of judgment
 - be willing to devote sufficient time and energy
 - have demonstrated leadership and vision at senior levels, and have the ability to articulate a clear direction for the Company
 - have relevant experience with respect to Company's business (in exceptional circumstances, specialisation / expertise in unrelated areas may also be considered)
 - have appropriate comprehension to understand or be able to acquire that understanding:
 - o relating to Corporate Functioning
 - o concerning the scale, complexity of business and specific market and environment factors affecting the functioning of the Company
- ii. The appointment shall be in compliance with the Board Diversity Policy of the Company.

Process for Identification / Appointment of Directors:

- i. Board members may (formally or informally) suggest any potential person to the Chairman of the Company meeting the above criteria. If the Chairman deems fit, necessary recommendation shall be made by him to the NRC.
- ii. Chairman of the Company can himself also refer any potential person meeting the above criteria to the NRC.
- iii. NRC will process the matter and recommend such proposal to the Board.
- iv. Board will consider such proposal on merit and decide suitably.

Remuneration Policy:

The Company has in place a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees of the Company. The Company has revised the said policy in its Board Meeting held on 5th February, 2019. The amended policy is available on the website of the Company at https://www.torrentpower.com/pdf/investors/Remuneration_Policy.pdf

8. EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The evaluation of Board, its Committees and Individual Directors was carried out as per the process and criteria laid down by the Board of Directors.

The proforma formats for facilitating the evaluation process of Non Independent Directors, Board as a whole and Committees were sent to all Independent Directors. A presentation on functioning of the Board and Committees containing the outcome of their evaluation and feedback was reviewed by the Independent Directors in their separate meeting and by the Board. Based on the feedback, the Board expressed satisfaction on the functioning of the Board, Committees and performance of Individual Directors.

9. MEETINGS OF THE BOARD, COMMITTEES & COMPLIANCE TO SECRETARIAL STANDARDS

The Board meets at regular intervals, with gap between two meetings not exceeding 120 days. During the year under review, the Board met four times.

The Board has five Committees namely Audit and Risk Management Committee (ARMC), Nomination and Remuneration Committee (NRC), Corporate Social Responsibility (CSR) Committee, Stakeholders Relationship Committee (SRC) and Committee of Directors (CoD). A detailed note on the composition of the Board and its Committees (ARMC, NRC and SRC) is provided in the Corporate Governance Report included in this Annual Report. Composition of CSR Committee is given in the Report on CSR Activities (Annexure C). CoD is a Board Committee to facilitate routine executive decisions and exercise of authority granted by the Board in various matters. The minutes of the CoD meetings are reviewed at every Board meeting.

During the year under the review, the Company has complied with the provisions of Secretarial Standard 1 (relating to meeting of the Board of Directors) and Secretarial Standard 2 (relating to General meetings).

10. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134(3) of the Companies Act, 2013, the Board of Directors state that:

- a) in preparation of the Financial Statements, the applicable accounting standards have been followed and there are no material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2019 and of the profits for the year ended 31st March, 2019;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the financial statements have been prepared on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

11. AUDITORS

STATUTORY AUDITORS

The members had at the 13th AGM of the Company appointed M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company to hold the office from the close of the 13th AGM till the conclusion of the 18th AGM, subject to their appointment being ratified by the members in every AGM. The members of the Company approved deletion of the requirement of seeking ratification of appointment of Statutory Auditors at every AGM pursuant to amendment brought by the Companies Amendment Act, 2017.

The Auditors' Report for FY 19 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to section 148(3) of the Companies Act, 2013, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai had been appointed as the Cost Auditors of the Company for FY 19 by the Board of Directors for conducting audit of cost records maintained in respect of electrical energy and electrical cables. Their remuneration was ratified by members at the 14th AGM of the Company.

The Cost Audit Report for FY 18 does not contain any qualification and was filed on 29th August, 2018 with the Central Government (within the prescribed time limit) pursuant to section 148(6) of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to section 204 of the Companies Act, 2013 read with rules thereof, the Board of Directors had appointed M/s. M. C. Gupta & Co., Company Secretaries, Ahmedabad, as Secretarial Auditors of the Company for FY 19. The Secretarial Audit Report for FY 19 is annexed herewith as **Annexure A**.

There are no adverse observations in the Secretarial Audit Report which call for explanation.

12. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year under review, such controls were tested by the Auditors and no reportable material weakness was observed.

13. CORPORATE GOVERNANCE

In compliance with Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance forms part of this Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance is annexed to the Board's Report as **Annexure B**.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During FY 19, the Company incurred CSR expenditure of ₹19.64 Crore which was higher than the obligation to spend 2% of average net profit for the past three financial years amounting to ₹19.51 Crore. The CSR activities by the Company were under the thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. The brief outline of the CSR policy of the Company and the details of key CSR programs and activities undertaken at Group level are provided in the Report on CSR Activities annexed herewith as **Annexure C**.

In addition to above, the Company continued other social activities during the year, the brief details of the same is described hereunder.

- Creating livelihoods :

- o 33 working days intensive training module, followed by structured on job training for 28 days, developed in-house by the security team at SUGEN and DGEN Power Plant, covering security, basic firefighting and working knowledge of computers for unemployed youth with basic primary education has been continued in FY19 as well; these youths, numbering 48, have been absorbed in security related jobs at SUGEN and DGEN power plants. As at end of the year, 138 youth were employed as Security Guards at SUGEN and DGEN power plants as part of the security setup.
- o 31 differently abled persons (with impaired hearing and speech) were trained for routine cleaning of solar panels at the GENSU Solar Plant, thus providing them a dignified livelihood.
- o Employment to uneducated and destitute locals for horticulture, house keeping and canteen work.

- Community Healthcare :

SWADHAR – the community health care centre at SUGEN Plant, provided primary health care facilities at nominal cost to the surrounding communities. FY 19 witnessed enhanced scope through inclusion of specialized consultations in the areas of Dental care, Ophthalmology, Dermatology, Gynaecology, Physiotherapy and Orthopaedic. The enhancement in scope resulted in a surge in the number of patients served during year to about 85,000. Till 31st March, 2018 a total of 80,640 patients in general ailment category were benefited whereas during FY 19, total 84,714 patients, including 23,806 patients with specific ailment. The cumulative patients served since inception of the program was 1,65,354.

- **Donations :**

The Company also made donations amounting to ₹9.20 Crore to various organisations for activities related to healthcare, education, arts & culture, science, relief to disaster victims; socio-economic development including de-addiction, skill development; self-help groups, youth, upliftment of women, integrated development of tribes; etc.

15. ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company accords utmost importance to EHS in its various operations. The key developments concerning EHS during FY 19 includes:

- Zero Liquid Discharge (ZLD) since August 2017 at SUGEN plant.
- SUGEN, UNOSUGEN, DGEN and Cable Units have upgraded to the 2015 version of ISO standards. Generation plants have also implemented 5-S programme and got certified by Quality Circle Forum of India (QCFI).
- Implemented “Behaviour Based Safety” (BBS) to develop and inculcate safety as a behavioural aspect of each individual. Safety trainings were imparted to employees at different locations.
- Health talks related to common health problems such as Hypertension, Diabetes, Life Style Disease, yoga sessions, mini marathon etc. were conducted for employees.
- Drip Irrigation System in AMGEN premises to save water, rainwater harvesting at Meghdhanush housing colony of DGEN, extension of remote calibration facility for Continuous Emission Monitoring System (CEMS) to Central Pollution Control Board (CPCB) as per the applicable regulations.
- E-learning initiative taken up for EHS training in SUGEN, DGEN and GENSU. Specialized external training workshops were organised for critical activities such as lifting and rigging, working at height, hot works, confined space working and safe scaffolding, training for CPR technique (with latest analytical tool) with practical demonstration and practice, Mock drills for different kind of emergency scenarios such as electrical shock, fire in office premise after duty hours, oil spillage in the workshop etc.
- Measurement and monitoring of environmental parameters related to drinking water quality, food quality, work place noise, energy consumption stores, usage of environmentally friendly bio-degradable ester oil in place of mineral oil in distribution transformers in densely populated and congested areas to enhance safety and to prevent land contamination.
- Celebrations of Electrical Safety/ Chemical Safety / National Safety / Anti-Tobacco / Road Safety weeks, World Heart Day, National Fire Service Day, World Environment Day, Earth Day, etc.

Moreover, the Company has in place the “Conviction for Safety” policy, which provides for substantial compensation to the personnel (Employees as well as Contractors) and their families, who are adversely affected by accidents.

16. VIGIL MECHANISM

The Company has in place a Whistle Blower Policy pursuant to the applicable statutory requirements. The details of the Whistle Blower Policy are explained in the Report on Corporate Governance.

17. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, during the year under review, the Company has credited unpaid / unclaimed Dividend and equity shares to the Demat account of IEPF Authority as per the details mentioned below:

Dividend for Financial Year	Unpaid / Unclaimed Dividend transferred (in ₹)	No. of equity shares transferred
2010-11	1,63,43,497/-	4,49,354
2011-12 (Interim)	89,20,242/-	96,978

During the year under review, the Company has also credited dividend declared for FY 18 amounting to ₹61,80,205/- to IEPF account arising on 12,36,041 equity shares already transferred to IEPF authority.

Members whose shares and unclaimed dividend, have been transferred to the IEPF Demat Account or IEPF account, as the case may be, may claim the shares or apply for refund of dividend by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>). Details of members whose dividend remained unpaid for 7 consecutive years or more may be accessed at Company's website at www.torrentpower.com.

The details of unpaid/ unclaimed dividend lying in the unpaid Dividend accounts as on 31st March, 2019 are mentioned below:

Sr. No.	Dividend for Financial Year	Due date for transfer to IEPF	Amount of Unpaid / Unclaimed Dividend (in ₹)
1.	2011-12 (Final) of Torrent Power Ltd.	29 th August, 2019	1,05,28,951.00
2.	2011-12 (Final) of erstwhile Torrent Cables Ltd.	23 rd August, 2019	9,45,094.50
3.	2012-13 (Final) of Torrent Power Ltd.	30 th August, 2020	66,91,906.00
4.	2012-13 (Final) of erstwhile Torrent Cables Ltd.	25 th August, 2020	9,40,775.50
5.	2013-14 (Final) of Torrent Power Ltd.	2 nd September, 2021	18,65,015.00
6.	2013-14 (Final) of erstwhile Torrent Cables Ltd.	2 nd September, 2021	4,71,168.00
7.	2014-15 (Final) of Torrent Power Ltd.	9 th September, 2022	55,76,581.50
8.	2014-15 (Final) of erstwhile Torrent Cables Ltd.	2 nd September, 2022	3,09,858.00
9.	2015-16 (Interim) of Torrent Power Ltd.	15 th April, 2023	1,69,65,814.50
10.	2016-17 (Final) of Torrent Power Ltd.	6 th September, 2024	1,27,40,446.40
11.	2017-18 (Final) of Torrent Power Ltd.	6 th September, 2025	1,73,66,385.00

Note: Torrent Cables Limited was amalgamated with Torrent Power Limited wef 1st October, 2015.

At the above mentioned due dates, the actual amount lying in unpaid dividend accounts alongwith corresponding shares related thereto will be transferred to IEPF authority.

18. BUSINESS RESPONSIBILITY REPORT

As stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report forms part of this Annual Report.

19. RISK MANAGEMENT

The Company has in place a Risk Management framework for a systematic approach to control risks. The Risk Management Policy of the Company lays down procedures for risk identification, assessment, monitoring, review and reporting. The policy also lists the roles and responsibilities of Board, Risk Management Committee, Chief Risk Officer, Risk Champions and Risk Co-ordinators. Internal and external risks with potential impact and likelihood that may impact the Company in achieving its strategic objectives or may threaten its existence have been identified and assessed.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties are given in the prescribed Form AOC-2, appended herewith as **Annexure D** and in the section on Related Party Transactions in the Report on Corporate Governance.

21. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The details in terms of section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time are forming part of this report as **Annexure E**.

22. PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORK PLACE

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013].

23. THE EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form MGT-9 is appended herewith as **Annexure F** to this Report.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in the **Annexure G** which forms part of this Report.

25. OTHER DISCLOSURES

- During the year under review, the Company has neither accepted nor renewed any fixed deposits.
- There are no material changes and commitments, affecting the financial position of the Company which has occurred between end of Financial Year i.e. 31st March, 2019 and the date of Board's Report i.e. 15th May, 2019.
- No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

26. APPRECIATION AND ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record its appreciation for the continued support received from all stakeholders including government, regulatory authorities and financing institutions. The Board is thankful to the members and employees for their unstinted support and contribution.

For and on behalf of the Board of Directors

Ahmedabad
15th May, 2019

Samir Mehta
Chairman
DIN: 00061903

ANNEXURE A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Torrent Power Limited,
“Samanvay”, 600 Tapovan,
Ambawadi, Ahmedabad – 380 015

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Torrent Power Limited CIN: L31200GJ2004PLC044068 (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of Torrent Power Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by “the Company”, for the Financial Year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018; **(Not applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**

- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/2018; **(Not applicable to the Company during the Audit Period)**.
- vi. The Company has complied with following other laws specifically applicable to the Company:
- (a) Electricity Act, 2003
 - (b) Gujarat Electricity Duty Act, 1958
 - (c) Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003
 - (d) Gujarat Electricity Grid Code, 2013
 - (e) Energy Conservation Act, 2001

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any matter.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For, M. C. Gupta & Co.
Company Secretaries
UCN: S1986GJ003400

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)

Place : Ahmedabad
Date : 13th May, 2019

Note: This Report is to be read with our Letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

Annexure: "A"

To,
The Members,
Torrent Power Limited,
"Samanvay", 600 Tapovan,
Ambawadi, Ahmedabad – 380 015

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, M. C. Gupta & Co.
Company Secretaries
UCN: S1986GJ003400

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)

Place : Ahmedabad
Date : 13th May, 2019

ANNEXURE B**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE****TO THE MEMBERS OF
TORRENT POWER LIMITED**

We have examined the compliance of conditions of Corporate Governance by Torrent Power Limited (the "Company"), for the year ended March 31, 2019 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Pradip Kanakia
Partner
Membership No.: 039985
UDIN: 19039985AAAAAA3693

Place: Ahmedabad
Date: 15th May, 2019

ANNEXURE C

REPORT ON CSR ACTIVITIES FOR FY 19

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

Inspired by noble ideas of the founder Chairman late Shri U N Mehta, Torrent Group deeply subscribes to its responsibilities as a corporate citizen and believes in carrying out its industrial and business activities in a socially and environmentally responsible manner balancing the needs of all stakeholders and contributing to the upliftment and well being of the disadvantaged sections of the society.

The Company, as a part of its CSR programmes / activities, made dedicated efforts in the fields of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. It is in this backdrop that the Company has drawn up its CSR policy and conducted its programmes and activities for the FY 19.

Overview of projects or programs undertaken

Major CSR initiatives undertaken by the Company during FY 19, are enumerated hereunder:

- 1. REACH:** Driven by the belief of our Chairman Emeritus, Shri Sudhir Mehta '**Children are the future of our nation and this future must be well preserved**', the flagship CSR program of the Group "**REACH**" – **Reach EAch CHild** was initiated in the year 2016 under the aegis of Tornascent Care Institute. REACH has three major pillars: **(a) SHAISHAV (b) JATAN and (c) MUSKAN**. The program has made a strong headway in the current year at all the four centres viz. SUGEN (near Surat), Dahej, Indrad and Nadiad / Balasinor and across all the three pillars, with increase in the scope and reach. Salient achievements are:

- Under the first pillar of the program "**Shaishav**", so far 289 paediatric camps covering 372 villages and 58,000+ underserved children (in the age group of 6 months to 6 years) were conducted, to obtain their base line health status, identify and treat anaemia and malnutrition and provide specialised treatment to those identified with cardiac, neurological, respiratory and the like disorders. Till date, more than 90% of the children were cured of their anaemic condition and around 79% of children were brought out of severe malnourishment. To improve the effectiveness in treatment of malnourishment an extensive in-house research was carried out to develop palatable nutri-dense recipes from easily available local ingredients, without any compromise in the nutrient content. After duly testing for nutrient content in certified laboratories, "**Mauji Biscuits**" were launched. "**Mauji Biscuits**" proved to be a success story as 63% of 12,976 children addressed were cured. In FY 19, emphatic focus was to ensure complete recovery in children having specific ailments, identified during camps or in Jatan centers. Specialised treatment was co-ordinated with referral hospitals and 985 children were restored to normalcy till 31st March, 2019.
- "**Jatan**", the second pillar of the program, focuses on providing the paediatric care through well equipped Paediatric centres to children in the age group of 0-18 years. Established in year 2017, all 4 centres at SUGEN, Dahej, Balasinor and Indrad are successfully supporting the basic medical needs of children in these four areas. Treatment by doctors, medicines & basic laboratory tests are provided free of cost. 1,47,000+ children have benefited till 31st March, 2019.

A Paediatric Hospital at SUGEN

To provide intensive and inclusive healthcare solution to paediatric patients, a 150 bedded secondary care hospital is being constructed near SUGEN plant. The target date for commissioning and dedicating the hospital is 2nd October, 2019.

- Under "**Muskaan**", the third pillar of the program, counselling and support is provided to the adolescent girls of villages near SUGEN, Dahej & Indrad centers for menstrual hygiene and sanitation by giving them free health and hygiene kits which include sanitary pads, soap, shampoo, etc. About 6,300 adolescent girls of

125 villages near above specified centres, between 11-18 years of age were provided kits on monthly basis during the year. This programme has helped gradual eradication of physiological and social taboos and increased confidence and self-esteem amongst them.

Through large scale employee participation, a new initiative was launched in the name of “જાગરણ એ જ નિવારણ”, with an aim to spread health awareness amongst the communities about curative facilities available at Bal Arogya Kendras so as to prevent diseases. The targetted population includes patients waiting for consultation at Jatan, mothers hailing from villages where camps are conducted and others who come in contact during follow up interventions.

2. **Shiksha Setu** : The Teaching and Learning Programme conducted through UNM Foundation completed third year of Phase II. This programme covers 13 schools located near SUGEN, Chhatral, Chhapi, Memadpur and Ahmedabad locations having 4,600+ students and 150+ teachers of 3-8 standards. Focus in FY 19 continued to be on enhancing learning levels of students through academic workshops and technology based education tools provided in the schools. About 4,600 students from 3rd to 8th standard (including 13 program schools and 7 control schools) participated in technology based learning assessment and achieved 21% YOY improvement in learning levels compared to previous year's result.

Based on the result analysis, gaps in concepts and skills were identified and continuous inputs were provided to teachers and students. 1,037 academic sessions were carried out on different topics for 150+ teachers on strengthening academic concepts. Additionally, focused intervention through remedial tools was carried out to improve basic skills in Language & Mathematics of academically weak students and bring them at par with others.

3. **Development of Public Parks:**

The Company along with one of India's best known landscape design firm, developed a detailed process that is an exemplar on how public projects should be undertaken and embarked upon. Six other firms in Ahmedabad have joined hands under LEAF (Landscape Environment and Advancement Foundation) to undertake this work. After visiting many parks in Ahmedabad, 15 parks with differing sizes, which were equally distributed in Ahmedabad, were chosen for development. During the year, 6 parks measuring approx. 33,000 sqmt (under Phase 1) have been fully developed by the Company and are open for public use. The design of the other parks of Phase II is in Progress.

4. **Donation of Medical Equipment:**

The Company donated and installed CT Scanner and MR machine at Parvati Jadhav Hospital, Ahmedabad to partially improve the medical infrastructure of Hospital. The Hospital is in operation since 8th September, 2014 and is a multi-speciality hospital catering to poor and needy people with nominal charges on No Profit No Loss basis.

5. **National Cancer Institute:**

The Company contributed to Dr. Abaji Thatte Seva Aur Anusandhan Sanstha, Nagpur to establish laboratory sciences department and to procure 1 mobile cancer detection unit complete with CR, Mammography X-Ray, with necessary furniture and other medical equipments. Dr. Abaji Thatte Seva Aur Anusandhan Sanstha is a registered charitable trust established in 1996 focuses on alleviating suffering of people with various medical illnesses.

The CSR Policy and approved CSR budget for FY 19 are available for reference on the website of the Company at:

https://www.torrentpower.com/pdf/investors/02-06-2016_rautx_csrpolicy.pdf &

https://www.torrentpower.com/pdf/investors/14-11-2018_8oc69_CSR_Plan.pdf respectively.

A brief outline of the CSR policy is given below:

- three thrust area in which CSR activities are planned (a) Community Healthcare, Sanitation & Hygiene (b) Education & Knowledge Enhancement (c) Social Care & Concern.
- the CSR projects are conducted, preferably in local area(s) around which the Company (including its Units) operates, after approval of CSR Committee and Board with estimated budget and implementation schedules thereto. Half-yearly monitoring of the implementation of the CSR policy and Plan be done by the CSR Committee.
- CSR projects may be implemented directly whereby the Company implements the CSR projects on its own or through its Trust / Society / Section 8 company or Group company Trust / Society / Section 8 company; and / or indirect whereby the Company implements the CSR Projects through an external Trust / Society / Section 8 company.

2. The Composition of CSR Committee:

Name of Director	Category of Directorship
Smt. Bhavna Doshi, Chairperson	Independent Director
Shri Samir Barua	Independent Director
Shri Jinal Mehta	Managing Director

3. Average net profit of the Company for last three Financial Years: ₹975.70 Crore.**4. Prescribed CSR Expenditure (2% of the above amount): ₹19.51 Crore.****5. Details of CSR spent during the Financial Year:**

- Total amount spent for the FY 19: ₹19.64 Crore.
- Amount unspent, if any: Nil

c) Manner in which the CSR amount was spent during the FY 19 is detailed below:-

(₹ in Crore)							
1 Sr. No.	2 CSR Project or Activity Identified	3 Sector in which the Project is covered	4 Projects or programs: (1) Local area or other; (2) Specify the State and district where projects or programs were undertaken during FY 19	5 Amount Outlay (Budget) Project or Program wise FY 19	6 Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs, (2) Overheads FY 19	7 Cumulative expenditure upto the reporting period*	8 Amount Spent : Direct or through implementing agency
1	REACH - Paediatric Healthcare Programme	Community Healthcare, Sanitation & Hygiene (Promoting healthcare including preventive healthcare)	Various district in the State of Gujarat like Kamrej, Mandvi, Mangrol, Olpad in Surat, Vagra, Amod in Bharuch, Balasinor in Mahisagar, Jolana, Kadi in Mehsana, Galteshwar, Kapadvanj, Kathlal, Thasra, Nadiad in Kheda, Kalol in Gadhinar	1.62	2.78	34.61	Directly: (1) Through Tornascent Care Institute (Section 8 company of the Group) (2) By Company
2	Development of Public Parks	Social Care & Concern (Ensuring environmental sustainability, ecological balance and protection of flora and fauna)	Ahmedabad, Gujarat	4.00	4.00	6.50	Directly: Through UNM Foundation (Section 8 company of the Group)
3	Shiksha Setu (Quality Education Programme) (Rural and Urban Slum Area)\$	Education & Knowledge Enhancement (Promoting education)	Sabarmati in Ahmedabad, Kamrej in Surat, Vadgam in Banaskantha Kadi in Mehsana, in the State of Gujarat	0.75	0.75	4.65	Directly: Through UNM Foundation (Section 8 company of the Group)
4	Supporting Primary & Secondary School (For urban slum children)	Education & Knowledge Enhancement (Promoting education)	Sabarmati, Ahmedabad, Gujarat	0.33	0.26	0.91	Directly by company
5	Supporting the establishment of a Cancer Care Centre	Community Healthcare, Sanitation & Hygiene (Promoting healthcare including preventive healthcare)	Nagpur, Maharashtra	3.00	3.00	7.00	Indirectly through Implementing Agency: Dr. Abaji Thatte Seva Aur Anusandhan Sanstha

(₹ in Crore)

1 Sr. No.	2 CSR Project or Activity Identified	3 Sector in which the Project is covered	4 Projects or programs: (1) Local area or other; (2) Specify the State and district where projects or programs were undertaken during FY 19	5 Amount Outlay (Budget) Project or Program wise FY 19	6 Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs, (2) Overheads FY 19	7 Cumulative expenditure upto the reporting period*	8 Amount Spent : Direct or through implementing agency
6	Supporting village development	Social Care & Concern (Rural Development)	Nadiad, Kheda, Gujarat	0.05	0.03	0.18	Directly by Company
7	Supporting improvement of Medical infrastructure in a local hospital	Community Healthcare, Sanitation & Hygiene (Promoting healthcare including preventive healthcare)	Ahmedabad, Gujarat	8.80	8.80	8.80	Directly by Company
8	Others						
	CSR capacity building cost including Administrative overhead			1.00	0.00	2.60	Directly by Company
	Miscellaneous			0.05	0.02	0.04	
	Total			19.60	19.64	65.29	
*Starting from 1 st April, 2014.							
\$ Amount of ₹2.70 Crore was contributed till 31 st March, 2014.							
Figures are rounded off to nearest Lakh							

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report.

Not Applicable

7. The CSR Committee confirms that the implementation and monitoring of the CSR policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Ahmedabad
15th May, 2019

Samir Barua
Director
DIN: 00211077

Bhavna Doshi
Chairperson, CSR Committee
DIN: 00400508

Board's Report

ANNEXURE D

FORM AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with Related Parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts / arrangements / transactions including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	

NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts / arrangements / transactions including value, if any:	Date(s) of approval by the Board and Audit Committee, if any:	Amount paid as advances, if any:	Date on which shareholders resolution was passed in general meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	Shri Varun Mehta, Director's Relative	Appointment as Vice President (office or place of profit held by Director's relative)	Effective from 2 nd August, 2018	Salary : within the range of ₹3 Lakh to ₹12 Lakh per month Performance pay: not exceeding 50% of the salary Perquisites and Benefits: (i) allowances and incentive as applicable to other employees as per the prevailing rules and policies of the Company (ii) Perquisites as per applicable law / rules of the Company	29 th May, 2018	NIL	1 st August, 2018

Ahmedabad
15th May, 2019

For and on behalf of the Board of Directors

Samir Mehta
Chairman
DIN: 00061903

ANNEXURE E

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1), 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 19 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 19 are as under:

Sr. No.	Name	Designation	Ratio of Remuneration of Director to Median ^{\$} Remuneration of employees	% increase in Remuneration in FY 19
			(Sub-clause (i) of Rule 5(1))	(Sub-clause (ii) of Rule 5(1))
1.	Shri Sudhir Mehta	Chairman Emeritus	124.86	-50.00%*
2.	Shri Samir Mehta	Chairman	249.73	0.00%
3.	Shri Pankaj Patel	Independent Director	4.74	-29.63%
4.	Shri Samir Barua	Independent Director	6.99	-12.50%
5.	Shri Kiran Karnik	Independent Director	6.99	3.70%
6.	Shri Keki Mistry	Independent Director	4.50	-5.26%
7.	Smt. Bhavna Doshi	Independent Director	6.99	0.00%
8.	Ms. Dharmishta Raval	Independent Director	6.99	16.67%
9.	Shri Pankaj Joshi, IAS	Nominee Non-Executive Director	2.00	-50.00%
10.	Shri Markand Bhatt	Whole-time Director	545.29	-44.02%**
11.	Shri Jinal Mehta	Managing Director	244.07	28.70%
12.	Shri Sanjay Dalal	Chief Financial Officer	Not Applicable	15.79%
13.	Shri Samir Shah	Company Secretary	Not Applicable	12.00%

Notes:

* Shri Sudhir Mehta relinquished the position of Chairman wef 1st April, 2018 but at request of Board, continued as Non-Executive Director.

** Shri Markand Bhatt relinquished the position of Whole-time Director wef 1st October, 2018.

2. Sub-clause (iii) of Rule 5(1): The median remuneration of the employees in FY 19 increased by 6.72%. The employees who are members of a union and whose remuneration is based on periodic settlements have been excluded for this purpose.
3. Sub-clause (iv) of Rule 5(1): The number of permanent employees on the rolls of Company as on 31st March, 2019 was 7,647.
4. Sub-clause (viii) of Rule 5(1): The average percentage increase made in the remuneration:
- of employees (excluding Directors, Managerial Personnel, other Key managerial personnel & employees who were employed for part of the previous year) is 11.76%;
 - of managerial personnel is -37.52%.

The decrease in the remuneration of managerial personnel is due to cessation of two of the Managerial Personnel during FY 19.

5. Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

6. Rules 5(2) and 5(3): The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Having reference to the provisions of section 134 and section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the members excluding such information. However, the said information is available for inspection by the members at the Registered Office of the Company during its working hours up to the date of ensuing Annual General Meeting. Further, any member interested in obtaining such information may obtain it by writing to the Company Secretary at cs@torrentpower.com.

For and on behalf of the Board of Directors

Ahmedabad
15th May, 2019

Samir Mehta
Chairman
DIN: 00061903

ANNEXURE F

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN:	L31200GJ2004PLC044068
ii) Registration Date:	29 th April, 2004
iii) Name of the Company:	Torrent Power Limited
iv) Category / Sub-Category of the Company:	Limited by Shares / Indian Non-Government Company
v) Address of the Registered Office and contact details:	<p>"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad - 380 015 (Gujarat) Phone: +91 79 26628300 Fax: +91 79 26764159 Email: cs@torrentpower.com Website: www.torrentpower.com</p>
vi) Whether listed company Yes / No :	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent:	<p>Link Intime India Pvt. Ltd. 5th floor, 506 to 508, Amarnath Business Centre - 1 (ABC - 1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad-380006 (Gujarat) Phone: +91 79 26465179 / 86 / 87 Email: ahmedabad@linkintime.co.in Website: www.linkintime.co.in</p>

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below:

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Electric power generation and distribution	351	95.87%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Torrent Private Limited	Torrent House, Off Ashram Road, Ahmedabad-380009	U67120GJ1985PTC007573	Holding	53.56%	2(46)
2	Torrent Power Grid Limited	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U40104GJ2005PLC046660	Subsidiary	74.00%	2(87)
3	Torrent Pipavav Generation Limited	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U40108GJ2007PLC051822	Subsidiary	95.00%	2(87)
4	Torrent Solargen Limited	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U40102GJ2008PLC055000	Subsidiary	100.00%	2(87)
5	Jodhpur Wind Farms Private Limited	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U31909GJ2017PTC106919	Subsidiary	100.00%	2(87)
6	Latur Renewable Private Limited	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U31906GJ2017PTC106736	Subsidiary	100.00%	2(87)
7	AEC Cements & Constructions Limited	AEC Tower, Fifth Floor, Shahpur, Ahmedabad-380001	U45201GJ1988PLC010752	Subsidiary	69.00%	2(87)
8	Tidong Hydro Power Limited	Ground Floor, Room No. 1, Building Khasra No. 6849 Ward No. 1, Nirmand Road, Near Army Area, Kullu Kulu Himachal Pradesh-172022	U40101HP2007PLC030774	Associate	49.00%	2(6)
9	UNM Foundation (Section 8 company)	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U85110GJ2015NPL083340	Associate	50.00%	2(6)
10	Tornascent Care Institute (Section 8 company)	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U85100GJ2015NPL082291	Associate	50.00%	2(6)
11	Wind Two Renergy Private Limited	Survey No. 1837 & 1834, At Moje Jetalpur ABS Tower, Second Floor, Old Padra Road, Vadodara-390007	U40300GJ2017PTC096960	Associate	NIL	2(6)

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
12	Wind Four Renergy Private Limited	Survey No. 1837 & 1834, At Moje Jetalpur ABS Tower, Second Floor, Old Padra Road, Vadodara-390007	U40300GJ2017PTC097003	Associate	NIL	2(6)
13	Wind Five Renergy Private Limited	Survey No. 1837 & 1834, At Moje Jetalpur ABS Tower, Second Floor, Old Padra Road, Vadodara-390007	U40100GJ2017PTC096973	Associate	NIL	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholder	No. of the Shares held at the beginning of the year 01/04/2018				No. of Shares held at the end of the year 31/03/2019				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. PROMOTER AND PROMOTER GROUP									
(1) INDIAN									
(a) Individual / HUF	21007	-	21007	-	21007	-	21007	-	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	257422311	-	257422311	53.56	257422311	-	257422311	53.56	-
(e) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A(1)	257443318	-	257443318	53.57	257443318	-	257443318	53.57	-
(2) FOREIGN									
(a) Individuals (NRIs / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FIs	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=A(1)+A(2)	257443318	-	257443318	53.57	257443318	-	257443318	53.57	-

Category of Shareholder	No. of the Shares held at the beginning of the year 01/04/2018				No. of Shares held at the end of the year 31/03/2019				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
B. PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
(a) Mutual Funds / UTI	42925637	-	42925637	8.93	53161122	-	53161122	11.06	2.13
(b) Banks / Financial Institutions	42979641	98111	43077752	8.96	23384345	83165	23467510	4.88	-4.08
(c) Central Government	-	-	-	-	-	-	-	-	-
(d) State Government(s)	900	7057896	7058796	1.47	900	7057896	7058796	1.47	0.00
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) Foreign Portfolio Investors / Foreign Institutional Investors	28213800	-	28213800	5.87	37533395	-	37533395	7.81	1.94
(h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)	114119978	7156007	121275985	25.23	114079762	7141061	121220823	25.22	-0.01
(2) NON-INSTITUTIONS									
(a) Bodies Corporate	57876277	-	57876277	12.04	60643772	-	60643772	12.61	0.57
(i) Indian	54016277	-	54016277	11.24	56783772	-	56783772	11.81	0.57
(ii) Overseas	3860000	-	3860000	0.80	3860000	-	3860000	0.80	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital Upto ₹1 lakh	22195522	5866514	28062036	5.84	20954521	4772863	25727384	5.35	-0.49
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	9665730	2186330	11852060	2.47	9297236	1746831	11044067	2.30	-0.17
(c) NBFC's registered with RBI	-	-	-	-	15913	-	15913	0.00	0.00
(d) Others									
- NRI	849317	155231	1004548	0.21	931177	92513	1023690	0.21	0.00
- Trusts	153814	-	153814	0.03	156644	-	156644	0.03	0.00
- HUF	1080373	-	1080373	0.22	939429	-	939429	0.20	-0.02
- Office Bearers	-	25	25	0.00	-	25	25	0.00	0.00
- Foreign Portfolio Investor Individual	-	-	-	-	750	-	750	0.00	0.00
- Clearing Member	632307	-	632307	0.13	628648	-	628648	0.13	0.00
- IEPF	1236041	-	1236041	0.26	1772321	-	1772321	0.37	0.11
Sub-Total B(2)	93689381	8208100	101897481	21.20	95340411	6612232	101952643	21.21	0.01
Total Public Shareholding (B)=B(1)+B(2)	207809359	15364107	223173466	46.43	209420173	13753293	223173466	46.43	0.00
C. SHARES HELD BY CUSTODIANS FOR GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	465252677	15364107	480616784	100.00	466863491	13753293	480616784	100.00	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% Change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total Shares	
1	Torrent Private Limited	257422311	53.56	0.00	257422311	53.56	0.00	0.00
2	Shri Sudhir Mehta	6882	0.00	0.00	6882	0.00	0.00	0.00
3	Shri Samir Mehta	6125	0.00	0.00	6125	0.00	0.00	0.00
4	Shri Jinal Mehta	8000	0.00	0.00	8000	0.00	0.00	0.00
Total		257443318	53.57	0.00	257443318	53.57	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There was no change in promoters' shareholding during the reporting period.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning (01/04/2018)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
1	Gujarat State Financial Services Limited	-	-	01-04-18	Nil			
				22-03-19	46871621	Transfer	46871621	9.7524
		46871621	9.7524	31-03-19			46871621	9.7524
2	Axis Mutual Fund Trustee Limited A/C	22639291	4.7105	01-04-18				
				06-04-18	-189000	Transfer	22450291	4.6711
	Axis Mutual Fund A/C			13-04-18	-27000	Transfer	22423291	4.6655
	Axis Long Term Equity Fund			27-04-18	-405000	Transfer	22018291	4.5813
				08-06-18	-129000	Transfer	21889291	4.5544
				15-06-18	-12302	Transfer	21876989	4.5519
				30-06-18	-486000	Transfer	21390989	4.4507
				06-07-18	-132000	Transfer	21258989	4.4233
				13-07-18	-84000	Transfer	21174989	4.4058
				20-07-18	-81000	Transfer	21093989	4.3889
				27-07-18	68568	Transfer	21162557	4.4032
				24-08-18	-255004	Transfer	20907553	4.3502
				07-09-18	-3000	Transfer	20904553	4.3495
				14-09-18	-69000	Transfer	20835553	4.3352
				05-10-18	-72000	Transfer	20763553	4.3202
				14-12-18	200000	Transfer	20963553	4.3618
				21-12-18	3460881	Transfer	24424434	5.0819

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning (01/04/2018)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
				28-12-18	-236340	Transfer	24188094	5.0327
				31-12-18	42491	Transfer	24230585	5.0416
				04-01-19	96000	Transfer	24326585	5.0615
				11-01-19	-24000	Transfer	24302585	5.0565
				18-01-19	1600000	Transfer	25902585	5.3894
				25-01-19	1200000	Transfer	27102585	5.6391
				08-02-19	-28000	Transfer	27074585	5.6333
				15-02-19	200000	Transfer	27274585	5.6749
				01-03-19	3410000	Transfer	30684585	6.3844
				15-03-19	380000	Transfer	31064585	6.4635
				22-03-19	-320000	Transfer	30744585	6.3969
		30744585	6.3969	31-03-19			30744585	6.3969
3	Life Insurance Corporation of India	28438469	5.9171	01-04-18				
				21-12-18	-1106200	Transfer	27332269	5.6869
				28-12-18	-841745	Transfer	26490524	5.5118
				31-12-18	-207289	Transfer	26283235	5.4686
				04-01-19	-726752	Transfer	25556483	5.3174
				11-01-19	-1076393	Transfer	24480090	5.0935
				18-01-19	-2426192	Transfer	22053898	4.5887
				25-01-19	-1391975	Transfer	20661923	4.2990
				01-02-19	-395943	Transfer	20265980	4.2167
				08-02-19	-641526	Transfer	19624454	4.0832
				15-02-19	-462802	Transfer	19161652	3.9869
				01-03-19	-3168096	Transfer	15993556	3.3277
				08-03-19	-1025169	Transfer	14968387	3.1144
		14968387	3.1144	31-03-19			14968387	3.1144
4	UTI-Mid Cap Fund	10724242	2.2313	01-04-18				
				06-04-18	158594	Transfer	10882836	2.2643
				13-04-18	69256	Transfer	10952092	2.2788
				20-04-18	71980	Transfer	11024072	2.2937
				27-04-18	76516	Transfer	11100588	2.3097
				04-05-18	5631	Transfer	11106219	2.3108
				11-05-18	87817	Transfer	11194036	2.3291
				18-05-18	103128	Transfer	11297164	2.3506
				01-06-18	98429	Transfer	11395593	2.3710
				08-06-18	251787	Transfer	11647380	2.4234
				15-06-18	233469	Transfer	11880849	2.4720
				22-06-18	-100000	Transfer	11780849	2.4512

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning (01/04/2018)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
				30-06-18	100000	Transfer	11880849	2.4720
				06-07-18	100000	Transfer	11980849	2.4928
				27-07-18	154624	Transfer	12135473	2.5250
				17-08-18	13406	Transfer	12148879	2.5278
				31-08-18	-160898	Transfer	11987981	2.4943
				14-09-18	-58457	Transfer	11929524	2.4821
				21-09-18	-100000	Transfer	11829524	2.4613
				29-09-18	-300000	Transfer	11529524	2.3989
				12-10-18	236156	Transfer	11765680	2.4480
				19-10-18	88392	Transfer	11854072	2.4664
				26-10-18	-300000	Transfer	11554072	2.4040
				23-11-18	-110382	Transfer	11443690	2.3810
				11-01-19	300000	Transfer	11743690	2.4435
		11743690	2.4435	31-03-19			11743690	2.4435
5	Reliance Capital	5448029	1.1335	01-04-18				
	Trustee Co Ltd.			06-04-18	-57000	Transfer	5391029	1.1217
	A/c Reliance Multi			27-04-18	967000	Transfer	6358029	1.3229
	Cap Fund			04-05-18	684143	Transfer	7042172	1.4652
				11-05-18	267932	Transfer	7310104	1.5210
				25-05-18	87000	Transfer	7397104	1.5391
				01-06-18	231000	Transfer	7628104	1.5871
				08-06-18	1950000	Transfer	9578104	1.9929
				22-06-18	-183000	Transfer	9395104	1.9548
				06-07-18	815813	Transfer	10210917	2.1245
				20-07-18	8944	Transfer	10219861	2.1264
				27-07-18	-242079	Transfer	9977782	2.0760
				03-08-18	-88377	Transfer	9889405	2.0576
				10-08-18	-43	Transfer	9889362	2.0576
				24-08-18	100941	Transfer	9990303	2.0786
				31-08-18	-119997	Transfer	9870306	2.0537
				07-09-18	-369977	Transfer	9500329	1.9767
				14-09-18	230500	Transfer	9730829	2.0247
				21-09-18	-3	Transfer	9730826	2.0247
				29-09-18	431904	Transfer	10162730	2.1145
				05-10-18	260943	Transfer	10423673	2.1688
				12-10-18	723538	Transfer	11147211	2.3194
				19-10-18	-150000	Transfer	10997211	2.2881
				26-10-18	-593933	Transfer	10403278	2.1646
				02-11-18	746377	Transfer	11149655	2.3199
				09-11-18	-189501	Transfer	10960154	2.2804

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning (01/04/2018)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
				16-11-18	-38000	Transfer	10922154	2.2725
				23-11-18	-149984	Transfer	10772170	2.2413
				30-11-18	80478	Transfer	10852648	2.2581
				07-12-18	-342000	Transfer	10510648	2.1869
				14-12-18	-2764687	Transfer	7745961	1.6117
				21-12-18	-909342	Transfer	6836619	1.4225
				28-12-18	-33021	Transfer	6803598	1.4156
				04-01-19	-56	Transfer	6803542	1.4156
				25-01-19	-84601	Transfer	6718941	1.3980
				01-02-19	-47249	Transfer	6671692	1.3882
				08-02-19	224033	Transfer	6895725	1.4348
				15-02-19	-75000	Transfer	6820725	1.4192
				01-03-19	-71954	Transfer	6748771	1.4042
				08-03-19	95222	Transfer	6843993	1.4240
				15-03-19	1101404	Transfer	7945397	1.6532
				22-03-19	-38590	Transfer	7906807	1.6451
				29-03-19	82422	Transfer	7989229	1.6623
		7989229	1.6623	31-03-19			7989229	1.6623
6	The Governor of Gujarat	7057050	1.4683	01-04-18				
		7057050	1.4683	31-03-19			7057050	1.4683
7	HDFC Life Insurance Company Limited	4308954	0.8965	01-04-18				
				06-04-18	724351	Transfer	5033305	1.0473
				13-04-18	49983	Transfer	5083288	1.0577
				20-04-18	50000	Transfer	5133288	1.0681
				25-05-18	297685	Transfer	5430973	1.1300
				01-06-18	-28440	Transfer	5402533	1.1241
				08-06-18	-116936	Transfer	5285597	1.0998
				30-06-18	147691	Transfer	5433288	1.1305
				20-07-18	96854	Transfer	5530142	1.1506
				27-07-18	3146	Transfer	5533288	1.1513
				10-08-18	50000	Transfer	5583288	1.1617
				17-08-18	25000	Transfer	5608288	1.1669
				29-09-18	75530	Transfer	5683818	1.1826
				05-10-18	125437	Transfer	5809255	1.2087
				12-10-18	-149509	Transfer	5659746	1.1776
				19-10-18	101	Transfer	5659847	1.1776
				26-10-18	69600	Transfer	5729447	1.1921

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning (01/04/2018)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
				02-11-18	206486	Transfer	5935933	1.2351
				16-11-18	7643	Transfer	5943576	1.2367
				23-11-18	90	Transfer	5943666	1.2367
				30-11-18	408	Transfer	5944074	1.2368
				07-12-18	-101	Transfer	5943973	1.2367
				14-12-18	50363	Transfer	5994336	1.2472
				21-12-18	35	Transfer	5994371	1.2472
				28-12-18	35	Transfer	5994406	1.2472
				04-01-19	160	Transfer	5994566	1.2473
				11-01-19	245	Transfer	5994811	1.2473
				18-01-19	84	Transfer	5994895	1.2473
				25-01-19	36	Transfer	5994931	1.2473
				01-02-19	150071	Transfer	6145002	1.2786
				08-02-19	100371	Transfer	6245373	1.2994
				15-02-19	100073	Transfer	6345446	1.3203
				01-03-19	50890	Transfer	6396336	1.3309
				08-03-19	50134	Transfer	6446470	1.3413
				15-03-19	200	Transfer	6446670	1.3413
				29-03-19	12239	Transfer	6458909	1.3439
		6458909	1.3439	31-03-19			6458909	1.3439
8	GPC Mauritius II LLC	3860000	0.8031	01-04-18				
		3860000	0.8031	31-03-19			3860000	0.8031
9	General Insurance Corporation of India	6100000	1.2692	01-04-18				
				15-06-18	-90000	Transfer	6010000	1.2505
				31-08-18	-60000	Transfer	5950000	1.2380
				07-09-18	-150000	Transfer	5800000	1.2068
				14-09-18	-137928	Transfer	5662072	1.1781
				21-09-18	-100085	Transfer	5561987	1.1573
				26-10-18	-200000	Transfer	5361987	1.1156
				02-11-18	-800000	Transfer	4561987	0.9492
				23-11-18	-130714	Transfer	4431273	0.9220
				30-11-18	-194500	Transfer	4236773	0.8815
				07-12-18	-419791	Transfer	3816982	0.7942
				21-12-18	-100592	Transfer	3716390	0.7733
				18-01-19	-50000	Transfer	3666390	0.7629
				25-01-19	-100000	Transfer	3566390	0.7420
				08-03-19	-20984	Transfer	3545406	0.7377

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning (01/04/2018)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
				15-03-19	-5091	Transfer	3540315	0.7366
				29-03-19	-149000	Transfer	3391315	0.7056
		3391315	0.7056	31-03-19			3391315	0.7056
10	National	3401851	0.7078	01-04-18				
	Westminster			06-04-18	38805	Transfer	3440656	0.7159
	Bank PLC as			22-06-18	-6869	Transfer	3433787	0.7145
	Trustee of the			21-09-18	-214086	Transfer	3219701	0.6699
	Jupiter India Fund			29-09-18	-506272	Transfer	2713429	0.5646
				16-11-18	47329	Transfer	2760758	0.5744
				01-03-19	197984	Transfer	2958742	0.6156
		2958742	0.6156	31-03-19			2958742	0.6156
11	The New India	5087563	1.0585	01-04-18				
	Assurance			22-06-18	-60000	Transfer	5027563	1.0461
	Company			24-08-18	-200000	Transfer	4827563	1.0045
	Limited			31-08-18	-140000	Transfer	4687563	0.9753
				07-09-18	-180000	Transfer	4507563	0.9379
				14-09-18	-173319	Transfer	4334244	0.9018
				21-09-18	-31509	Transfer	4302735	0.8953
				29-09-18	-4563	Transfer	4298172	0.8943
				02-11-18	-560000	Transfer	3738172	0.7778
				09-11-18	-154237	Transfer	3583935	0.7457
				16-11-18	-185763	Transfer	3398172	0.7070
				07-12-18	-97931	Transfer	3300241	0.6867
				14-12-18	-102069	Transfer	3198172	0.6654
				21-12-18	-288250	Transfer	2909922	0.6055
				28-12-18	-168228	Transfer	2741694	0.5705
				31-12-18	-27500	Transfer	2714194	0.5647
				04-01-19	-16022	Transfer	2698172	0.5614
		2698172	0.5614	31-03-19			2698172	0.5614
12	Gujarat State	46871621	9.7524	01-04-18				
	Investments							
	Limited	NIL	0.0000	31-03-19			NIL	0.0000

Note: The details of shareholding have been clubbed based on PAN.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year - 01/04/2018		Shareholding at the end of the year - 31/03/2019	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shri Sudhir Mehta	6882	0.00	6882	0.00
2	Shri Samir Mehta	6125	0.00	6125	0.00
3	Shri Jinal Mehta	8000	0.00	8000	0.00
4	Smt. Bhavna Doshi [#]	1900	0.00	1900	0.00
5	Shri Samir Shah [#] (CS)	5	0.00	5	0.00
[#] Holding jointly.					

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	(₹ in Crore)			
	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as on 01/04/2018				
(i) Principal Amount [@]	9227.24	28.28	-	9255.52
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	23.56	-	-	23.56
Total (i+ii+iii)	9250.80	28.28	-	9279.08
Change in Indebtedness during the FY 19				
Addition	617.08 [#]	900.00 ^{\$}	-	1,517.08
Reduction	(717.94)	(903.82) ^{\$}	-	(1621.76)
Net Change	(100.86)	(3.82)	-	(104.68)
Indebtedness as on 31/03/2019				
(i) Principal Amount ^{@#}	9126.38	24.46	-	9150.84
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	24.63	-	-	24.63
Total (i+ii+iii)	9151.01	24.46	-	9175.47
[@] Including unamortised expenses of ₹39.09 Crore as at 1 st April, 2018 and ₹34.81 Crore as at 31 st March, 2019.				
[#] Including Cash Credit of ₹300.05 Crore.				
^{\$} Including short term debts of ₹900.00 Crore.				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of MD / WTD			Total Amount
		Shri Samir Mehta	Shri Markand Bhatt#	Shri Jinal Mehta	
1	Gross salary				
(a)	Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961	-	8.84^	7.27	16.11
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	*	*	*
(c)	Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
-	as % of profit	-	-	-	-
-	others specify	10.00	13.00	2.50	25.50
5	Others, please specify	-	-	-	-
	Total (A)	10.00	21.84	9.77	41.61
	Ceiling as per the Act	10% of the Net Profit of the Company			

Relinquished his position wef 30th September, 2018.

* Amount below ₹50,000.

^ Includes payment of leave encashment of ₹2.83 Crore.

B. Remuneration to other Directors

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount	
		Shri Sudhir Mehta	Shri Pankaj Patel	Shri Samir Barua	Shri Kiran Karnik	Shri Keki Mistry	Smt. Bhavna Doshi	Ms. Dharmishta Raval		Shri Pankaj Joshi, IAS
1.	Independent Directors									
	Fee for attending Board / Committee meetings	-	0.10	0.12	0.12	0.06	0.12	0.12	-	0.64
	Commission	-	0.09	0.16	0.16	0.12	0.16	0.16		0.85
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	-	0.19	0.28	0.28	0.18	0.28	0.28	-	1.49
2.	Other Non-Executive Directors									
	Fee for attending Board / Committee meetings	-	-	-	-	-	-	-	0.02	0.02
	Commission	5.00	-	-	-	-	-	-	0.06	5.06
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	5.00	-	-	-	-	-	-	0.08	5.08
	Total (B)=(1+2)	5.00	0.19	0.28	0.28	0.18	0.28	0.28	0.08	6.57
	Total Managerial Remuneration	-	-	-	-	-	-	-	-	48.18
	Overall Ceiling as per the Act	11% of the Net Profit of the Company								

Note: Excluding Goods and Service Tax

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri T. P. Vijayasathya# (CFO)	Shri Sanjay Dalal@ (CFO)	Shri Samir Shah\$ (CS)	
1	Gross salary				
(a)	Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961	0.92	4.83	0.88	6.63
(b)	Value of perquisites u/s 17(2) of the Income Tax, Act 1961	*	*	*	0.01
(c)	Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
-	as % of profit	-	-	-	-
-	others specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total Amount	0.92	4.83	0.88	6.64

* Amount below ₹50,000.

CFO upto 29th May, 2018.@ CFO wef 30th May, 2018.\$ CS wef 2nd August, 2018.**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any give details
A. COMPANY					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
B. DIRECTORS					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

For and on behalf of the Board of Directors

Ahmedabad
15th May, 2019**Samir Mehta**
Chairman
DIN: 00061903

ANNEXURE G

A. CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy:

A. SUGEN AND UNOSUGEN:

- Energy conservation initiatives implemented have resulted in annual energy savings to the tune of 1,14,07,553 kWh.
- PVC tubing has been replaced with Copper tubing in Water Treatment and Demineralisation Plants which has resulted in checking air leaks thereby reduced air and energy consumption.

B. DGEN:

- Energy conservation measures have resulted in annual energy savings to the tune of 22,41,320 kWh.
- Replacement to LED lighting being done progressively.
- Solar power to the tune of 41,628 kWh generated and utilized at the Meghdhanush housing colony.

C. AMGEN:

- Primary air preheater replacement & Secondary air heater outlet to ESP inlet corroded duct replacement at E station; saving 3000 kWh per day in fan power consumption.
- Primary air heater repairing, primary air heater cold air duct patching, secondary air heater seal servicing at F station; saving 1,500 kWh per day in fan power consumption.
- At D & E station, drum & super heater passing safety valve replaced.
- Replacement of 71 inefficient Air Conditioners and 8 Water Coolers with energy efficient one.
- Replacement of old conventional lights with energy efficient LED lamps at D/E/F/CHP Control room, Conveyor belt, D/E Clear well pump house, parking and BOP area.

D. DISTRIBUTION AREAS – AHMEDABAD, SURAT, DAHEJ, AGRA AND BHIWANDI:

- Installation of additional 33/11kV substations and bifurcation of overloaded 11kV (LT&HT) feeders resulting in reduction in technical losses.
- Installation of APFCs to improve PF at LT side of DTCs.
- Installation of additional distribution substations to optimize LV networks and thereby technical losses.
- Revamping and undergrounding of LT networks of 650 Distribution Transformers at Ahmedabad and Agra distribution areas to improve the reliability and reduce the losses.
- Installation of energy efficient air conditioning system and lighting system for all new and renovated premises; saving ~2,10,790 kWh annually.
- Replacement of the conventional outdoor lighting by LED lights; saving around ~1,21,665 kWh annually.
- Replacement of conventional lighting by LED in EHV substations; saving ~2,20,675 kWh annually.
- Installation of LED lights at 220 kV Control room and energy efficient Air-conditioner at 33 kV East Control room at TPL-Dahej.
- Procurement of Star rated energy efficient Distribution transformers having lower losses.
- Installation of Automatic Power Factor Correction Panels at substations.
- Undergrounding of 62.30 KM of 11 kV lines, 14.66 KM of 33 kV lines and 726.91 KM LT lines.

- Energy conservation campaign for awareness of consumers through leaflets, energy bills, display at the Company's customer care centres and thorough customer meet.

E. CABLES UNIT:

- Replaced 120 250W HPMV lamps & twin tubelights of low wattage with Lamps in Plant lighting.
- Replaced 10 DC motors of various ratings with new high efficiency AC motors with Variable Frequency Drive.
- Replaced two old machines (56 wire stranding & wire drawing) with new energy efficient Machines.

ii) The steps taken by the Company for utilising alternate sources of energy:

- 50 kW roof top installed on the common buildings at the housing colony together generated 74,892 kWh in FY 19.
- 6.3 kW floating solar installed inside Water Reservoir generated 8,200 kWh in FY 19.
- 42.7 kW roof top installed on roof of the administration building generated 65,235 kWh in FY 19.
- Since the launch of the rooftop Solar policy, Company has facilitated intallation of over 45 MW of solar power across numerous residential, commercial premises. In FY 19, Company has facilitated installation of over 3,800 rooftop Solar projects totalling over 22.67 MW.

iii) The capital investment on energy conservation equipment: NIL

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption:

A. SUGEN AND UNOSUGEN:

- Redundant power supply has been provided to HP Bypass Hydraulic system panel and independent power supply has been provided to each of the two Hydraulic Pumps from different boards instead of one source to increase availability and reliability of SUGEN Units.
- Redundant Power supply provided for UNOSUGEN Gas Receiving Station control panel to increase reliability and availability of gas supply to UNOSUGEN.
- DM Plant PLC has been provided with dual UPS for redundancy and reliability.
- Steam Turbine trip from Main Steam Shut off valve close feedback has been modified to 2 out of 3 logic to increase reliability and availability of the UNOSUGEN.
- Additional pressure transmitters provided in critical DC Lube oil system and GT pneumatic system of Unit 40 for continuous monitoring of process from control room.
- Drive logic of Pumps/ Fans of Unit 30 (30LCB12AP001, MKW12AP001 & MKW72AN001) has been segregated to seperate racks of DCS to increase availability and unit reliability.
- Modifications implemented in Main Cooling Water Pump level logic and Intakewell Pump vibration logic to increase equipment availbility and reliability.
- Automatic interlock provided for shutting down DM water production on high conductivity to avoid contamination of DM water in storage tank.
- UNOSUGEN Condensate Extraction Pump tripping from Dearator level low was modified such that it won't trip in case Deaerator is out of service.
- UNOSUGEN CW Pump tripping from Condensor temperature high was removed to improve availability of cooling water system incuding CW Pumps.

- UNOSUGEN Gas Turbine tripping on GT Drain tank temperature high has been removed in line with SUGEN/ DGEN units to increase availability of Unit.
 - UNOSUGEN Boiler Feedwater Pump interlock with its lube oil pressure was modified by removing timer to make the Feed Pump available quicker.
 - In UNOSUGEN, additional alarms and warning implemented for critical processes like GT Blow Off Valve, ST Hyd Oil system, Instrument Air system, etc for early warning to Operator.
 - UNOSUGEN DCS has been upgraded to version V7.2.
 - ABT System of SUGEN/ UNOSUGEN has been modified to capture GENSU export details.
 - BFP/ CWP Motor protection relay configured for pickup event alarm for early warning to operators.
 - Nitrogen blanketing system is provided in ST Hydraulic system for improved quality of ST Hydraulic oil.
 - Anti sweating insulation provided in Gas Receiving Station gas pipeline to avoid corrosion of pipes and increase reliability.
- B. GENSU**
- Astronomical Timer has been provided in lighting system.
- C. DGEN:**
- Main gas supply line shutoff valve solenoid power supply fitted with electronic barrier to increase operational reliability and safety.
 - HCL tank level transmitter replaced with radar type to increase operational reliability and safety.
- D. AHMEDABAD, SURAT AND DAHEJ DISTRIBUTION AREAS:**
- Implementation of GIS for Ahmedabad, Surat and Dahej Distribution areas.
 - 11 kV Distribution Automation in 265 substations at Ahmedabad and Surat.
 - Implementation of Automatic Meter Reading System for HT Consumers at Ahmedabad, Surat and Dahej.
 - Use of condition monitoring system including thermal imaging camera, partial discharge detectors etc to distribution assets.
 - Implementation of VESDA (Very Early Smoke Detection System) at Central Stores at Surat.
 - 220 kV GIS SS charged at C Station and 66 kV AIS converted into GIS at C Station and Commissioning of 220 kV Cable concluded for 'C-Bhatar' connectivity at Surat.
 - Implementation of Field force mobile application for quality supervision during field visits, HT/LT network cable patrolling and Meter (O&M) activities.
- E. BHIWANDI AND AGRA DISTRIBUTION AREAS:**
- Usage of environmentally friendly bio-degradable ester oil in place of mineral oil in Distribution transformers.
 - Installation of SCADA and automated RMUs at 22kV feeders.
 - Installation of Automated FSP for high loss DTCs.
 - Relay co-ordination of all 22kV feeders starting from EHV sub-station to last end protection element.
 - Implementation of Pre-payment metering at Agra.

- Implementation of Automatic Meter Reading System for High Value consumers at Bhiwandi. Installed Insulated Pole top box under DT Cleaning - 2100 Nos.
- Use of CYMDIST software for network designing. All HT network Modeling has been completed and LT modelling is under progress.
- Smart Group Meter Pole Top Box installed - 600 Nos.
- Installation of theft proof joints at around 3,030 locations in replacement busbar distribution box.
- Use of Thermography camera for finding hot spot.

ii) **The benefits derived:**

A. GENERATION:

- Cost reduction
- Better availability, reliability and safety
- Improved efficiency

B. DISTRIBUTION:

- Better availability, reliability and safety
- Reduced power interruptions & enhanced customer satisfaction
- Reduction of energy losses and theft
- Increase of evacuation capacity utilizing same corridor
- Reduction in power restoration time

iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):** Not Applicable

I. **the details of technology imported;**

II. **the year of import;**

III. **whether the technology been fully absorbed;**

IV. **if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and**

iv) **The expenditure incurred on Research and Development:** No expenditure has been incurred on R&D.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Description	₹ in Crore
Foreign Exchange Earned (Actual Inflow)	6.62
Foreign Exchange Used (Actual Outflow)	2,071.57

For and on behalf of the Board of Directors

Ahmedabad
15th May, 2019

Samir Mehta
Chairman
DIN: 00061903

MANAGEMENT DISCUSSION AND ANALYSIS

POWER SECTOR – STRUCTURE AND DEVELOPMENTS

India's power sector can be broadly segmented as under:

- Generation :** Includes thermal (dominated by coal with some gas-based capacities), hydro, nuclear and renewables (mainly wind and solar).
- Distribution :** Mainly comprising of state-owned utilities and few private utilities.
- Transmission:** Comprising of state networks, inter-state networks and inter-regional networks.

The power sector is mainly regulated through Tariff Policy 2016 of the Central Government, Electricity Act, 2003 and rules and regulations framed thereunder. The regulatory set-up for power sector comprises of the federal Ministry of Power as the policy setting body, Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs) with clearly demarcated areas of regulation.

Generation segment is fully deregulated with freedom to set up new generation capacities, subject to compliance with applicable laws. While generation plants prior to 6th January, 2006 (with a few exceptions) continue to be entitled for cost plus prescribed Return on Equity (ROE) tariff regime under two part tariff structure, all new generation capacities have to bid for selling their power under a competitive bidding process initiated by distribution companies seeking to procure additional power.

Distribution segment is regulated by the appropriate SERCs under cost plus prescribed ROE tariff regime. The Government has declared its policy intent to further deregulate the distribution segment by unbundling of wire infrastructure and supply businesses of the distribution companies - regulating the wire business on cost plus prescribed ROE tariff regime and opening up the supply business to competition by allowing multiple suppliers and choice to consumer to decide his electricity supplier.

Transmission projects prior to 6th January, 2011 are regulated by appropriate regulatory Commissions by way of cost plus prescribed ROE tariff regime and all new inter-state transmission projects (with a few exceptions) are awarded under a tariff based competitive bidding process.

Post deregulation of electricity generation, a lot of Independent Power Producers (IPP) from private sector set up new thermal generation (coal and gas-based) capacities. This resulted in country's generation capacity exceeding the demand, leading to sharp reduction in peak power / energy deficits. Many of the IPPs set up new capacities with inadequate risk management, which also resulted in lot of stranded capacities (currently estimated at approx. 50 GW). Many of these stranded capacities are likely to be taken through the Insolvency Resolution process due to their default on financial obligations and are expected to be available at sharp discounts to current costs for creating these capacities.

Due to emphasis in Government policies and regulations aided by sharp reduction in capital costs, there has been a massive increase in installed capacities in renewable energy space – more particularly wind and solar. The Government has targeted to reach 175 GW of installed renewable energy capacity by March 2022. Wind and solar electricity prices have reached grid parity prices. The country's renewable energy capacity is expected to witness strong growth in the coming years.

Distribution segment is seen as the weakest link in India's power system and recognising this, the Central Government successfully launched its flagship scheme Ujwal Discom Assurance Yojana (UDAY) with a view to improve the operational and financial performance of the distribution companies. In addition, several policy measures have been proposed, such as stringent Aggregate Technical & Commercial (AT&C) loss targets, Direct Benefit Transfer scheme, pre-paid supply, service standards for Discoms, etc. The power-for-all scheme, Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), targeted to electrify all villages in the country, has been successfully implemented by the Government during the year.

Transmission segment, which is now deregulated, witnessed 18 new projects involving investment of approximately ₹16,000 Crore being brought up for competitive bidding during the year. This segment will require huge investments in creation and upgradation of transmission capacities to cater to increased power capacities (including green corridors for renewable capacities) and improve the power flow from surplus regions to deficit regions.

BUSINESS MODEL

The Company is an integrated power utility engaged in the businesses of electricity generation, transmission and distribution with operations spread across the states of Gujarat, Maharashtra, Uttar Pradesh and Karnataka.

1. Generation

The Company has total generation capacity of 4,553.8 MW (including under construction) spread across thermal and renewable generating assets.

A. 3,092 MW Thermal Generation

i. 362 MW coal-fired thermal generation

The 362 MW AMGEN Power Plant at Ahmedabad in Gujarat is an embedded generation unit for the licensed distribution area of Ahmedabad. It is regulated by Gujarat Electricity Regulatory Commission (GERC) which allows cost plus post-tax ROE of 14% as part of the regulated tariff.

ii. 2,730 MW gas-fired thermal generation

The Company has three gas based plants namely 1,147.5 MW SUGEN Mega Power Plant, 382.5 MW UNOSUGEN Power Plant and 1,200 MW DGEN Mega Power Plant. All three are regulated by CERC which allows cost plus post-tax ROE of 15.5% as part of the regulated tariff. Of the above gas-fired thermal generation, 1,582.5 MW capacity (comprising UNOSUGEN and DGEN) is stranded for want of demand.

B. 1,461.8 MW Renewable Generation

i. 610.5 MW operational projects

The operational renewable generation capacity of 610.5 MW (138 MW Solar and 472.5 MW Wind) have long-term Power Purchase Agreements (PPAs) at preferential feed-in-tariffs, which ensure attractive returns. Out of this capacity, 490.5 MW capacity is for meeting the Renewable Power Purchase Obligations of Company-operated distribution utilities.

ii. 851.3 MW under construction projects

The following are the major under construction projects:

❖ 499.8 MW Wind Power Project at Gujarat

The project was won by the Company under the SECI III auction held in FY 18 at a tariff of ₹2.44 per kWh for a period of 25 years with scheduled commissioning by November 2019. The project will be set up at an expected cost of ₹3,329 Crore and is delayed, primarily due to land availability issues in Gujarat. Currently, such delay is not expected to have any material cost impact.

❖ 126 MW Wind Power Project at Maharashtra

The project was won by the Company under the Maharashtra State Electricity Distribution Company Limited (MSEDCL) auction held in FY 18 at a tariff of ₹2.87 per kWh for a period of 25 years with scheduled commissioning by January 2020. The project will be set up at an expected cost of ₹918 Crore within the scheduled commissioning time. The project is being implemented by Torrent Solargen Ltd, a wholly owned subsidiary of the Company.

❖ 115 MW Wind Power Project at Gujarat

The project was won by the Company under the SECI V auction held in FY 19 at a tariff of ₹2.76 per kWh for a period of 25 years with scheduled commissioning by July 2020. The project will be set up at an expected cost of ₹800 Crore. The project is being implemented by Torrent Solargen Ltd, a wholly owned subsidiary of the Company.

❖ 100 MW Wind Power Project at Gujarat

The Company had entered into an arrangement with Inox Wind Ltd. for 150 MW wind power project won by it under the SECI I auction at a tariff of ₹3.46 per kWh for a period of 25 years. The project has been downsized from 150 MW to 100 MW. The downsized project will be set up at an expected cost of ₹683 Crore and is expected to commission by July 2019. The project is being implemented through SPVs, the ownership of which will be transferred to the Company after the transfer restriction period.

2. Distribution

The Company operates as a licensee for power distribution in the cities of Ahmedabad, Gandhinagar, Surat and Dahej, aggregating to 425 sq kms of area. During FY 19, the Company was awarded distribution license for Dholera Special Investment Region - DSIR (920 sq kms) for 25 years as an additional licensee. The licensed distribution business of the Company is regulated by GERC which allows post-tax ROE of 14% as part of the regulated tariff.

The Company operates as a franchisee (of the license holder) for power distribution in the cities of Bhiwandi and Agra, aggregating to 942 sq kms of area. The franchise agreement period for Bhiwandi is upto 2027 and for Agra is up to 2030, but may be renewed on expiry. During FY 19, the Company was awarded distribution franchise for Shil, Mumbra & Kalwa (SMK) area covering approx. 65 sq kms (under Thane urban circle) by MSEDCL, based on competitive bidding process, for a period of 20 years. The franchised distribution business of the Company is governed by the respective Distribution Franchise Agreements executed between the Company and State Discom as license holder. The main thrust of the Company is to reduce AT&C losses in the franchised areas and improve customer services.

In addition to above, the Company has non-material transmission and electrical cables manufacturing businesses.

OPERATIONAL AND FINANCIAL PERFORMANCE

1. Operating Performance

The following tables set forth the key operational parameters:

A. Thermal Generation

Particulars	AMGEN*		SUGEN	
	FY 19	FY 18	FY 19	FY 18
PAF (%)	93.13	93.21	98.46	95.86
PLF (%)	87.84	83.21	62.29	65.26
Net Generation (MUs)	2,550	2,406	6,105	6,396

*Excluding 60 MW C station which has been retired wef 2nd April, 2018

UNOSUGEN and DGEN projects did not operate during the year primarily for want of demand.

While the PLF at AMGEN was high due to better fuel cost and its status as an embedded generation plant, the PLF of SUGEN was marginally lower as compared to previous year mainly on account of lower off take by long term beneficiaries and underutilisation of merchant capacity. In spite of continuing unavailability of domestic gas and relatively higher cost of imported LNG, SUGEN was able to operate at decent PLFs compared to other gas-based plants in the country mainly on account of highly efficient plant operations, judicious usage of imported LNG contracted at attractive prices and selling of power through short term contracts.

B. Renewables

Operational Projects	Solar		Wind	
	FY 19	FY 18	FY 19	FY 18
Capacity (MW)	138	138	472.5	430.5
PLF (%)	17.57	17.27	30.08	27.33
Net Generation (MUs)	212	209	1,140	673

Solar PLF was higher than previous year on account of better solar irradiation. Wind PLF was better on account of first year of full operation of projects commissioned last year and better wind speeds.

C. Licensed Distribution

Particulars	Ahmedabad & Gandhinagar		Surat		Dahej	
	FY 19	FY 18	FY 19	FY 18	FY 19	FY 18
Area (sq. km.)	~356	~356	~52	~52	~17	~17
Sales (MUs)	7,835	7,461	3,276	3,301	426	312
Growth (%) over PY	5.02		(0.75)		36.64	
T&D Loss (%)	5.61	6.31	4.21	4.35	0.35	0.40
Open Access (MUs)	27	130	-	-	-	-
Consumer Base (lakhs, except Dahej)	19.41	18.99	6.11	6.06	106 *	101 *
Peak Demand (MW)	1,906	1,832	687	671	66	58

*represents number of industrial consumers; Dahej license area comprises the Dahej SEZ area, which is made up of export oriented manufacturing units.

The sales growth in Ahmedabad was 5.02% representing normal load growth and reduction in open access availment. The sales in Surat were marginally lower mainly on account of slowdown in textile and diamond industries. The sales in Dahej were higher by 36.64% in FY 19 mainly due to addition of new consumers and increase in industrial demand.

The Company was able to reduce T&D losses further as compared to last year and they continue to remain the lowest in the country.

GERC passed Tariff Order dated 24th April, 2019 for Ahmedabad and Surat license area, truing-up the Aggregate Revenue Requirement (ARR) of FY 18 and fixing tariff for FY 20. For the third year in succession, the Commission has kept the tariff at the same level. The Company's profit is not negatively impacted by the tariff order, considering the fact that its returns in licensed distribution business are determined by 14% post-tax ROE prescribed in the regulations.

The aggregate amount of revenue gap of past periods approved and expected to be approved by GERC as on 31st March, 2019 is ₹940 Crore and the same is appropriately accrued in the financial statements. In addition, aggregate amount of revenue gap of ₹670 Crore is under dispute at various forums (primarily comprising of claims on account of carrying costs) and not accrued in the financial statements; the same will be accrued in the financial statements of the period in which such disputes are determined by the appropriate statutory authorities.

During the year, the Company was awarded distribution licence for supply of electricity in DSIR for 25 years. DSIR license area is about 920 sq. km. and is a part of ambitious Delhi Mumbai Industrial Corridor in the state of Gujarat. The Company has started developing the distribution network in DSIR.

D. Franchised Distribution

Particulars	Bhiwandi		Agra	
	FY 19	FY 18	FY 19	FY 18
Area (sq. km.)	~721	~721	~221	~221
Sales (MUs)	3,074	3,084	1,731	1,720
Growth (%) over PY	(0.31)		0.65	
AT&C Loss (%)	14.90	17.28	16.11	20.89
Consumer Base (lakhs)	3.14	2.90	4.52	4.31
Peak Demand (MVA)	555	576	458	443

Note : SMK has yet not been taken over.

Bhiwandi sales were marginally affected on account of strike by power loom industry during the year, substantially offset by reduction in AT&C losses and increase in residential and commercial consumer sales. Agra sales growth was marginal, driven by increase in consumer base and considerable reduction in AT&C losses.

The Company achieved substantial reduction in AT&C losses in Bhiwandi and Agra due to a combination of several loss reduction efforts like focused surveillance and vigilance; theft deterrent systems, equipment and activities; undergrounding of network; distribution transformer cleaning; law enforcement against detected illegal connections; etc.

2. Consolidated Financial Performance

The key financial data from the Statement of Profit and Loss is set out below:

(₹ in Crore)			
Particulars	FY 19	FY 18	Change in %
Revenue from Operations	13,151	11,512	14%
Fuel / Power Purchase / Material Cost	8,605	7,057	22%
Contribution	4,546	4,455	2%
Other Income	190	264	(28%)
G & A Expenses	1,346	1,338	1%
PBDIT	3,390	3,381	0%
Finance Cost	899	848	6%
Depreciation and Amortization Exp.	1,227	1,132	8%
Other Comprehensive Income / (Exp.)	(10)	21	(148%)
Profit Before Tax	1,254	1,421	(12%)
Tax Expenses	356	456	(22%)
Profit After Tax	898	965	(7%)

During the year most of the key operating drivers in the Company's businesses showed a positive trend – ROEs of regulated businesses increased, sales volume increased, contribution margin improved, T&D losses decreased & key efficiency parameters improved. The reported profit is however lower on account of change in accounting policy effected during the year consequent to adoption of Ind AS 115 "Revenue from contracts with customers". Reported profit before tax for FY 19 is higher than proforma profit before tax of previous year (arrived by applying the same accounting policy to previous year's numbers) by about ₹285 Crore (i.e. an increase of 29% over proforma profits of previous year), a reflection of above positive trends.

Liquidity, Capex and Debt Positions

The Company's liquidity including mutual fund investments and bank / financial institution deposits was ₹1,145 Crore at the start of the year. Liquidity as at the end of the year was ₹1,253 Crore, an increase of ₹108 Crore. For the year, net cash inflow from (a) operating activities was ₹1,784 Crore & (b) net borrowing was ₹418 Crore; and net cash utilised during the year was (a) capital expenditure ₹1,722 Crore, (b) dividends distributed ₹292 Crore & (c) non-current investments ₹80 Crore, leaving a closing liquidity of ₹1,253 Crore.

During the year, the Company incurred capital expenditure (i.e. capitalisation, capital work-in-progress and capital advances) of ₹1,692 Crore as under:

Particulars	Amount (₹ in Crore)
Licensed Distribution	896
Franchised Distribution	229
Thermal Generation	35
Renewable Generation	503
Others	29
Total	1,692

The long term debt of the Company at the year-end was ₹9,455 Crore, net increase of ₹118 Crore over the previous year (new debt raised ₹860 Crore less repayment of past debt ₹742 Crore). The weighted average rate of interest at the year-end was 9.08% with repayment profile as under:

Financial Year	Repayment Amount (₹ in Crore)
2019-20	844
2020-21 to 2023-24	3,209
2024-25 to 2027-28	2,656
2028-29 to 2031-32	2,323
2032-33 to 2034-35	423
Total	9,455

The Company's credit rating was unchanged during the year and was as follows at end of the year:

Long term rating : CRISIL AA- / Stable

Short term rating : CRISIL A1+

The following table sets forth key financial ratios with brief explanation on changes, where relevant.

Particulars	FY 19	FY 18	Reason for Significant Change, if any
Debtors Turnover	10.29 (~35 days)	10.28 (~35 days)	
Interest Coverage	3.89	4.16	Not comparable due to change in accounting policy during the year. If the same accounting policy is applied to FY 18, the pro-forma Interest coverage ratio for FY 18 is 3.59.
Current Ratio	1.46	1.23	
Long Term Debt to Equity Ratio	0.90	1.01	Reduced due to increase in equity from current year profits and recognition of non-disputed regulatory claims in opening equity.
Net Debt to EBITDA	2.61	2.49	Not comparable due to change in accounting policy during the year. If the same accounting policy is applied to FY 18, the pro-forma Net Debt to EBITDA ratio for FY 18 is 2.89.
EBITDA Margin	24.74%	28.53%	Not comparable due to change in accounting policy during the year. If the same accounting policy is applied to FY 18, the pro-forma EBITDA margin for FY 18 is 25.61%. Adjusted for one-time gains, pro-forma EBITDA margin for FY 18 is 24.74% versus 24.67% for FY 19.
Net Profit Margin	7.41%	9.59%	Not comparable due to change in accounting policy during the year. If the same accounting policy is applied to FY 18, the pro-forma Net Profit margin for FY 18 is 6.82%.
Return on Net Worth	9.54%	12.62%	Not comparable due to change in accounting policy during the year. If the same accounting policy is applied to FY 18, the pro-forma Return on Net Worth for FY 18 is 7.88%.

RISKS AND CONCERNS

Key risks and concerns in the businesses of the Company are briefly explained below:

- ❖ The Company has operational gas-based power generation capacity of 2,730 MW, out of which 910 MW is tied up under long term PPAs and balance 1,820 MW untied capacity is dependent on short term power contracts for their operation. During the year, substantial portion of such capacity remained unutilised for want of short term power contracts or unviability of prices in the short term power market.

The Company has built capabilities to import LNG from international markets at efficient prices to operate its power plants. However, such prices are subject to fluctuations and associated foreign exchange risks, consequent to which there would be periods during which power from these plants would be uncompetitive.

The Company is making efforts to get long term power purchase arrangements for its unutilised gas power capacity. However, Government's thrust to increase renewable generation capacity in the country coupled with falling tariffs of renewable power poses a risk to the Company's uncontracted generation capacity.

- ❖ The Company's 362 MW AMGEN coal-based power plant is required to comply with stricter emission norms by December 2022. Such compliance is expected to involve significant capital expenditure, which will significantly increase the cost of electricity from this plant in view of limited remaining useful life of the plant. In absence of compliance, the Company may be required to phase out AMGEN on or before December 2022.
- ❖ The Company has 851 MW of under construction renewable projects, of which projects of 625 MW are facing project execution challenges causing a delay in completion.
- ❖ The Company's licensed distribution business faces the risk of a delay in recovery of some part of cost of supply due to regulatory conditions. The unrecovered & undisputed regulatory claim as at year end was ₹940 Crore, recognised in the financial statements for the year. While such recoveries are permitted with carrying costs for delayed recovery, the same may delay the cash flows of the Company.

In addition, regulatory disputes also cause a delay in recovery of some part of the cost of supply. Such disputed regulatory claims as at the end of the year was ₹670 Crore, not recognised in the financial statements for the year.

- ❖ Increasing digitization and digital inter-connections in the power system of the country have made the stakeholders (generators, transmission entities, distribution entities and load dispatch centres) exposed to increased cyberattacks and vulnerable to widespread and prolonged service disruptions and data leakage, fraud, etc. The Company has set in place multi-layered firewalls to restrict unauthorised access along with security controls. Periodic audit and risk assessment is carried out and vulnerabilities, if any, are addressed.

BUSINESS OUTLOOK

1. Thermal Generation

SUGEN plant is expected to operate at reasonable PLF levels on back of long term PPAs for 82% capacity; however due to tightening of norms in the tariff regulations for control period 2019 to 2024, it will experience a reduction in profits due to reduction in efficiency gains. SUGEN will continue to harvest opportunities in short term power market by operating its untied capacity.

UNOSUGEN and DGEN plants remained stranded due to lack of demand. UNOSUGEN plant has a long term power selling arrangement with Company's distribution business, which is under the process of approval by the regulator. DGEN plant is expected to operate for supply in short term power market. In the longer term, the prospects for DGEN plant have improved due to various favourable developments for gas-based plants such as, (i) increased availability of domestic gas; (ii) expected surge in power demand, including peak demand due to several governmental initiatives; (iii) need for balancing power to manage the intermittency of renewable power; (iv) expected increase in pollution tax / costs on coal based plants, thus creating a level playing field; and (v) ability to service peak load and provide ancillary services in the power system.

2. Renewables

The wind projects under development in Gujarat are facing significant delays on account of land acquisition. However the associated project costs will also get delayed. Due to force majeure nature of the delays, the Company expects to get suitable extension of project completion dates from the power procurers and does not expect to incur any significant financial cost. The Company will focus on completion of these projects and build in-house O&M capabilities.

3. Distribution

In Licensed Distribution business, the Company will focus on developing the new licensed area of DSIR and expanding and upgrading its network in existing areas of Ahmedabad, Gandhinagar, Surat and Dahej SEZ to cater to the growth in demand and further reduce T&D losses.

In Franchised Distribution business, the Company will focus on developing the new franchised area of SMK and expanding and upgrading its network in existing areas of Bhiwandi and Agra to cater to the growth in demand and further reduce AT&C losses.

The Company will continue to look out for new opportunities in distribution sector in form of privatisation or franchise of existing areas.

4. Transmission

Currently, the Company has limited investments in the Transmission segment; however, given the huge investment opportunity available in this segment, robust regulatory mechanisms, limited counter-party risks and the Company's strengths in financing and executing large projects, this is an area earmarked for future growth. The Company intends to selectively participate in tariff based competitive bidding for transmission projects (inter-state and intra-state) at attractive returns.

INTERNAL CONTROL SYSTEMS

The Company's Internal Control System is commensurate with the size and nature of its operations aimed at achieving efficiency in operations, optimum utilisation of resources, reliable reporting and compliance with all applicable laws and regulations. Deloitte Haskins and Sells LLP is the Internal Auditor of the Company. The key observations and recommendations from such internal audit and follow up actions for improvement of the business processes and control are periodically reviewed and monitored by the Audit and Risk Management Committee.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis Report may be forward-looking. Actual outcomes may vary from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L31200GJ2004PLC044068
2.	Name of the Company	Torrent Power Limited
3.	Registered Address	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380015.
4.	Website	www.torrentpower.com
5.	E-mail id	cs@torrentpower.com
6.	Financial Year reported	FY 19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 351 - Electric power generation, transmission and distribution. NIC code: 2732 - Manufacturing of wires and cables for electricity transmission.
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Generation, transmission & distribution of electricity and manufacturing & sale of electric cables.
9.	Total number of locations where business activity is undertaken by the Company	15
10.	Number of international locations	NA
11.	Number of national locations	15
12.	Markets served by the Company – Local /State / National /International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1.	Paid up Capital	₹480.62 Crore
2.	Total Turnover	₹12,977.52 Crore
3.	Total profit after taxes (TCI)	₹883.03 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.22% of Total Comprehensive Income (TCI) of FY 19.
5.	List of activities in which expenditure in 4 above has been incurred:-	The list of activities in which CSR expenditure in 4 above has been incurred is part of the Board's Report included in this Annual Report.

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has the following Subsidiary Companies: (a) Torrent Solargen Limited (b) Torrent Power Grid Limited (c) Torrent Pipavav Generation Limited (d) Latur Renewable Private Limited (e) Jodhpur Wind Farms Private Limited
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)	The BR Initiatives of the Company are driven at Group level. Hence, all Subsidiary Companies participate in BR Initiatives of the Company.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes, the Company's contractors and suppliers are required to participate in some of the BR initiatives of the Company.

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR****(a) Details of the Director responsible for implementation of the BR policy/policies**

Sr. No.	Particulars	Details
1.	DIN	02685284
2.	Name	Shri Jinal Mehta
3.	Designation	Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	Same as above
2.	Name	Same as above
3.	Designation	Same as above
4.	Telephone number	079- 26628000
5.	E-mail Id	cs@torrentpower.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, all the policies have been approved by the Board, except the HR policies and IMS policies, which have been approved by MD or WTD.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online.	All policies can be accessed at http://www.torrentpower.com/index.php/investors/policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the Company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why:

Not applicable

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors/ its Committees / Chairman or any authorised officials of the Company, as the case may be, assess the BR Performance on annual or half yearly basis depending upon the type of BR activities.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company publishes Business Responsibility Report and the same can be accessed at www.torrentpower.com The same is published annually.

SECTION E: PRINCIPLE WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1.1 Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

No. Besides covering the Company, it also extends to various stakeholders including Group companies, Suppliers, Contractors, etc.

1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Shareholder Complaints:

The Company received 13 shareholder complaints during FY 19. 100% of such complaints were satisfactorily resolved.

Other Stakeholder Complaints:

The Company received 9 complaints from stakeholders (i.e. Employees, Vendors and Society) during FY 19 via the Whistle Blowing Mechanism. 89% of such complaints were satisfactorily resolved.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

2.1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company's business activities comprise of Generation, Transmission & Distribution of Electricity and Cables manufacturing. It has incorporated measures covering social as well as environmental concerns, risks and/or opportunities in each of these as under:

- Most of the units of the Company are IMS certified covering ISO 9001 (Quality Management System), ISO 14001 (Environment Management System) and BS OHSAS 18001 (Occupational Health and Safety Assessment Series). Some of the units have also additionally obtained ISO 50001 (Energy Management System), ISO 55001 (Asset Management System) and ISO 27001:2013 (Information Security Management System). Gas based plants are also 5S certified.
- State-of-the-art technologies in its gas based plants, viz., installation of advanced class Gas Turbines with lower carbon footprint, dry low NOx burners (with emissions surpassing Indian standards and meeting European norms), Combined Cycle Power Plants (CCPP) in single shaft configuration thereby reducing the land and carbon footprint etc. Such CCPPs are also registered under Clean Development Mechanism (CDM).
- The effluent water generated from the generating plants is utilised in horticulture thus avoiding/ minimizing discharge of the same outside plant premises.
- The Company has established systems and procedures through Standard Operating Procedures (SOPs) for safe and effective operation and maintenance of its plants as well as its transmission and distribution network duly mitigating risks and health hazards. Vendors & suppliers are also made parties to our systems and procedures.
- The Company regularly undertakes network revamping and uprating including undergrounding of network, revamping of consumer end installations, MSPs, etc. with a primary objective of improving the reliability of the network and safety of employees and general public. The Company uses high efficiency energy meters and star rated distribution transformers. Accordingly, the Company's Transmission and Distribution (T&D) losses have been reduced to one of the lowest in the country in the Company's licensed areas thus saving on energy. The Company has undertaken implementation of smart grid technology including automatic meter reading and distribution automation to remotely monitor the assets and reading of meters, reducing travel and thereby reducing use of fossil fuel.
- The Company's Distribution units have installed more than 7,000 state-of-the-art technology SF6 gas insulated switchgears for protection and operation of 11kV distribution network. Such units undertake activity of earthing reactivation of DSS equipment and MSP for safety of public and other stake holders.
- Other initiatives include continuous improvement in safety standards, regular safety and environmental audits, mock drills, Demand Side Management (DSM) and energy conservation awareness programmes amongst employees and customers in Distribution segment.
- Safety of employees and general public is given high importance in the organization. Safety Committees are

formed and headed by senior officers with participation from supervisors and experienced workers who effectively contribute to improve the safety performance of the organization.

- Occupational health of the employees is given equal priority. Various measures including installation of adequate number and appropriate type of fire extinguishers, besides Automated External Defibrillators, Self-contained Breathing Apparatus, Stretchers, First aid boxes and Ambubags (for artificial respiration), are made available. Organization has also trained suitable number of employees for first aid treatment. Quarterly monitoring of environmental parameters including quality of air (workplace and ambient), noise (ambient and workplace), drinking water, food and DG stack emission etc. is carried out.
- Further, the Company is engaged with its neighbourhood by providing employment opportunities, skill development and health care.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The following are some of the initiatives taken in respect of conservation of natural resources:

- Various initiatives have been taken and accordingly procedures have been put in place to improve heat rate, reduce auxiliary power consumption and water consumption in its generating stations.
- Large scale replacement of conventional luminaires with LED devices, installation of rooftop solar panels and solar water heaters, recycling waste water, segregation of lighting circuits for reducing power consumption, rainwater harvesting, use of recycled paper and packaging material, etc. Even a self-sustaining township with biogas generation and solar power is fully functional at one of the generating units.
- The Company has also facilitated the implementation of national level Domestic Efficient Lighting Program (DELP) UJALA at all Distribution locations.
- As a part of DSM Schemes, Energy Audits as well as Peak Load shifting programs have been carried out for benefit of the consumers. In addition, the Company took all necessary steps to operationalize the Net Metering arrangement for Rooftop Solar PV system at the premises of the consumers.
- Further, the Company has carried out energy audit of all offices and substations in all Distribution license areas to identify the opportunities of energy conservation. As a part of its outcome, various energy conservation initiatives including replacement of air-conditioners by star-rated air conditioners, conventional lights by LED, etc. have been taken.

2.3 Does the Company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has procedures in place for sustainable sourcing (including transportation). Further, sustainability is extended to suppliers / vendors. All requirements on various aspects such as Health & Safety and Environment protection, Ethics and Compliance, Prevention of Bribery & Corruption are part of our sourcing procedures. Counselling and monitoring of suppliers / vendors is being done regularly.

Procurement of power transformers with environment friendly ester instead of mineral oil, procurement of cobalt free silica gel, use of biodegradable and environment friendly packaging material, use of steel drums instead of wood drums for cables etc. are examples of sustainable sourcing. The Company has also incorporated procedures to ensure that transportation of chemicals and other materials are compliant with rules and regulations and Company's own procedures. Fuel gas lines are maintained as per Petroleum and Natural Gas Regulatory Board (PNGRB)

guidelines and safety audits are carried out at regular intervals. Usage of water is optimized by optimizing the Cycle of Concentration in cooling water and recycling of waste water.

2.4 Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has taken several steps to procure goods and services from local and small vendors (specially focusing on weaker sections of the society, wherever possible) in order to promote entrepreneurship among them. Continuous engagement takes place with such suppliers to improve their capacity & capability. Some of these initiatives include:

- While sourcing its consumables and spares, priority is given to local vendors.
- Employment of differently abled people for jobs that are deemed safe for them.
- Engagement of destitute women for managing the canteen services at one of the units.
- Local people have been trained and employed as security guards at some of the plants.
- Local youths are also employed in healthcare facilities provided by the Company.
- All packing materials (steel & wooden drums) & some of the raw materials such as PVC Fillers & GI Strips for one of its unit are procured locally from small vendors.
- Direct and indirect employment opportunities are provided to local populace to the extent feasible. For fabrication, plumbing, carpentry, horticulture, housekeeping, gardening, transportation, etc., as far as possible, local skilled personnel are employed.
- Project affected personnel in gas based generation units during construction phase have been taken on Company rolls and external technical training has been imparted to them at good institutes prior to or during employment.

2.5 Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being a responsible corporate citizen, the Company believes in “Reduce-Reuse-Recycle” principle. Some of the initiatives taken as part of this principle include:

- 100% utilization of fly ash generated as waste from the coal based plant.
- Re use of treated effluent water.
- Use of waste water for gardening, sprinkling, etc.
- Zero liquid discharge since August 2017 at SUGEN plant.
- Use of vegetation and food waste in making compost which in turn is used as manure.
- Sludge recovered from raw water is compacted through Chamber Filter Press and is used as manure/ for landfill.
- Waste generated is used for biogas generation which in turn is used for power generation and cooking in one of our self-sustaining township.
- All the PVC Scrap is recycled & reused in-house. The scrap generated is recycled to be used in inner sheath & outer sheath & fillers at Cables unit. Hazardous wastes e.g., used oils, batteries, e-wastes, bio-medical waste etc. are disposed off only to GPCB approved authorized Treatment, Storage and Disposal Facilities (TSDF) & recyclers vendors.
- The distribution units undertake oil filtration activity of its power and distribution transformers for reutilization of the oil and conservation of natural resources.

- Recycling of non-hazardous plastic waste through authorized recyclers.
- Use of recycled papers for energy bills and other stationaries.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

3.1 Please indicate the Total number of employees.

Total number of permanent employees is 7,647 as on 31st March, 2019.

3.2 Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Total number of employees hired on temporary / contractual / casual basis is 4,813 as on 31st March, 2019.

3.3 Please indicate the Number of permanent women employees.

Total number of permanent women employees is 621 as on 31st March, 2019.

3.4 Please indicate the Number of permanent employees with disabilities.

Total number of permanent employees with disabilities is 29 as on 31st March, 2019.

3.5 Do you have an employee association that is recognized by management?

Yes

3.6 What percentage of your permanent employees are members of this recognized employee association?

~51% of the total permanent employees of the Company are members of such recognized employee association.

3.7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in the last financial year and pending, as on the end of the financial year.

The Company does not engage any child labour, forced labour or involuntary labour.

There were no complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in FY 19.

3.8 What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

(a) Permanent Employees

(b) Permanent Women Employees

(c) Casual/Temporary/Contractual Employees

(d) Employees with Disabilities

Percentage of employees who were given safety & skill up - gradation training in the last year is as under:

(a) Permanent Employees – 91.17%

(b) Permanent Women Employees – 86.15%

(c) Casual/Temporary/Contractual Employees – 89.67%

(d) Employees with Disabilities – 79.31%

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

4.1 Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its various key internal and external stakeholders.

4.2 Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

4.3 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Various initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders at locations in and around its operations in the areas of: (i) Community Health Care, Sanitation and Hygiene, (ii) Education and Knowledge Enhancement and (iii) Social Care and Concern.

The details of various CSR initiatives of the Company are part of the Board's Report included in this Annual Report.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHT

5.1 Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs/ Others?

Various Company Policies as indicated below promote Human Rights:

- Policy on Protection of Women against Sexual Harassment at Workplace
- Conviction for Safety Policy
- Policy on Financial Support in the event of Demise
- Medclaim Policy for Employees
- Policy for Medically challenged employees
- Grievance Redressal Mechanism

Besides covering the Company, it also extends to various stakeholders including Group companies, Suppliers, Contractors, etc.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints on breach of human rights were received during FY 19.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

6.1 Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

The Environment Policy of the Company covers the Company currently. The subsidiary companies of the Company also carry out their operations in accordance with principles laid down in the said Policy. The Company promotes the adoption of environmental protection goals and practices by contractors and suppliers of the Company and strongly encourages improvements in contractors' and suppliers' practices to make them consistent with those of the Company.

6.2 Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company recognizes the value of the environment to the community and future generations and is committed to manage its businesses as a responsible Corporate Citizen. Some of the initiatives taken by the Company to address

global environmental issues such as Climate Change, Global Warming, etc. include ~4,240 MW of its generation capacity being natural gas based, which is a cleaner fuel and renewable based (operational and under construction) comprising solar and wind out of its total generation capacity of ~4,600MW.

In its efforts to contribute towards sustainability, the Company has chosen state-of-the-art technology for its CCPPs with advanced class Gas Turbines with lower carbon footprint and with very low NOx emission. The Company's CCPPs are also registered under CDM.

Further, various energy conservation initiatives taken by the Company which aid in environmental protection are part of the Board's Report included in this Annual Report and is available at the following link: www.torrentpower.com.

6.3 Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company has established systems and processes for assessing the environmental risk arising out of various activities being carried out and measures to minimize the environmental impact are captured in onsite/ offsite emergency plans and in risk register.

6.4 Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, four projects of the Company are registered with United Nations Framework Convention on Climate Change (UNFCCC) under CDM. SUGEN Project was one of the largest and pioneering generation project approved under CDM globally in 2007. Environment compliance reports are being filed on a timely basis.

Annual reduction of ~8.5 Million CO₂ can be achieved by generation of power through these Projects. The Company has already achieved ~17 Million of CO₂ emission reduction (approved by UNFCCC) as per the Compliance reports filed till date.

6.5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

In order to promote clean technology and renewable energy, besides what is stated above, the Company has sourced about 11% of its total power requirement of licensee business from wind and solar plants. The Company has also installed Solar Rooftop system for its captive consumption. The Company strives for reduction in distribution losses by improving the network and reducing the theft of electricity. Unauthorized use of electricity has been curtailed which otherwise also invokes safety hazards.

The details of various energy conservation initiatives taken by the Company which aid in energy efficiency are part of the Board's Report included in this Annual Report and are available at the following link: www.torrentpower.com.

6.6 Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions generated from the Generation stations of the Company are within the permissible limits given by CPCB and SPCB for FY 19. The data of emissions, where required, is also being shared with the CPCB and SPCB through online servers. Waste generated by the Company during FY 19 was also within the permissible limits given by CPCB and SPCB.

6.7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause / legal notices have been received during FY 19 either from CPCB or SPCB.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

7.1 Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

Yes, the Company is a member of various trade associations and chambers. The major ones are as under:

- Confederation of India Industries (CII)
- Association of Power Producers (APP)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Council of Power Utilities
- Indian Electrical and Electronics Manufacturers Association (IEEMA)
- Coal Consumers' Association of India (CCAI)
- Gujarat Safety Council
- National Safety Council

7.2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a principle, the Company does not engage in lobbying. The Company provides suggestions through the above associations for the advancement/improvement of power sector and cable industry majorly in the areas of Economic Reforms, Energy security and Sustainable Business Principles.

In the course of our regulated business, the submissions, representations, and the information provided to the concerned authorities are based on due-diligence and to the best of our knowledge true and fair; which is the policy of the Company.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

8.1 Does the Company have specified programmes/initiatives/projects in pursuit of the Policy related to Principle 8? If yes details thereof.

Yes, the Company has identified specified programmes / projects in the pursuit of the Policy related to Principle 8. The details of such programmes /projects are part of the Board's Report included in this Annual Report.

8.2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The identified programmes/projects are carried out directly by the Company itself including through two of its Section 8 companies namely "Tornascent Care Institute" and "UNM Foundation" which have been promoted by the Company (together with one of its Group Company).

Besides the above, it is also supplementing the efforts of the local institutions/NGOs/local Government/implementing agencies in the field of Education, Healthcare, Sanitation and Hygiene etc. to meet priority needs of the underserved communities with the aim to help them become self-reliant.

The details of such programmes /projects undertaken either on its own or through external agencies are part of the Board's Report included in this Annual Report.

8.3 Have you done any impact assessment of your initiative?

Yes, the Company undertakes timely impact assessments of projects under implementation for ensuring their desired impact and continued sustenance. The impact assessment is also presented to the CSR committee.

8.4 What is your Company's direct contribution to community development projects? Amount in ₹ and the details of the projects undertaken.

During FY 19, the Company contributed ₹19.64 Crore to various community development programmes / projects as part of its CSR initiatives. The details of such programmes /projects are part of the CSR Report given in the Board's Report included in this Annual Report.

Besides this, the Company undertook various other CSR initiatives, details of which are given in Para 14 of Board's Report included in this Annual Report.

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Please refer the CSR Report indicated above for details.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

9.1 What percentage of customer complaints/consumer cases are pending as on the end of financial year.

In the generation and transmission business there were no complaints.

~0.5% of complaints were pending as on 31st March, 2019 for the Distribution business. However, all these complaints are within the turnaround time as prescribed by Hon'ble GERC/MERC/UPERC.

~10% (2 out of 20) of complaints were pending as on 31st March, 2019 for the cables business.

9.2 Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

In the generation and cables business of the Company, this requirement of display of information is not applicable. However, in the case of transmission and distribution business of the Company, adequate signages and caution boards are being displayed at prominent locations. Various safety initiatives are being undertaken for the benefit of consumers.

9.3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years.

9.4 Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Distribution segment of the Company's business caters to around 3 million consumers as on 31st March, 2019. The Customer Satisfaction Survey is carried out by the Distribution segment once in every three years through a third party professional market research agency. The last Consumer Satisfaction Survey was carried out in September 2016 through IMRB covering consumers at Ahmedabad, Surat and Gandhinagar. Also, on an ongoing basis, the Company does engage with its customers through regular feedback forms, SMS survey as well as a structured out-calling activity named "Sampark", where the employees directly call and capture customers' voice of concerns.

At the Cables Unit, Customer Satisfaction Index (CSI) has been defined & is monitored on ongoing basis.

REPORT ON CORPORATE GOVERNANCE

This report sets forth the disclosures for FY 19 pertaining to Corporate Governance of Torrent Power Limited (“the Company”) as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The Company’s Corporate Governance philosophy comprises three core principles of TRANSPARENCY, INTEGRITY and ACCOUNTABILITY in organising and managing all aspects of its activities. Based on this philosophy, the Company develops its practices on various aspects and elements of governance, ensuring that these at the minimum comply with the requirements of applicable laws and regulations. In matters not covered by applicable laws and regulations, the governance practices are developed in consonance with the core principles and keeping in balance the interests of all stakeholders.

For the FY 19 the Company is in compliance with the Corporate Governance norms stipulated in Listing Regulations.

2. BOARD OF DIRECTORS

a) Composition and Category of the Board

The Board as of the date of this report had an optimum combination of Executive and Non-Executive Directors with two woman Directors. More than 75% of the Board members are Non-Executive and Independent Directors.

As at the year end, the Board composition consisted of 9 Directors with following composition:

Executive Director	2 (both Promoter Directors)
Independent Director	5 (include 2 Woman Directors)
Non-Executive Non-Independent Director	2 (includes 1 Promoter Director)
Total	9

Composition of the Board is in conformity with the applicable law and regulations.

b) Details of memberships / chairpersonships of the Directors in other Boards and in committees of the Board

The table below sets forth the above particulars for each Director as on 31st March, 2019:

Name of the Director	Category	No. of Directorships	Board Committee Memberships	Board Committees in which Chairperson	Name of Entity	Directorship in other listed entities	Category
Shri Sudhir Mehta, Chairman Emeritus	Non-Executive Director (Promoter)	1	-	-	Torrent Pharmaceuticals Ltd.	Non-Executive Director (Promoter)	
Shri Samir Mehta	Chairman & Managing Director (Promoter)	2	1	-	Torrent Pharmaceuticals Ltd. Arvind Ltd.	Chairman & Managing Director (Promoter) Independent Director	
Shri Pankaj Patel	Independent Director (Re-appointed wef 1 st April, 2019)	4	1	-	Bayer Cropscience Ltd. Cadila Healthcare Ltd.	Independent Director, Chairman Non-Executive Non-Independent Chairman Independent Director	
Shri Samir Barua	Independent Director (Re-appointed wef 1 st April, 2019)	5	4	3	Gruh Finance Ltd. Axis Bank Ltd.	Independent Director	
Shri Kiran Karnik	Independent Director (Ceased wef 31 st March, 2019)	-	-	-	-	-	
Shri Keki Mistry	Independent Director (Re-appointed wef 1 st April, 2019)	8	6	2	Tata Consultancy Services Ltd. HDFC Life Insurance Company Ltd. HDFC Bank Ltd. Gruh Finance Ltd. HDFC Asset Management Company Ltd. Housing Development Finance Corporation Ltd.	Independent Director Non-Executive (Nominee Director) Non-Executive Non-Independent Director Non-Executive Non-Independent Chairman Non-Executive Non-Independent Director Executive Director	

Name of the Director	Category	No. of Directorships	Board Memberships	Board Committees in which Chairperson	Directorship in other listed entities	
					Name of Entity	Category
Smt. Bhavna Doshi	Independent Director (Re-appointed wef 4 th August, 2018)	8	7	4	Gruh Finance Ltd. Sun Pharma Advanced Research Company Ltd. Walchandnagar Industries Ltd. Everest Industries Ltd.	Independent Director Independent Director Independent Director Independent Director
Ms. Dharmishita Raval	Independent Director (Re-appointed wef 16 th October, 2018)	7	1	-	Zydus Wellness Ltd. Cadila Healthcare Ltd. Nocil Ltd.	Independent Director Independent Director Independent Director
Shri Pankaj Joshi, IAS	Non-Executive Director, Nominee of Govt. of Gujarat (a shareholder)	9	-	-	Gujarat Industries Power Company Ltd.	Non-Executive Non- Independent - Nominee Director
Shri Markand Bhatt	Whole-time Director (Ceased wef 30 th September, 2018)	-	-	-	-	-
Shri Jinal Mehta	Managing Director (Promoter)	1	1	-	-	-

Note: For the purpose of considering the above numbers : (a) all public companies excluding the Company, are considered and all other companies including private companies, foreign companies and companies registered under section 8 of the Companies Act, 2013 ("Act") are excluded. (b) Only Audit and Stakeholder Committee memberships are reckoned;

Shri Sudhir Mehta and Shri Samir Mehta are brothers. Shri Jinal Mehta is son of Shri Sudhir Mehta. All other Directors are not related inter-se.

All the Directors have periodically and regularly disclosed to the Company information on their directorship and membership on the Boards / Committees of other companies. Based on the disclosures received, none of the Directors of the Company hold directorships / memberships / chairmanships more than the prescribed limits across all companies in which he / she is a Director.

c) Board Meetings

The Board of Directors met four times during FY 19 on 29th May, 2018, 1st August, 2018, 30th October, 2018 and 5th February, 2019.

The calendar of Board meetings for FY 19 was communicated to all the Directors well in advance. The Board meetings were held at the Registered Office in Ahmedabad. The Board met at least once in a quarter and time gap between two consecutive meetings did not exceed 120 days.

The agenda for the Board meeting was circulated to all the Directors at least 7 days prior to the date of the meeting, except for table agenda items that were placed before the Board with the approval of Independent Directors. The agenda for the Board meetings included detailed notes on the matters to be considered at the meeting to facilitate the Directors to take informed decisions. Minimum information to be placed before the Board under Regulation 17(7) read with Schedule II of the Listing Regulations was placed before the Board for its consideration. The requisite quorum was present for all the meetings.

The attendance of each of the Directors at the Board meetings and Annual General Meeting held during the year under review, are as under:

Name of the Director	Board Meetings held during the tenure	Board Meetings attended	Attendance at the last AGM
Shri Sudhir Mehta	4	4	Yes
Shri Samir Mehta	4	4	Yes
Shri Pankaj Patel	4	3	No
Shri Samir Barua	4	4	Yes
Shri Kiran Karnik (ceased wef 31 st March, 2019)	4	4	Yes
Shri Keki Mistry	4	3	Yes
Smt. Bhavna Doshi	4	4	Yes
Ms. Dharmishta Raval	4	4	Yes
Shri Pankaj Joshi, IAS	4	2	No
Shri Markand Bhatt (ceased wef 30 th September, 2018)	4	2	Yes
Shri Jinal Mehta	4	4	Yes

d) Independent Directors

Based on the declaration of independence and other disclosures made by Independent Directors, the Board has noted that they fulfil the conditions of independence specified in the Companies Act, 2013 and Listing Regulations.

Based on the disclosures made by them, no Independent Director served as an Independent Director in more than 7 listed companies and where the Independent Director was a Whole-time Director / Managing Director in any listed company, they were not Independent Director in more than 3 listed companies.

A separate meeting of Independent Directors was held on 5th February, 2019 under the Chairpersonship of Smt. Bhavna Doshi to review the matters as required by Schedule IV of the Companies Act, 2013 and Listing Regulations.

e) Criteria for selection of new Directors and Committee Membership

The Company has in place a policy which provides criteria as well as process for the identification / appointment of Directors of the Company. The Policy on Directors' appointment forms part of the Board's Report.

Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills, knowledge and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience. The table below sets forth the core skills / expertise / competencies identified by the Board for it to function effectively and those actually available in the Board:

Skills / Expertise / Competencies	Detail for such Skills / Expertise / Competencies	Directors having such Skills
Strategic Leadership	Significant leadership experience to think strategically and develop effective strategies to drive change and growth in context of the Company's overall objectives.	9
Industry Experience	Experience and/or knowledge of the industry in which the Company operates.	4
Financial Expertise	Qualification and/or experience in accounting and/or finance coupled with ability to analyze key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.	5
Governance, Risk and Compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and compliance frameworks, identifying and monitoring key risks.	9
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.	2

f) Familiarisation Programme

The Company and business familiarisation process for Independent Directors was an ongoing process during the Financial Year and largely carried out by way of special discussions and presentations at Board / Committee meetings on important matters such as key regulatory changes, material legal matters, changing industry trends, periodic operations review, annual budget review (including capex plan), strategy discussions and exceptional developments, if any, in the Company.

The details of such familiarization program have been disclosed on the Company's website at https://www.torrentpower.com/pdf/investors/20190326_fwqg_familiarisation_programme.pdf

g) Shareholding of Non-Executive Directors as on 31st March, 2019

- Shri Sudhir Mehta, Chairman Emeritus 6882 equity shares
- Smt. Bhavna Doshi, Independent Director 1900 equity shares
(Jointly with spouse)

Apart from above, none of the other Non-Executive Directors hold any shares of the Company.

3. AUDIT AND RISK MANAGEMENT COMMITTEE

a) Terms of Reference of the Committee

During the year, the Board revised the Terms of Reference of the Committee to give effect to the new requirements under the Listing Regulations. The Terms of Reference were in compliance with the requirements of the Listing Regulations and the Companies Act, 2013.

Major Terms of Reference of the Committee include:

- Overseeing the financial reporting process and review of the financial statements of the Company and its unlisted subsidiaries;
- Review functioning of the whistle blower mechanism;
- Review and approve related party transactions;

- Scrutiny of inter-corporate loans and investments, review of utilization of loans and/ or advances from/ investment by the Company in the subsidiary;
- Review of internal audit function and reports;
- Review risk management function;
- Recommending to the Board appointment and remuneration of the independent auditors and review performance of audit and internal control systems.

b) Composition and Committee Meetings

The particulars of the Committee as on 31st March, 2019 are set forth below.

Name of the Director	Category of Directorship	Qualification	No. of Meetings attended
Shri Keki Mistry, Chairperson	Independent Director	C.A., C.P.A. (USA)	3
Shri Samir Barua	Independent Director	M. Tech (IIT, Kanpur) in Industrial Engineering and Operations Research, Ph. D in Management from IIM, Ahmedabad	4
Shri Kiran Karnik (Ceased wef 31 st March, 2019)	Independent Director	Honours degree in Physics, Post Graduate from IIM, Ahmedabad	4
Smt. Bhavna Doshi	Independent Director	M. Com, C.A.	4
Ms. Dharmishta Raval	Independent Director	B. Sc., LL.M	4

Composition of the Committee was in compliance with the provisions of the Listing Regulations and section 177 of the Companies Act, 2013. During the year, the Committee was re-constituted due to completion of term of Shri Kiran Karnik as Independent Director, with remaining members constituting the new Committee wef 1st April, 2019.

The Committee met once in a quarter and time elapsed between two meetings did not exceed 120 days. During the year under review, four meetings of the Committee were held on 29th May, 2018, 1st August, 2018, 30th October, 2018 and 5th February, 2019. Senior Management of the Company and representatives of Statutory and Internal Auditors were invited to the meetings. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

4. NOMINATION AND REMUNERATION COMMITTEE

a) Terms of Reference of the Committee

During the year, the Board revised the Terms of Reference of the Committee to give effect to the new requirements under the Companies Act, 2013 and the Listing Regulations. The Terms of Reference were in compliance with the requirements of the Listing Regulations and the Companies Act, 2013.

Major Terms of Reference of the Committee include:

- Evaluation and recommendation of the composition of the Board and its sub-committees;
- Formulation of the criteria for determining qualification, positive attributes and independence of a Director;
- Identification of persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with criteria laid down and recommend the same to the Board for their appointment and removal;

- Recommendation to the Board, remuneration proposed to be paid to Directors / KMPs / Senior Management;
- Recommendation of Remuneration Policy to the Board;
- Formulation of policy on Board Diversity of the Company;
- Formulation of criteria for performance evaluation of Board, Committees, Individual Directors.

b) Composition and Committee Meetings

The particulars of the Committee as on 31st March, 2019 are set forth below.

Name of the Director	Category of Directorship	Chairperson/ Member	No. of Meetings attended
Shri Kiran Karnik (Ceased wef 31 st March, 2019)	Independent Director	Chairperson	3
Shri Sudhir Mehta	Non-Executive Director (Promoter)	Member	3
Shri Pankaj Patel	Independent Director	Member	2
Ms. Dharmishta Raval	Independent Director	Member	3

Composition of the Committee was in compliance with the provisions of the Listing Regulations and section 178 of the Companies Act, 2013. During the year, the Committee was re-constituted due to completion of term of Shri Kiran Karnik as Independent Director, with remaining members constituting the new Committee wef 1st April, 2019.

During the year under review, three meetings of the Committee were held on 29th May, 2018, 1st August, 2018 and 5th February, 2019. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

c) Performance Evaluation Criteria for Independent Directors

The criteria as well as process for evaluation of Independent Directors are given below:

Criteria

- Fulfillment of functions
- Participation in Board in terms of adequacy (time & content)
- Contribution at meetings
- Guidance / support to management outside Board / Committee meetings
- Independent views and judgement (only for Independent Directors)

Process

- The Chairman/Vice Chairman of the Board to discuss self and peer evaluation on a One-on-One basis with each Director.
- The Chairman/Vice Chairman to consolidate the comments and give the feedback to individual Directors.

5. REMUNERATION OF DIRECTORS

a) Remuneration Policy

The Company has in place the policy relating to the remuneration of the Directors, KMP and other employees of the Company. As required by the Companies Act, 2013 the Remuneration Policy has been uploaded on the website of the Company at: https://www.torrentpower.com/pdf/investors/Remuneration_Policy.pdf

• Executive Directors

The remuneration of the Executive Directors was recommended by the Nomination and Remuneration Committee and approved by the Board and members, as required. Remuneration to the Executive Directors was paid by way of salary, perquisites, other benefits and annual commission.

• Non-Executive Directors

Non-Executive Directors are compensated by way of sitting fees and annual commission for meetings attended. Members have approved payment of sitting fees and annual commission to Non-Executive Directors, within the limits laid down under the provisions of the Companies Act, 2013. The Board of Directors as authorized by the General Meeting decided the commission to be paid to each Non-Executive Director. The commission was determined on the basis of participation in the Board and Committee meetings. The criteria for remuneration of Non-Executive Directors is available on the website of the Company, i.e. www.torrentpower.com.

b) Particulars of remuneration paid to the Directors for FY 19

(₹ in Crore)				
Name of the Director ^{\$}	Sitting Fees	Salary & Perquisites [#]	Commission	Total
Shri Sudhir Mehta*	-	-	5.00	5.00
Shri Samir Mehta	-	-	10.00	10.00
Shri Pankaj Patel	0.10	-	0.09	0.19
Shri Samir Barua	0.12	-	0.16	0.28
Shri Kiran Karnik	0.12	-	0.16	0.28
Shri Keki Mistry	0.06	-	0.12	0.18
Smt. Bhavna Doshi	0.12	-	0.16	0.28
Ms. Dharmishta Raval	0.12	-	0.16	0.28
Shri Pankaj Joshi, IAS [@]	0.02	-	0.06	0.08
Shri Markand Bhatt	-	8.84 [^]	13.00	21.84
Shri Jinal Mehta	-	7.27	2.50	9.77
Total	0.66	16.11	31.41	48.18

^{\$} None of the Directors are entitled to severance pay.

[#] Includes Salary, House Rent Allowance, contribution to Provident / Superannuation Funds and approved Allowances / Perquisites (excluding premium for Group Personal Accident and Group Medclaim Insurance). Directors have not been granted any stock options during the year.

^{*} Subject to approval of members by way of Special Resolution to be passed at the 15th AGM.

[@] Sitting fees and commission of Shri Pankaj Joshi, IAS (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

[^] Includes payment of leave encashment of ₹2.83 Crore.

Apart from payment of sitting fees, annual commission and shareholding of Non-Executive Directors disclosed in part 2(g) above, there was no other pecuniary relationship or transactions between the Company and Non-Executive Directors.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) Terms of Reference of the Committee

During the year, the Board revised the Terms of Reference of the Committee to give effect to the new requirements under the Listing Regulations. The Terms of Reference were in compliance with the requirements of the Listing Regulations and the Companies Act, 2013.

Major Terms of Reference of the Committee include:

- Resolution of the grievances of all the stakeholders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings;
- Review of transfer/ transmission requests and issuance of duplicate share certificate;
- Overseeing the performance of the Registrar and Share Transfer Agent in respect of adherence to the service standards adopted by the Company;
- Finalisation of Book Closure period and Record Date in respect of shares, debentures and other securities of the Company;

Powers to approve share transfers/ transmission and related requests have been delegated by the Committee to Senior Officials of the Company for expeditious disposal of the members requests and complaints.

b) Composition and Committee Meetings

The particulars of the Committee as on 31st March, 2019 are set forth below:

Name of the Director	Category of Directorship	Chairperson/ Member	No. of Meetings attended
Shri Pankaj Patel	Independent Director	Chairperson	9
Shri Samir Mehta	Chairman & Managing Director (Promoter)	Member	10
Shri Markand Bhatt (Ceased wef 30 th September, 2018)	Whole-time Director	Member	4
Shri Jinal Mehta (Appointed wef 1 st October, 2018)	Managing Director (Promoter)	Member	6

Composition of the Committee was in compliance with the provisions of the Listing Regulations and the Companies Act, 2013. During the year under review, ten meetings of the Committee were held on 18th April, 2018, 29th May, 2018, 3rd July, 2018, 18th September, 2018, 30th October, 2018, 3rd December, 2018, 2nd January, 2019, 5th February, 2019, 25th February, 2019 and 14th March, 2019. All the recommendations / submissions made by the Committee during the year were accepted by the Board. As at end of the year, Shri Samir Shah, Company Secretary was the Compliance Officer of the Company.

c) Investor Grievance Redressal

The Company received 13 complaints during the year under review and the same have been resolved to the satisfaction of the complainants within a reasonable period. No valid requests for share transfer, transmission etc. were pending beyond 15 days for processing as on 31st March, 2019.

7. GENERAL BODY MEETINGS

Last 3 Annual General Meetings of the Company

Meeting	Date	Time	Venue	No. of Special Resolutions passed
12 th AGM	2 nd August, 2016	9:30 am	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	1
13 th AGM	1 st August, 2017	2:30 pm	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	0
14 th AGM	1 st August, 2018	09:30 am	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	7

No Postal Ballot was conducted during the year under review and as of the date of this report there is no proposal to pass any special resolution through Postal Ballot.

8. MEANS OF COMMUNICATION

During the year, quarterly Unaudited Financial Results with Limited Review Report and annual Audited Financial Results of the Company with Auditors' Report thereon were submitted to the stock exchanges upon their approval by the Board. The Company published its quarterly Financial Results in two english daily newspapers having nationwide circulation i.e. Indian Express and Financial Express and in one regional newspaper i.e. Financial Express (Gujarati Edition). The Company also submitted to the stock exchanges the schedule of analysts or institutional investors meets and presentations made to them. The Company's website: www.torrentpower.com also displays the official news releases of relevance, schedule and presentations for investors, in addition to the Financial Results.

The Company will send soft copies of Annual Report for FY 19 to those members whose email IDs are registered with the Depository Participants (DPs) and / or with the Company's Registrar and Share Transfer Agent, unless they have opted for a physical copy, to support the "Green Initiative in Corporate Governance", an initiative taken by the Ministry of Corporate Affairs.

9. GENERAL SHAREHOLDER INFORMATION

a) 15th Annual General Meeting

Date	: Monday, 5 th August, 2019
Time	: 9:30 am
Venue	: J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015
Remote E-voting Period	: From 9:00 am on 1 st August, 2019 to 5:00 pm on 4 th August, 2019
Cut-off date for Remote E-voting	: 29 th July, 2019

b) Tentative financial calendar for the FY 20

Financial year	: 1 st April, 2019 – 31 st March, 2020
First quarter results	: First week of August, 2019
Second quarter results	: Second week of November, 2019
Third quarter results	: Third week of February, 2020
Results for the year end	: Third week of May, 2020

c) Record Date

Friday, 14th June, 2019 (subject to approval of dividend by members).

d) Dividend Payment date

The process for distribution of proposed dividend, if approved at the ensuing AGM, will start on or after Tuesday, 6th August, 2019.

e) Listing on Stock Exchanges and Security Codes

- Equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited in India:

Stock Exchange	ISIN	Security Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	INE813H01021	532779
National Stock Exchange of India Limited (NSE) "Exchange Plaza", C – 1, Block G, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051	INE813H01021	TORNTPOWER

- Secured Redeemable NCDs of the Company are listed on the Wholesale Debt Market segment of NSE:

Series	Coupon Rate	ISIN	Security Code
Series 1	10.35% p.a.	INE813H07010	TOPO22
Series 2A	10.35% p.a.	INE813H07051	TOPO21
Series 2B	10.35% p.a.	INE813H07069	TOPO22A
Series 2C	10.35% p.a.	INE813H07077	TOPO23
Series 3A	8.95% p.a.	INE813H07085	TOPO21
Series 3B	8.95% p.a.	INE813H07093	TOPO22
Series 3C	8.95% p.a.	INE813H07101	TOPO23

- Annual listing fees for both, Equity and Debt securities, for FY 19 have been paid to the Stock Exchanges, where the securities of the Company are listed.

f) Market price data

Closing market price of equity shares on 29th March, 2019 was ₹257.20 on BSE and ₹257.50 on NSE.

Monthly movement of equity share prices during the year at BSE and NSE:

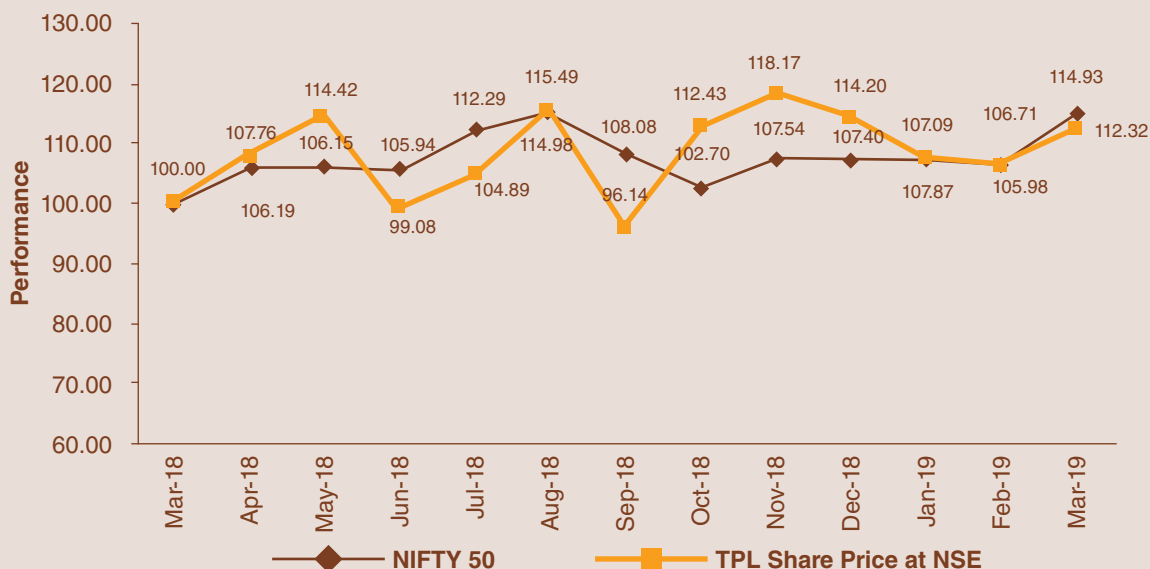
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2018	252.40	227.30	1109512	252.75	227.00	16922749
May, 2018	268.00	212.20	1281659	276.40	211.90	18457522
June, 2018	270.00	216.15	2048963	271.00	215.60	22917080
July, 2018	247.00	215.75	1140306	247.15	215.10	15300572
August, 2018	270.20	222.75	1788420	270.55	222.50	26294187
September, 2018	275.40	214.50	2086978	276.05	214.00	25938428
October, 2018	259.65	212.10	2976521	260.70	211.50	31201594
November, 2018	274.80	249.45	1905051	275.30	249.20	23446455
December, 2018	276.60	238.70	2529101	276.95	238.70	32214430
January, 2019	270.55	242.90	1773253	272.00	242.80	29390832
February, 2019	252.40	230.45	1390537	253.50	230.20	26611896
March, 2019	272.10	244.00	49164592	269.40	242.95	16670103

g) Performance of Equity Share Price vis-à-vis Nifty 50 is as under:

Month	TPL Share Price at NSE (₹)*	NIFTY 50 during the Month* (₹)	Relative Index for comparison purpose	
			TPL share price	NIFTY 50
March, 2018	229.25	10113.70	100.00	100.00
April, 2018	247.05	10739.35	107.76	106.19
May, 2018	262.30	10736.15	114.42	106.15
June, 2018	227.15	10714.30	99.08	105.94
July, 2018	240.45	11356.50	104.89	112.29
August, 2018	263.60	11680.50	114.98	115.49
September, 2018	220.40	10930.45	96.14	108.08
October, 2018	257.75	10386.60	112.43	102.70
November, 2018	270.90	10876.75	118.17	107.54
December, 2018	261.80	10862.55	114.20	107.40
January, 2019	247.30	10830.95	107.87	107.09
February, 2019	242.95	10792.50	105.98	106.71
March, 2019	257.50	11623.90	112.32	114.93

*Closing data on the last trading day of the month. Closing share price at NSE and NIFTY 50 of 28th March, 2018 have been taken as the base for calculating relative index for comparison purpose.

Relative Performance of TPL Share Price v/s Nifty 50



h) Registrar and Share Transfer Agent

Members are requested to send all documents pertaining to transmission/ demat requests and other communications in relation thereto directly to the Registrar and Share Transfer Agent at the following address:

Link Intime India Pvt. Ltd,
5th Floor, 506 to 508,
Amarnath Business Centre - I (ABC - I),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner, Off C G Road,
Ellisbridge, Ahmedabad-380006 (Gujarat)
Phone: +91 79 26465179/86/87
E-mail: ahmedabad@linkintime.co.in

i) Share Transfer System

Powers to approve share transfers and related requests have been delegated by the Stakeholders Relationship Committee to Senior Officials of the Company for expeditious disposal of members' requests and complaints.

During the year, share transfers were taken up for approval atleast once in a fortnight and the transferred securities were dispatched to the transferees within the stipulated time. Details of transfers / transmission approved by the delegates were noted by the Stakeholders Relationship Committee at its meeting once in a quarter. Also, the same were noted by the Board of Directors on quarterly basis.

j) Distribution of shareholding as on 31st March, 2019

- By size of shareholding**

No. of Shares	No. of Members	% Members	No. of Shares	% of Members
001 to 500	1,06,062	88.71	71,28,163	1.48
501 to 1000	6,995	5.85	47,78,756	0.99
1001 to 2000	2,840	2.38	40,75,516	0.85
2001 to 3000	1,199	1.00	30,24,771	0.63
3001 to 4000	534	0.45	18,79,735	0.39
4001 to 5000	428	0.36	19,54,301	0.41
5001 to 10000	762	0.64	54,08,519	1.13
10001 & above	735	0.61	45,23,67,023	94.12
Total	1,19,555	100.00	48,06,16,784	100.00

- By category of Members**

Sr. No.	Category	No. of Shares	% of Shareholding
1	Promoters	25,74,43,318	53.57
2	Governor of Gujarat with Gujarat State Financial Services Limited	5,39,28,671	11.22
3	Life Insurance Corporation of India & its funds	1,49,68,387	3.11
4	General Insurance Corporation of India and its subsidiaries	78,91,029	1.64
5	Mutual Funds	5,31,61,122	11.06
6	Foreign Portfolio Investors	3,75,33,395	7.81
7	Banks	5,49,721	0.11
8	Others	5,51,41,141	11.48
	Total	48,06,16,784	100.00

k) Dematerialisation and Liquidity of shares

Equity shares of the Company can be traded only in dematerialised form by the investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat security code (ISIN) for the equity shares is INE813H01021. As on 31st March, 2019, 97.14% of the equity shares have been dematerialised. The shares of the Company are frequently traded on both the stock exchanges and hence the shares of the Company are liquid.

l) Outstanding GDRs / ADRs / Warrants / any other convertible instruments

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments as on date.

m) Disclosure of Commodity Price / Foreign Exchange Risk and Hedging Activities

The Company has exposure to US\$ / 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 exposures are not likely to have material financial impact on the Company.

The following were the material commodity exposures of the Company during FY 19:

Commodity	Exposure in ₹ Crore	Exposure in Quantity	% of such Exposure hedged through Commodity Derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Imported & Domestic Coal	516	16,32,210 MT	-	-	-	-	
Liquefied Natural Gas & Domestic Natural Gas	2893	4,83,88,588 MMBTU	-	-	-	-	

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.

n) Registered Office and Plant/ Unit Locations**Registered Office:**

“Samanvay”,
600 Tapovan,
Ambawadi,
Ahmedabad-380015 (Gujarat)

Generation

- SUGEN, UNOSUGEN and GENSU, Off National Highway No. 8, Taluka: Kamrej, District: Surat-394155 (Gujarat)
- AMGEN, Ahmedabad-380005 (Gujarat)
- DGEN, Plot no Z-9, Dahej SEZ, Taluka Vagra, Dist. Bharuch - 392130 (Gujarat)

Cables

Yoginagar,
Mission Road,
Nadiad - 387002 (Gujarat)

Distribution

- Torrent House, Station Road, Surat-395003 (Gujarat)
- Old Agra Road, Anjur Phata, Bhiwandi-421302 (Maharashtra)
- 6, Raghunath Nagar, Suresh Plaza Market, M. G. Road, Agra - 282002 (Uttar Pradesh).

o) Address for Correspondence

Company Secretary
 Torrent Power Limited
 "Samanvay",
 600 Tapovan,
 Ambawadi, Ahmedabad-380015 (Gujarat)
 CIN: L31200GJ2004PLC044068
 Phone : + 91 79 26628300
 Fax : +91 79 26764159
 E-mail : cs@torrentpower.com
 Website : www.torrentpower.com

p) Debenture Trustee

IDBI Trusteeship Services Limited
 Asian Building, Ground Floor,
 17, R. Kamani Marg,
 Ballard Estate,
 Mumbai- 400001 (Maharashtra)
 Telephone : +91 22 4080 7005

q) Credit Rating

Credit Rating of the Company's long term loans, cash credit and NCDs has been reaffirmed by CRISIL at AA-/ Stable and that of Letters of Credit / Bank Guarantees of the Company has been reaffirmed at A1+ on 29th September, 2018.

10. OTHER DISCLOSURES**a) Related Party Transactions**

The Company has formulated Related Party Transaction Policy, which is in compliance with the provisions of the Companies Act, 2013 and Listing Regulations. Policy was revised during the year to incorporate amendments in Listing Regulations. The policy can be accessed on the website of the Company at the web link: https://www.torrentpower.com/pdf/investors/Policy_on_Materiality_of_Related_Party_Transactions.pdf

During the year, the Company did not enter into any transaction with related parties which were material in nature as defined in Listing Regulations. All the related party contracts / arrangements and transactions entered into by the Company were put forth for the prior approval of the Audit and Risk Management Committee, Board and members, as applicable, in compliance with the said policy.

Statement of related party transactions was presented to the Audit and Risk Management Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of contracts/arrangements and transactions entered into by the Company with related parties are set out in Notes to the Financial Statements forming part of this Annual Report.

b) Legal Compliances

The Company has formalised a system to track, monitor and document legal compliances applicable to the Company. The Board periodically reviews compliance reports (of all laws applicable to the Company), prepared by the management. There were no instances of material non-compliances during the year under review. No strictures were passed or penalties imposed on the Company by SEBI, Stock Exchanges or any statutory authority on any matter related to capital markets during the last three years.

c) Whistle Blower Policy

The Board has adopted a Whistle Blower Policy for the Company, under which the Company has institutionalised a mechanism for the stakeholders to disclose their concerns and grievances on unethical behaviour and improper/illegal practices and wrongful conduct taking place in the Company for appropriate action. The policy is available on the website of the Company at https://www.torrentpower.com/pdf/investors/13-11-2018_6mbme_whistle_blower_policy_3.pdf

During the year, functioning of the Whistle Blower mechanism was reviewed by the Audit and Risk Management Committee on a quarterly basis. No employee intending to report under Whistle Blower mechanism was denied access to the Audit Committee.

d) Compliance with all the mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company.

e) Material Subsidiary Policy

The Company has formulated a Policy for determining “Material Subsidiary” and the same was revised during the year to give effect to the amendments in Listing Regulations. The revised policy is available on the Company's website at :https://www.torrentpower.com/pdf/investors/19-01-2019_2vueh_policy_materialsubsidiaries2.pdf

f) Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

g) Certificate of Practicing Company Secretary

The Company has obtained a certificate from M/s Rajesh Parekh & Co., Practicing Company Secretary, Ahmedabad stating that none of the Directors on the Board of the Company have been debarred/ disqualified from being appointed / continuing as Directors of any company, by the SEBI and Ministry of Corporate Affairs or any such Statutory authority.

h) Fees paid to Statutory Auditors

During the year, total fees, for all services (including out of pocket expenses and taxes), paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors - Price Waterhouse Chartered Accountants LLP (012754N/N500016) and to all entities in the network of which Auditor is a part is as under:

	(₹ in Crore)
Audit Fees	1.15
Other Services certificates etc.	0.30
Reimbursement of expenses	0.25
Total	1.70

i) Protection of Women against Sexual Harassment at Work Place

Pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the Company has adopted a “Policy on Protection of Women against Sexual Harassment at Work Place”. Pursuant to the Policy, the Company has formed Internal Complaints Committee, with majority women members, at each of the Unit / Administrative Office. During the year, no complaints were filed with the Internal Complaints Committee.

j) Compliance with Corporate Governance

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

For and on behalf of the Board

Jinal Mehta

Managing Director

DIN: 02685284

Ahmedabad
15th May, 2019

CERTIFICATE OF COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT

To,

The Members,

Torrent Power Limited

Torrent Power Limited has in place a Code of Business Conduct (the “Code”) for its Board of Directors, Senior Management Personnel and other employees of the Company. I report that the Board of Directors have received affirmation on compliance with the Code from the members of the Board and Senior Management of the Company for the year under review.

For and on behalf of the Board

Ahmedabad
15th May, 2019

Jinal Mehta
Managing Director
DIN: 02685284

Standalone Financial Statements 2018-19

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF
TORRENT POWER LIMITED

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

Opinion

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

Basis for opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>i) Impairment assessment for Power Plant located at Dahej (Refer to note 41(1) of the standalone Ind AS financial statements) :</p> <p>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 its commercial operations in November 2014 ("COD") and thereafter due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power purchase agreements it 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. As a result of above, there are indicators of potential impairment of carrying value of DGEN.</p> <p>The management carried out an impairment assessment of DGEN in accordance with Ind AS 36 'Impairment of Assets' and measured the recoverable amount based on value in use which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN with the help of an external valuer ("expert"). The expert estimated the value in use under two scenarios i.e. management case and alternate case by taking varied sets of assumptions reflective of likely future operating scenarios. The assessment of value in use involved several key assumptions including expected demand, future price of fuel, exchange rate, expected tariff rates, discount rate and current electricity market scenario which the management considered reasonable based on past trends and current and likely future state of the industry.</p> <p>The value in use arrived at by the expert under both the scenarios is higher than the carrying amount of PPE pertaining to DGEN and accordingly no impairment provision is considered necessary as at 31st March, 2019 by management.</p> <p>We considered this to be a key audit matter as the carrying value of DGEN at 31st March, 2019 is significant to the Company's balance sheet and there is significant judgement and uncertainty involved in estimating future cash flows in the discounted cash flow (DCF) model used by the management to support the carrying value of DGEN. Further, the assumptions used in the DCF model are subject to inherent uncertainties.</p>	<p>Our procedures in relation to management's impairment assessment of DGEN include the following:</p> <p>Assessed and tested the design and operating effectiveness of the Company's controls over impairment assessment.</p> <p>Perused the report issued by the external valuer ("expert") engaged by the management.</p> <p>Evaluated competence, capability and objectivity of the expert.</p> <p>Evaluated the reasonableness of cash flow projections used by the Company and the key assumptions in respect of expected demand, future price of fuel, exchange rate, expected tariff rates and discount rate.</p> <p>Involved auditors experts to review the external expert's report and the reasonableness of the assumptions considered in the report.</p> <p>Discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same to assess their reasonableness.</p> <p>Checked the arithmetic accuracy of the computation of projections.</p> <p>Based on the above procedures performed, we considered management's assessment of impairment of the carrying value of DGEN as at 31st March, 2019 to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
ii) Assessment of recoverability of Deferred tax asset on unutilised tax credits (Refer to note 42 to the standalone Ind AS financial statements)	
<p>The Company has recognised deferred tax asset on unutilised tax credits, representing Minimum Alternate Tax (MAT) paid on accounting profit in the current year and earlier years in which the Company did not have normal taxable profit due to availment of tax holiday incentives and set off of carried forward unabsorbed depreciation. The asset has been recognised on the basis of Company's assessment of availability of future taxable profits to offset the MAT credit. The future taxable profit projections involve several key assumptions including expected demand, future prices of fuel, expected tariff rates of electricity, exchange rate and current electricity market scenario covering the period over which MAT Credit can be claimed as per the Income tax Act, 1961. In preparing the profit projections, management has considered, past trends, applicable tariff regulations/agreement and current and likely future state of the industry.</p> <p>We considered this a key audit matter as the amount of deferred tax asset is material to the financial statements and significant management judgement is required in assessing the recoverability of MAT credit based on significant assumptions underlying the forecast of taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Company's business plans.</p>	<p>Our audit procedures included the following:</p> <p>Evaluated and tested the design and operating effectiveness of the Company's controls over recognition and assessment of recoverability of deferred tax asset.</p> <p>Reviewed the Company's accounting policy in respect of recognizing deferred tax asset on unutilised tax credits.</p> <p>Assessed the reasonableness of the assumptions underlying profit projections made by management, in particular, the assumptions in respect of expected demand, future price of gas, expected tariff rates and exchange rate by reviewing the past trends and available tariff orders.</p> <p>Assessed the reasonableness of management's business plans considering the relevant economic and industry indicators.</p> <p>Evaluated whether the tax credit entitlements are legally available to the Company for the forecast recoupment period, considering the provisions of Income tax Act, 1961.</p> <p>Checked the mathematical accuracy of the underlying calculations of the projections.</p> <p>Performed sensitivity analysis on the projected taxable profits by varying key assumptions, within reasonably foreseeable range.</p> <p>Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes.</p> <p>Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax asset to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>iii) Appropriateness of additional revenue recognised on adoption of Ind AS 115 (Refer to notes 2.12 and 57 to the standalone Ind AS financial statements)</p> <p>During the year the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' retrospectively with the cumulative effect of initial application recognized in the Opening Retained Earnings on 1st April, 2018.</p> <p>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.</p> <p>The Company has in the current year recognized revenue in respect of 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.</p> <p>We considered this as a key audit matter in view of this being a material change in the accounting policy for revenue recognition, exercise of management judgement and estimates and significance of the amount involved as described in notes 2.12 and 57 to the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <p>Assessed and tested the design and operating effectiveness of the Company's controls over the revenue recognition.</p> <p>Read the relevant multi-year tariff regulations (MYT), tariff orders and other communication between the Company with various regulatory authorities to determine the quantum of Company's entitlement to recover costs from consumers.</p> <p>Evaluated management workings that set out all the outstanding claims for approval placed by the Company with regulatory authorities and the basis adopted by management in determining undisputed and disputed claims.</p> <p>Assessed the reasonableness of management's assessment of recoverability of claims by comparing earlier years' assessment with actual approvals by the regulatory authorities.</p> <p>Checked mathematical accuracy of management workings for use of correct tariffs, and for the impact of Ind AS 115 on the opening reserves and on the current year's revenue arising from outstanding claims with regulatory authorities.</p> <p>Evaluated the impact of first time adoption of Ind AS 115 and the appropriateness of the related disclosures in respect of the additional revenue recognized in opening reserves and that recognized in the current year statement of Profit and Loss.</p> <p>Based on the procedures performed as described above, we assessed that the recognition of additional revenue under Ind AS 115 was adequately supported by the available evidence.</p>

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report (including shareholders information), management discussion and analysis, business responsibility report, report on corporate governance, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Responsibilities of management and those charged with governance for the Standalone Ind AS Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Ind AS Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2019 on its financial position in its standalone Ind AS financial statements – Refer Notes 31 and 44;
 - ii. The Company has long-term contracts as at 31st March, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at 31st March, 2019;

INDEPENDENT AUDITOR'S REPORT (Contd.)

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2019;
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2019.

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 039985

Place: Ahmedabad

Date: 15th May, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements for the year ended 31st March, 2019

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements for the year ended 31st March, 2019

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 039985

Place: Ahmedabad

Date: 15th May, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements as of and for the year ended 31st March, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. As regards underground distribution systems, we have been informed that the same are not physically verifiable.
- (c) The title deeds of immovable properties, as disclosed in Note 4 on Property, plant and Equipment and Note 11 on other non-current assets to the standalone Ind AS financial statements, are held in the name of the Company or in the names of the companies which got amalgamated into the Company through various schemes approved by the courts in earlier years.
- ii. The physical verification of inventory [excluding stocks with third parties] has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 44 to the standalone Ind AS financial statements regarding management's assessment on certain matters relating to provident fund.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements as of and for the year ended 31st March, 2019

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

Name of Statute	Nature of dues	Amount involved (₹ in Crore)	Amount Unpaid (₹ in Crore)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
Customs Act, 1962	Custom duty	37.00	18.50	2012-13	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	0.17	0.17	1989-90	Central Excise and Service Tax Appellate Tribunal
Kerala General Sales Tax Act, 1963	Sales Tax on Works Contracts	0.20	0.20	2001-02	Sales Tax Appellate Tribunal, Calicut
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax on Works Contracts	0.29	0.29	1993-94 & 1994-95	Andhra Pradesh High Court, Hyderabad
Tamil Nadu General Sales Tax Act, 1959	Sales Tax on Works Contracts	0.47	0.47	1989-90 & 1990-91	Asst. Commissioner of Commercial Tax, Tuticorin
Gujarat Value Added Tax Act, 2003	Value Added Tax	0.21	0.17	2013-14 & 2014-15	Joint Commissioner of Commercial Tax (Appeal)
		0.17	0.14	2011-12	GVAT Tribunal
		4.26	1.63	2009-10 & 2010-11	GVAT Tribunal
		1.73	0.51	2008-09	GVAT Tribunal
		1.00	0.27	2007-08	GVAT Tribunal
Gujarat Sales Tax Act, 1969	Sales tax	4.29	4.29	2002-03 & 2003-04	Joint Commissioner of Commercial Tax (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	3.15	2.51	2008-09, 2009-10, 2010-11, 2011-12 & 2012-13	GVAT Tribunal
		0.65	0.52	2013-14 & 2014-15	Joint Commissioner of Commercial Tax (Appeal)
Income tax Act, 1961	Income Tax	0.14	0.14	2016-17	CIT Appeals
		14.28	5.32	2015-16	CIT Appeals

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

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements as of and for the year ended 31st March, 2019

- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 039985

Place: Ahmedabad

Date: 15th May, 2019

BALANCE SHEET

AS AT 31ST MARCH, 2019

		(₹ in Crore)	
	Note	As at 31 st March, 2019	As at 31 st March, 2018
Assets			
Non-current assets			
Property, plant and equipment	4	16,995.13	16,792.56
Capital work-in-progress		358.77	390.47
Investment property	5	-	-
Intangible assets	6	17.31	13.23
Intangible assets under development		-	2.04
Financial assets			
Investments	7	689.93	375.01
Loans	8	145.15	16.73
Other financial assets	9	230.61	0.76
Non-current tax assets (net)	10	26.69	26.85
Other non-current assets	11	848.13	658.70
		19,311.72	18,276.35
Current assets			
Inventories	12	626.67	454.38
Financial assets			
Investments	13	472.46	614.12
Trade receivables	14	1,170.53	1,124.48
Cash and cash equivalents	15	114.33	134.23
Bank balances other than cash and cash equivalents	16	211.92	135.50
Loans	17	204.02	634.49
Other financial assets	18	1,581.30	650.29
Other current assets	19	131.71	78.57
		4,512.94	3,826.06
		23,824.66	22,102.41
Equity and liabilities			
Equity			
Equity share capital	20	480.62	480.62
Other equity	21	8,456.18	7,212.07
		8,936.80	7,692.69
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	8,033.38	8,502.40
Trade payables	23	-	-
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		109.34	94.64
Other financial liabilities	24	1,055.03	956.44
Provisions	25	83.15	78.96
Deferred tax liabilities (net)	42	1,556.26	1,469.74
Other non-current liabilities	26	971.62	878.15
		11,808.78	11,980.33
Current liabilities			
Financial liabilities			
Borrowings	27	300.05	-
Trade payables	28	-	-
Total outstanding dues of micro and small enterprises		27.10	18.34
Total outstanding dues other than micro and small enterprises		758.03	638.94
Other financial liabilities	29	1,273.96	1,156.25
Other current liabilities	30	661.29	557.74
Provisions	31	42.29	31.81
Current tax liabilities (net)	32	16.36	26.31
		3,079.08	2,429.39
		23,824.66	22,102.41

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairman
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Samir Shah
Company Secretary

Ahmedabad, 15th May, 2019Ahmedabad, 15th May, 2019

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Crore)

	Note	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Income			
Revenue from operations	33	12,977.52	11,448.86
Other income	34	261.55	267.92
Total income		13,239.07	11,716.78
Expenses			
Electrical energy purchased		4,116.50	3,584.78
Fuel cost		4,019.46	3,200.18
Cost of materials consumed	35	259.86	233.44
Purchase of stock-in-trade		229.46	37.18
Changes in inventories of finished goods and work-in-progress	36	(19.58)	1.25
Employee benefits expense	37	484.21	465.32
Finance costs	38	892.15	839.69
Depreciation and amortization expense and impairment loss	39	1,163.05	1,111.14
Other expenses	40	845.60	868.27
Total expenses		11,990.71	10,341.25
Profit before tax		1,248.36	1,375.53
Tax expense			
Current tax	42	269.26	303.60
Deferred tax	42	89.86	150.19
		359.12	453.79
Profit for the year		889.24	921.74
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	48	(9.55)	20.49
Tax relating to remeasurement of the defined benefit plans	42	(3.34)	7.16
Other comprehensive income for the year (net of tax)		(6.21)	13.33
Total comprehensive income for the year		883.03	935.07
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	52	18.50	19.18
See accompanying notes forming part of the standalone financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairman
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Samir Shah
Company Secretary

Ahmedabad, 15th May, 2019

Ahmedabad, 15th May, 2019

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Crore)

	Note	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Cash flow from operating activities			
Net profit before tax		1,248.36	1,375.53
Adjustments for :			
Depreciation and amortization expense and impairment loss	39	1,163.05	1,111.14
Amortisation of deferred revenue	33	(63.66)	(56.55)
Provision of earlier years written back	33	(26.98)	(8.04)
Loss on sale / discarding of property, plant and equipment	40	17.97	21.96
Gain on disposal of property, plant and equipment	34	(8.40)	(54.97)
Bad debts written off (net)	40	3.96	3.32
Allowance for doubtful debts (net)	40	15.88	6.45
Finance costs	38	892.15	839.69
Interest income	34	(147.91)	(73.45)
Dividend income	34	(6.66)	(6.66)
Rent income from investment property	34	-	(1.05)
Allowance / impairment for non-current investments	40	1.35	11.47
Gain on sale of current investments in mutual funds	34	(40.33)	(42.19)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	34	6.16	(5.57)
Net gain arising on financial assets / liabilities measured at amortised cost	34	(24.45)	(14.39)
Net unrealised loss / (gain) on foreign currency transactions		(4.70)	11.87
Operating profit before working capital changes		3,025.79	3,118.56
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		(172.29)	(85.50)
Trade receivables		(65.89)	(165.34)
Non-current loans		0.02	(1.74)
Current loans		1.25	(12.31)
Other current financial assets		(278.50)	13.04
Other non-current financial assets		(229.98)	(0.10)
Other current assets		(53.14)	(15.10)
Other non-current assets		15.28	33.44
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		127.85	(76.94)
Non-current trade payables		26.98	43.46
Other current financial liabilities		16.91	99.97
Other non-current financial liabilities		98.77	92.48
Long-term provisions		4.19	(16.95)
Short-term provisions		0.93	8.15
Other current liabilities		94.68	79.26
Cash generated from operations		2,612.85	3,114.38
Taxes paid		(279.04)	(311.49)
Net cash flow from operating activities		2,333.81	2,802.89
Cash flow from investing activities			
Payments for property, plant and equipment & capital work-in-progress		(1,370.09)	(1,714.87)
Payments for intangible assets and intangible asset under development		(8.39)	(8.70)
Non-current advances for capital assets		(204.71)	(191.54)
Proceeds from sale of property, plant and equipment / investment property		100.80	60.79
Non-current Investment in subsidiaries		(221.00)	(0.02)

STATEMENT OF CASH FLOW (Contd.)

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Crore)

	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Non-current Investment in debentures	(78.30)	(182.40)
Purchase of non-current investments	(1.93)	(1.69)
(Loans to) / repayment of loans from subsidiaries (net)	324.49	(557.42)
(Investments) / redemption in bank deposits (net) (maturity more than three months)	(76.95)	31.35
Interest received	122.94	77.54
(Purchase of) / proceeds from current investments (net)	175.83	(13.44)
Dividend received from non-current investments	6.66	6.66
Rent income from investment property	-	1.05
Bank balances not considered as cash and cash equivalents	(0.02)	-
Net cash generated from / (used in) investing activities	(1,230.67)	(2,492.69)
Cash flow from financing activities		
Proceeds from long-term borrowings	317.03	987.74
Proceeds from short-term borrowings	1,200.05	-
Repayment of long-term borrowings	(427.19)	(339.97)
Prepayment of long-term borrowings	(290.75)	(19.33)
Repayment of short-term borrowings	(900.00)	(76.62)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	166.00	120.52
Dividend paid	(240.31)	(105.74)
Dividend distribution tax paid	(48.03)	(21.12)
Finance costs paid	(896.02)	(820.04)
Net cash generated from / (used in) financing activities	(1,123.04)	(278.38)
Net (decrease) / increase in cash and cash equivalents	(19.90)	31.82
Cash and cash equivalents as at beginning of the year	134.23	102.41
Cash and cash equivalents as at end of the year	114.33	134.23
See accompanying notes forming part of the standalone financial statements		
Footnotes:		
1 Cash and cash equivalents as at end of the year:		
Balances with banks		
Balance in current accounts	106.86	132.00
Balance in fixed deposit accounts (original maturity for less than three months)	0.03	0.03
Cheques, drafts on hand	6.02	1.61
Cash on hand	1.42	0.59
	114.33	134.23
2 The statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".		

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairman
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Samir Shah
Company Secretary

Ahmedabad, 15th May, 2019Ahmedabad, 15th May, 2019

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity share capital [Refer note 20]

	(₹ in Crore)
Balance as at 1 st April, 2017	480.62
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	480.62
Changes in equity share capital during the year	-
Balance as at 31st March, 2019	480.62

B. Other equity [Refer note 21]

	Reserves and surplus					Total
	Securities premium	Debt redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings
Balance as at 1st April, 2017	0.03	129.46	6.24	78.07	3,583.89	2,606.17
Profit for the year	-	-	-	-	-	921.74
Other comprehensive income for the year, net of income tax	-	-	-	-	-	13.33
Total comprehensive income for the year	-	-	-	-	-	935.07
Transfer to debt redemption reserve	-	34.22	-	-	-	(34.22)
Transfer to contingency reserve	-	-	1.71	-	-	(1.71)
Dividend paid	-	-	-	-	-	(105.74)
Dividend distribution tax paid	-	-	-	-	-	(21.12)
Balance as at 31st March, 2018	0.03	163.68	7.95	78.07	3,583.89	3,378.45
Balance as at 1st April, 2018	0.03	163.68	7.95	78.07	3,583.89	3,378.45
Impact on adoption of Ind AS 115 [Refer note 57]	-	-	-	-	-	649.42
Restated balance as at 1st April, 2018	0.03	163.68	7.95	78.07	3,583.89	4,027.87
Profit for the year	-	-	-	-	-	889.24
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(6.21)
Total comprehensive income for the year	-	-	-	-	-	883.03
Transfer to debt redemption reserve	-	34.22	-	-	-	(34.22)
Transfer to contingency reserve	-	-	1.81	-	-	(1.81)
Dividend paid	-	-	-	-	-	(240.31)
Dividend distribution tax paid	-	-	-	-	-	(48.03)
Balance as at 31st March, 2019	0.03	197.90	9.76	78.07	3,583.89	4,586.53
Balance as at 31st March, 2019	0.03	197.90	9.76	78.07	3,583.89	8,456.18

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm Registration Number : 012754N / N5000016

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Samir Mehta
Chairman
DIN:00061903

Samir Shah
Company Secretary

Ahmedabad, 15th May, 2019Ahmedabad, 15th May, 2019

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- (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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT As at 31st March, 2019

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss			Net carrying amount
	As at 1 st April, 2018	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2019	As at 1 st April, 2018	For the year	Deductions during the year	As at 31 st 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	1,318.22
Railway siding	1.86	-	-	-	1.86	0.15	0.05	-	0.20
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
Electrical fittings and apparatus	3793	2.29	0.01	0.05	40.26	9.02	3.26	0.01	12.27
Furniture and fixtures	4132	3.74	0.03	0.08	45.11	7.78	3.14	-	10.92
Vehicles	22.30	1.70	0.73	0.15	23.42	5.64	2.48	0.26	7.86
Office equipment	84.68	36.69	0.70	0.39	121.06	25.08	9.21	0.23	34.06
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

As at 31st March, 2018

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss			Net carrying amount
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2018	As at 1 st April, 2017	For the year [^]	Deductions during the year	As at 31 st 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	*	1,290.40
Railway siding	1.86	-	-	-	1.86	0.10	0.05	-	0.15
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
Electrical fittings and apparatus	34.16	3.85	0.10	0.02	37.93	6.02	3.05	0.05	9.02
Furniture and fixtures	3733	4.28	0.29	-	4132	4.84	3.09	0.15	7.78
Vehicles	19.33	4.31	1.35	0.01	22.30	3.82	2.23	0.41	5.64
Office equipment	71.79	13.45	0.61	0.05	84.68	17.60	7.70	0.22	25.08
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

[^] Includes impairment loss amounting to ₹ 14.07 Crore

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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:

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 5 : INVESTMENT PROPERTY

As at 31st March, 2019

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount
	As at 1 st April, 2018	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2019	For the year	Deductions during the year	As at 31 st March, 2019
Freehold land	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

As at 31st March, 2018

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2018	For the year	Deductions during the year	As at 31 st 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 31 st March, 2019	Year ended 31 st March, 2018
Rental income derived from investment property	-	1.05
Direct operating expenses arising from investment property	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 6 : INTANGIBLE ASSETS

As at 31st March, 2019

Particulars	Gross carrying amount				Accumulated amortization			Net carrying amount
	As at 1 st April, 2018	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2019	As at 1 st April, 2018	For the year	As at 31 st March, 2019
Computer software	26.53	10.43	-	-	36.96	13.30	6.35	19.65
Total	26.53	10.43	-	-	36.96	13.30	6.35	17.31

As at 31st March, 2018

Particulars	Gross carrying amount				Accumulated amortization			Net carrying amount
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2018	As at 1 st April, 2017	For the year	As at 31 st March, 2018
Computer software	17.26	9.27	-	-	26.53	9.86	3.44	13.23
Total	17.26	9.27	-	-	26.53	9.86	3.44	13.23

Footnote:

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS

	(₹ in Crore)	
	As at 31 st March, 2019	As at 31 st 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 - 31 st March, 2019: 6,66,00,000, 31 st March, 2018: 6,66,00,000)		
[2,70,00,000 (31 st 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 - 31 st March, 2019: 4,75,00,000, 31 st 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 - 31 st March, 2019: 8,00,50,000, 31 st March, 2018: 8,00,50,000)		
Jodhpur Wind Farms Private Limited		
Equity shares of ₹10 each fully paid up	111.00	*
(No. of shares - 31 st March, 2019: 11,10,00,000, 31 st March, 2018: 1,000)		
[5,66,10,000 (31 st 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 - 31 st March, 2019: 11,00,00,000, 31 st March, 2018: 1,000)		
[5,61,00,000 (31 st 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 - 31 st March, 2019: 9,61,500, 31 st 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 - 31 st March, 2019: 24,500, 31 st 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 - 31 st March, 2019: 25,000, 31 st March, 2018: 25,000)		
UNM Foundation @		
Equity shares of ₹10 each fully paid up	0.03	0.03
(No. of shares - 31 st March, 2019: 25,000, 31 st 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS (Contd.)

	(₹ in Crore)	
	As at 31 st March, 2019	As at 31 st 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 - 31 st March, 2019: 9,070, 31 st 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 - 31 st March, 2019: 8,600, 31 st 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 - 31 st March, 2019: 8,400, 31 st March, 2018: 5,482)		
	<u>277.31</u>	<u>183.97</u>
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	-
	<u>10.19</u>	<u>8.26</u>
	<u>689.93</u>	<u>375.01</u>
Aggregate amount of quoted investments	10.19	8.26
Aggregate amount of unquoted investments	679.74	366.75
	<u>689.93</u>	<u>375.01</u>
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 31 st March, 2019	As at 31 st March, 2018
Loans to related parties (including interest accrued) [Refer note 55(d)]	128.44	-
Security deposits	16.71	16.73
	<u>145.15</u>	<u>16.73</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 9 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Inter-corporate deposits #	230.00	-
Bank fixed deposits	0.48	0.61
Other advances	0.13	0.15
	<u>230.61</u>	<u>0.76</u>
# include ₹80.00 Crore (31 st March, 2018 - ₹ Nil) on which a lien has been created in favour of lenders		

NOTE 10 : NON- CURRENT TAX ASSETS

(₹ in Crore)

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

NOTE 11 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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
	<u>848.13</u>	<u>658.70</u>

NOTE 12 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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
	<u>626.67</u>	<u>454.38</u>

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).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 13 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Investment in mutual funds (unquoted)		
Axis Liquid Fund- Growth (No. of units - 31 st March, 2019: 4,46,035, 31 st March, 2018: Nil)	92.11	-
Baroda Pioneer Liquid Fund-Growth (No. of units - 31 st March, 2019: Nil, 31 st March, 2018: 4,28,694)	-	85.28
DSPBR Liquidity Fund (No. of units - 31 st March, 2019: Nil, 31 st March, 2018: 1,36,631)	-	33.80
ICICI Liquid Plan - Regular - Growth (No. of units - 31 st March, 2019: 69,05,766, 31 st March, 2018: Nil)	190.20	-
Invesco India Liquid Fund - Growth (No. of units - 31 st March, 2019: Nil, 31 st March, 2018: 4,59,617)	-	109.56
SBI PLF - Regular Plan Growth # (No. of units - 31 st March, 2019: Nil, 31 st March, 2018: 7,80,363)	-	211.92
Tata Money Market Fund (No. of units - 31 st March, 2019: 6,48,844, 31 st March, 2018: 4,86,299)	190.15	132.61
UTI Liquid Cash Plan - Growth (No. of units - 31 st March, 2019: Nil, 31 st March, 2018: 1,44,348)	-	40.95
	<u>472.46</u>	<u>614.12</u>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	<u>472.46</u>	<u>614.12</u>
	<u>472.46</u>	<u>614.12</u>
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 31 st March, 2019	As at 31 st March, 2018
Trade receivables		
Secured - Considered good	488.34	453.95
Unsecured - Considered good	682.19	670.53
- Credit impaired	151.81	135.93
	<u>1,322.34</u>	<u>1,260.41</u>
Less: Allowance for bad and doubtful debts	<u>151.81</u>	<u>135.93</u>
	<u>1,170.53</u>	<u>1,124.48</u>

Footnotes:

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 15 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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 31 st March, 2019	As at 31 st 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 (31 st 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 31 st March, 2019	As at 31 st 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 18 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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 31 st March, 2019	As at 31 st 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 20 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at 31 st March, 2018) equity shares of ₹10 each	4,370.00	4,370.00
	<u>4,370.00</u>	<u>4,370.00</u>
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at 31 st March, 2018) equity shares of ₹10 each	480.62	480.62
	<u>480.62</u>	<u>480.62</u>
1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :		
	No. of shares As at 31 st March, 2019	No. of shares As at 31 st 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	<u>48,06,16,784</u>	<u>48,06,16,784</u>
2. 25,74,22,311 equity shares (25,74,22,311 equity shares as at 31 st 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 31 st March, 2019 No. of shares % holding	As at 31 st March, 2018 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 13 th August, 2015.		
6. Distributions made and proposed:		
The amount of per share dividend distributed to equity shareholders during the year ended 31 st March, 2019 was ₹5.00 (Previous year- ₹2.20) per equity share, being the final dividend declared for the year ended 31 st March, 2018.		
The Board of Directors at its meeting held on 15 th 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).		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 21 : OTHER EQUITY

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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
	<u>8,456.18</u>	<u>7,212.07</u>

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 22 : NON-CURRENT BORROWINGS

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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
	<u>1,095.00</u>	<u>1,095.00</u>
Term loans @		
From banks	6,917.74	7,382.94
	<u>6,917.74</u>	<u>7,382.94</u>
	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
	<u>20.64</u>	<u>24.46</u>
	<u>8,033.38</u>	<u>8,502.40</u>
@ After considering unamortised expense of ₹30.13 Crore as at 31 st March, 2019 and ₹34.31 Crore as at 31 st March, 2018.		
Current maturities		
Secured loans - at amortised cost		
Term loans \$		
From banks	778.78	710.21
	<u>778.78</u>	<u>710.21</u>
Unsecured loans - at amortised cost		
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	<u>3.82</u>	<u>3.82</u>
	782.60	714.03
Amount disclosed under the head 'Other current financial liabilities' [Refer note 29]	<u>(782.60)</u>	<u>(714.03)</u>
	-	-
\$ After considering unamortised expense of ₹4.68 Crore as at 31 st March, 2019 and ₹4.78 Crore as at 31 st March, 2018.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 31 st March, 2019	As at 31 st 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
	<u>109.34</u>	<u>94.64</u>

NOTE 24 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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
	<u>1,055.03</u>	<u>956.44</u>

NOTE 25 : NON-CURRENT PROVISIONS

(₹ in Crore)

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in Crore)

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

NOTE 27 : CURRENT BORROWINGS

(₹ in Crore)

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

Footnotes:

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

Net debt reconciliation :

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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)
	<u>(8,588.68)</u>	<u>(8,530.73)</u>

	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)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 28 : CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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
	<u>785.13</u>	<u>657.28</u>

NOTE 29 : OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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
	<u>1,273.96</u>	<u>1,156.25</u>

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 31 st March, 2019	As at 31 st 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
	<u>661.29</u>	<u>557.74</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 31 : CURRENT PROVISIONS

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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
	<u>42.22</u>	<u>31.63</u>
Other provisions		
Provision for indirect taxes	0.07	0.18
	<u>42.29</u>	<u>31.81</u>
Movement in provision for indirect taxes :		
Opening balance as on 1 st April	0.18	0.23
Additional provision recognised	0.06	-
Reduction arising from payments	(0.17)	(0.05)
Closing balance as on 31 st March	<u>0.07</u>	<u>0.18</u>

NOTE 32 : CURRENT TAX LIABILITIES

(₹ in Crore)

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 33 : REVENUE FROM OPERATIONS

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st 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 31 st March, 2019	Year ended 31 st 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 35 : COST OF MATERIALS CONSUMED

(₹ in Crore)

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

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

(₹ in Crore)

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

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended 31 st March, 2019	Year ended 31 st 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
	<u>677.07</u>	<u>646.10</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	192.86	180.78
	<u>484.21</u>	<u>465.32</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 38 : FINANCE COSTS

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st 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 31 st March, 2019	Year ended 31 st 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 40 : OTHER EXPENSES

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 42: INCOME TAX EXPENSES

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

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st 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)
	<u>269.26</u>	<u>303.60</u>
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
	<u>89.86</u>	<u>150.19</u>
Income tax expense	<u>359.12</u>	<u>453.79</u>

(b) Reconciliation of income tax expense

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st 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	<u>362.50</u>	<u>458.61</u>
Adjustment for current tax of prior periods	(3.38)	(4.82)
Total expense as per statement of profit and loss	<u>359.12</u>	<u>453.79</u>

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 31 st March, 2019	Year ended 31 st 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	<u>(3.34)</u>	<u>7.16</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

	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
	<u>(1,469.74)</u>	<u>(89.86)</u>	<u>3.34</u>	<u>(1,556.26)</u>

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

	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
	<u>(1,312.39)</u>	<u>(150.19)</u>	<u>(7.16)</u>	<u>(1,469.74)</u>

(3) Unrecognised deferred tax assets

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

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 31 st March, 2019	As at 31 st 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	<u>1,017.24</u>	<u>912.18</u>
Non-current portion [Refer note 26]	950.04	853.84
Current portion [Refer note 30]	67.20	58.34
	<u>1,017.24</u>	<u>912.18</u>

(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 31 st March, 2019	As at 31 st 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	<u>24.30</u>	<u>27.02</u>
Non-current portion [Refer note 26]	21.58	24.31
Current portion [Refer note 30]	2.72	2.71
	<u>24.30</u>	<u>27.02</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 44: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

	As at 31 st March, 2019	As at 31 st 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

	As at 31 st March, 2019	As at 31 st March, 2018
Coal grade slippage claim	31.49	16.02
	<u>31.49</u>	<u>16.02</u>

(c) Capital commitments

	As at 31 st March, 2019	As at 31 st 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 31 st 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.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 31 st March, 2019	Year ended 31 st March, 2018	As at 31 st March, 2019	As at 31 st 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
			<u>317.41</u>	<u>618.19</u>

- 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.
- 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 31 st March, 2019	As at 31 st 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.	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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: EMPLOYEE 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 48: EMPLOYEE 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 31 st March, 2019	As at 31 st 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

	As at 31 st March, 2019	As at 31 st 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:

	Funded plan - Gratuity	
	As at 31 st March, 2019	As at 31 st 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 48: EMPLOYEE BENEFIT PLANS (Contd.)

(₹ in Crore)		
	Funded plan - Gratuity	
	As at 31 st March, 2019	As at 31 st 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)		
	As at 31 st March, 2019	As at 31 st March, 2018
Change in assumptions		
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).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 48: EMPLOYEE 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 31 st March, 2019	As at 31 st March, 2018
1 st following year	35.92	37.72
2 nd following year	20.64	21.57
3 rd following year	36.12	30.24
4 th following year	31.75	32.74
5 th following year	26.96	28.69
sum of years 6 to 10 th	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 31 st March, 2019	Year ended 31 st 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
	<u>1.61</u>	<u>0.89</u>

NOTE 50: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crore)

	Year ended 31 st March, 2019	Year ended 31 st 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
	<u>19.64</u>	<u>15.11</u>
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornscent Care Institute	1.86	7.92
(ii) UNM Foundation	4.75	2.87
	<u>6.61</u>	<u>10.79</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 51: DONATIONS INCLUDE POLITICAL CONTRIBUTIONS AS UNDER

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Electoral Bonds	25.00	-
Prudent Electoral Trust	-	10.00
	<u>25.00</u>	<u>10.00</u>

NOTE 52: EARNINGS PER SHARE

	Year ended 31 st March, 2019	Year ended 31 st 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 31 st March, 2019	Year ended 31 st 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 31 st March, 2019	As at 31 st 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.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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. 29 th January, 2018), Latour Renewables Private Limited (w.e.f. 29 th January, 2018)
3.	Associates	Wind Two Renergy Private Limited (w.e.f. 12 th December, 2017), Wind Four Renergy Private Limited (w.e.f. 12 th December, 2017), Wind Five Renergy Private Limited (w.e.f. 12 th December, 2017), Nani Virani Wind Energy Private Limited (w.e.f. 9 th March, 2018 to 15 th December, 2018), Ravapar Wind Energy Private Limited (w.e.f. 9 th March, 2018 to 15 th December, 2018), Khatiyu Wind Energy Private Limited (w.e.f. 9 th March, 2018 to 15 th 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 (DGGEN) Gratuity Trust, TPL (DGGEN) Superannuation Fund
5.	Key management personnel	Sudhir Mehta (upto 31 st March, 2018) Samir Mehta Markand Bhatt (upto 30 th September, 2018) Jinal Mehta
6.	Non-executive directors	Sudhir Mehta (w.e.f. 1 st April, 2018) Pankaj Patel Samir Barua Kiran Karnik (upto 31 st March, 2019) Keki Mistry R. Ravichandran (upto 1 st August, 2017) Bhavna Doshi Dharmishta Raval P. K. Taneja (upto 23 rd May, 2017) Pankaj Joshi (w.e.f. 23 rd May, 2017) Varun Mehta, Aman Mehta
7.	Relatives of key management personnel*	
8.	Enterprise controlled by relatives of key management personnel*	Munjial Bhatt Architects (upto 30 th 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	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
Tomascent 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
Munjial 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.	-	-	-	-	-	-	-	-	-	-	-	-
UNM Foundation	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Tomascent 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
Munjial 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	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

	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	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Relatives of key management personnel / enterprises controlled by relatives of key management personnel / enterprise 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) Gratuity 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.	-	-	1794	72.76	-	-	-	-	-	-	1794	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.

Sifting 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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

	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	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Balances at the end of the year												
Current liabilities												
Torrent Power Grid Ltd.	-	-	-	-	-	-	31.41	47.61	-	0.13	31.41	47.74
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

(₹ In Crore)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Relatives of key management personnel / enterprises controlled by relatives of key management personnel / enterprise 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 Pharmaceuticals 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 31 st March, 2019	As at 31 st 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

(b) Categories of financial instruments

(₹ in Crore)

	As at 31 st March, 2019		As at 31 st 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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)

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

(2) Financial liabilities at amortised cost

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

(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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Unhedged foreign currency exposures

Nature of transactions	Currency	(in Crore)	
		As at 31 st March, 2019	As at 31 st 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 31 st March, 2019	As at 31 st March, 2018
Fixed rate borrowings	1,119.46	1,123.28
Floating rate borrowings [^]	8,031.38	8,132.24
	<u>9,150.84</u>	<u>9,255.52</u>

[^] 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 31 st March, 2019	Year ended 31 st 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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
	<u>1,322.34</u>	<u>151.81</u>

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
	<u>1,260.41</u>	<u>135.93</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

(5) Movement in the expected credit loss allowance

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 and on behalf of the Board of Directors

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

Samir Mehta
Chairman
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Samir Shah
Company Secretary

Ahmedabad, 15th May, 2019

Ahmedabad, 15th May, 2019

Consolidated Financial Statements 2018-19

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF
TORRENT POWER LIMITED

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

Opinion

1. We have audited the accompanying consolidated Ind AS financial statements of Torrent Power Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates (refer Note 41 to the attached consolidated Ind AS financial statements), which comprise the consolidated Balance Sheet as at 31st March, 2019, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated Ind AS financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2019, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>i) Impairment assessment for Power Plant located at Dahej (Refer to note 42(1) of the consolidated Ind AS financial statements) :</p> <p>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 its commercial operations in November 2014 ("COD") and thereafter due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power purchase agreements it 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. As a result of above, there are indicators of potential impairment of carrying value of DGEN.</p> <p>The management carried out an impairment assessment of DGEN in accordance with Ind AS 36 'Impairment of Assets' and measured the recoverable amount based on value in use which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN with the help of an external valuer ("expert"). The expert estimated the value in use under two scenarios i.e. management case and alternate case by taking varied sets of assumptions reflective of likely future operating scenarios. The assessment of value in use involved several key assumptions including expected demand, future price of fuel, exchange rate, expected tariff rates, discount rate and current electricity market scenario which the management considered reasonable based on past trends and current and likely future state of the industry.</p> <p>The value in use arrived at by the expert under both the scenarios is higher than the carrying amount of PPE pertaining to DGEN and accordingly no impairment provision is considered necessary as at 31st March, 2019 by management.</p> <p>We considered this to be a key audit matter as the carrying value of DGEN at 31st March, 2019 is significant to the Group's balance sheet and there is significant judgement and uncertainty involved in estimating future cash flows in the discounted cash flow (DCF) model used by the management to support the carrying value of DGEN. Further, the assumptions used in the DCF model are subject to inherent uncertainties.</p>	<p>Our procedures in relation to management's impairment assessment of DGEN include the following:</p> <p>Assessed and tested the design and operating effectiveness of the Group's controls over impairment assessment.</p> <p>Perused the report issued by the external valuer ("expert") engaged by the management.</p> <p>Evaluated competence, capability and objectivity of the expert.</p> <p>Evaluated the reasonableness of cash flow projections used by the Group and the key assumptions in respect of expected demand, future price of fuel, exchange rate, expected tariff rates and discount rate.</p> <p>Involved auditors experts to review the external expert's report and the reasonableness of the assumptions considered in the report.</p> <p>Discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same to assess their reasonableness.</p> <p>Checked the arithmetic accuracy of the computation of projections.</p> <p>Based on the above procedures performed, we considered management's assessment of impairment of the carrying value of DGEN as at 31st March, 2019 to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
ii) Assessment of recoverability of Deferred tax asset on unutilised tax credits (Refer to note 43 to the consolidated Ind AS financial statements)	
<p>The Group has recognised deferred tax asset on unutilised tax credits, representing Minimum Alternate Tax (MAT) paid on accounting profit in the current year and earlier years in which the Group did not have normal taxable profit due to availment of tax holiday incentives and set off of carried forward unabsorbed depreciation. The asset has been recognised on the basis of Group's assessment of availability of future taxable profits to offset the MAT credit. The future taxable profit projections involve several key assumptions including expected demand, future prices of fuel, expected tariff rates of electricity, exchange rate and current electricity market scenario covering the period over which MAT Credit can be claimed as per the Income tax Act, 1961. In preparing the profit projections, management has considered, past trends, applicable tariff regulations/ agreement and current and likely future state of the industry.</p>	<p>Our audit procedures included the following:</p> <p>Evaluated and tested the design and operating effectiveness of the Group's controls over recognition and assessment of recoverability of deferred tax asset.</p> <p>Reviewed the Group's accounting policy in respect of recognizing deferred tax asset on unutilised tax credits.</p> <p>Assessed the reasonableness of the assumptions underlying profit projections made by management, in particular, the assumptions in respect of expected demand, future price of gas, expected tariff rates and exchange rate by reviewing the past trends and available tariff orders.</p> <p>Assessed the reasonableness of management's business plans considering the relevant economic and industry indicators.</p>
<p>We considered this a key audit matter as the amount of deferred tax asset is material to the financial statements and significant management judgement is required in assessing the recoverability of MAT credit based on significant assumptions underlying the forecast of taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Group's business plans.</p>	<p>Evaluated whether the tax credit entitlements are legally available to the Group for the forecast recoupment period, considering the provisions of Income tax Act, 1961.</p> <p>Checked the mathematical accuracy of the underlying calculations of the projections.</p> <p>Performed sensitivity analysis on the projected taxable profits by varying key assumptions, within reasonably foreseeable range.</p>
	<p>Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes.</p> <p>Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax asset to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>iii) Appropriateness of additional revenue recognised on adoption of Ind AS 115 (Refer to notes 2.12 and 54 to the consolidated Ind AS financial statements)</p> <p>During the year the Group has adopted Ind AS 115 'Revenue from Contracts with Customers' retrospectively with the cumulative effect of initial application recognized in the Opening Retained Earnings on 1st April, 2018.</p> <p>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 Group 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.</p> <p>The Group has in the current year recognized revenue in respect of 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.</p> <p>We considered this as a key audit matter in view of this being a material change in the accounting policy for revenue recognition, exercise of management judgement and estimates and significance of the amount involved as described in notes 2.12 and 54 to the consolidated Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <p>Assessed and tested the design and operating effectiveness of the Group's controls over the revenue recognition.</p> <p>Read the relevant multi-year tariff regulations (MYT), tariff orders and other communication between the Group with various regulatory authorities to determine the quantum of Group's entitlement to recover costs from consumers.</p> <p>Evaluated management workings that set out all the outstanding claims for approval placed by the Group with regulatory authorities and the basis adopted by management in determining undisputed and disputed claims.</p> <p>Assessed the reasonableness of management's assessment of recoverability of claims by comparing earlier years' assessment with actual approvals by the regulatory authorities.</p> <p>Checked mathematical accuracy of management workings for use of correct tariffs, and for the impact of Ind AS 115 on the opening reserves and on the current year's revenue arising from outstanding claims with regulatory authorities.</p> <p>Evaluated the impact of first time adoption of Ind AS 115 and the appropriateness of the related disclosures in respect of the additional revenue recognized in opening reserves and that recognized in the current year statement of Profit and Loss.</p> <p>Based on the procedures performed as described above, we assessed that the recognition of additional revenue under Ind AS 115 was adequately supported by the available evidence.</p>

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report (including shareholders information), management discussion and analysis, business responsibility report, report on corporate governance, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated Ind As financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of profit/ loss and other comprehensive income) of ₹ Nil for the year ended 31st March, 2019 as considered in the consolidated Ind AS financial statements, in respect of three associate companies, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies, none of the directors of the Group companies and its associate companies is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations on the consolidated Ind AS financial position of the Group and its associates – Refer Note 31 and 44 to the consolidated Ind AS financial statements.
 - ii. The Group and its associates have long-term contracts as at 31st March, 2019 for which there were no material foreseeable losses. The Group and its associates did not have any derivative contracts as at 31st March, 2019.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies during the year ended 31st March, 2019.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended 31st March, 2019.

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 039985

Place: Ahmedabad

Date: 15th May, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 15 (f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the consolidated Ind AS financial statements for the year ended 31st March, 2019

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

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls with reference to financial statements of Torrent Power Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Referred to in paragraph 15 (f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the consolidated Ind AS financial statements for the year ended 31st March, 2019

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to three associate companies, is based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 039985

Place: Ahmedabad

Date: 15th May, 2019

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2019

	Note	As at 31 st March, 2019	As at 31 st March, 2018
(₹ in Crore)			
Assets			
Non-current assets			
Property, plant and equipment	4	17,996.58	17,857.49
Capital work-in-progress		359.27	390.47
Investment property	5	-	-
Intangible assets	6	17.31	13.23
Intangible assets under development		-	2.04
Financial assets			
Investments	7	287.56	192.29
Loans	8	16.74	16.73
Other financial assets	9	230.61	0.77
Deferred tax assets (net)	43	3.56	3.06
Non-current tax assets (net)	10	28.36	27.07
Other non-current assets	11	975.56	658.82
		19,915.55	19,161.97
Current assets			
Inventories	12	627.03	454.88
Financial assets			
Investments	13	626.86	680.66
Trade receivables	14	1,229.69	1,130.45
Cash and cash equivalents	15	116.07	136.50
Bank balances other than cash and cash equivalents above	16	211.93	181.05
Loans	17	15.07	16.31
Other financial assets	18	1,679.38	751.05
Other current assets	19	132.45	79.22
		4,638.48	3,430.12
		24,554.03	22,592.09
Equity and liabilities			
Equity			
Equity share capital	20	480.62	480.62
Other equity	21	8,489.61	7,238.91
		8,970.23	7,719.53
Non-controlling interests		37.39	35.92
		9,007.62	7,755.45
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	8,576.45	8,563.70
Trade payables	23	-	-
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		109.34	94.64
Other financial liabilities	24	1,055.03	956.44
Provisions	25	83.24	79.05
Deferred tax liabilities (net)	43	1,565.38	1,482.94
Other non-current liabilities	26	975.40	882.34
		12,364.84	12,059.11
Current liabilities			
Financial liabilities			
Borrowings	27	300.05	-
Trade payables	28	-	-
Total outstanding dues of micro and small enterprises		27.17	18.34
Total outstanding dues other than micro and small enterprises		763.32	640.37
Other financial liabilities	29	1,362.90	1,482.92
Other current liabilities	30	669.27	577.52
Provisions	31	42.44	31.83
Current tax liabilities (net)	32	16.42	26.55
		3,181.57	2,777.53
		24,554.03	22,592.09

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairman
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Samir Shah
Company Secretary

Ahmedabad, 15th May, 2019

Ahmedabad, 15th May, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2019

	Note	Year ended 31 st March, 2019	Year ended 31 st March, 2018
(₹ in Crore)			
Income			
Revenue from operations	33	13,150.97	11,512.09
Other income	34	189.59	263.55
Total income		13,340.56	11,775.64
Expenses			
Electrical energy purchased		4,116.50	3,584.78
Fuel cost		4,019.46	3,200.18
Cost of materials consumed	35	259.86	233.44
Purchase of stock-in-trade		229.46	37.18
Changes in inventories of finished goods and work-in-progress	36	(19.58)	1.25
Employee benefits expense	37	486.42	467.03
Finance costs	38	898.93	848.19
Depreciation and amortization expense and impairment loss	39	1,226.53	1,131.50
Other expenses	40	859.37	871.10
Total expenses		12,076.95	10,374.65
Profit before tax		1,263.61	1,400.99
Tax expense			
Current tax	43	275.51	312.48
Deferred tax	43	84.27	136.39
		359.78	448.87
Profit for the year		903.83	952.12
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	46	(9.60)	20.50
Tax relating to remeasurement of the defined benefit plans	43	(3.35)	7.16
Other comprehensive income for the year (net of tax)		(6.25)	13.34
Total comprehensive income for the year		897.58	965.46
Profit for the year attributable to:			
Owners of the Company		898.94	942.31
Non-controlling interests		4.89	9.81
		903.83	952.12
Other comprehensive income for the year attributable to:			
Owners of the Company		(6.25)	13.34
Non-controlling interests		-	-
		(6.25)	13.34
Total comprehensive income for the year attributable to:			
Owners of the Company		892.69	955.65
Non-controlling interests		4.89	9.81
		897.58	965.46
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	50	18.70	19.61

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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Firm Registration Number : 012754N / N500016

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Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Samir Shah
Company Secretary

Ahmedabad, 15th May, 2019

Ahmedabad, 15th May, 2019

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2019

	Note	Year ended 31 st March, 2019	Year ended 31 st March, 2018
(₹ in Crore)			
Cash flow from operating activities			
Net profit before tax		1,263.61	1,400.99
Adjustments for :			
Depreciation and amortization expense and impairment loss	39	1,226.53	1,131.50
Amortisation of deferred revenue	33	(64.07)	(56.96)
Provision of earlier years written back	33	(26.98)	(8.04)
Loss on sale / discarding of property, plant and equipment	40	17.97	31.07
Gain on disposal of property, plant and equipment	34	(8.40)	(54.97)
Bad debts written off (net)	40	3.96	3.32
Allowance for doubtful debts (net)	40	17.44	6.45
Finance costs	38	898.93	848.19
Interest income	34	(75.94)	(69.25)
Rent income from investment property	34	-	(1.05)
Goodwill / non-current investment written off	40	-	0.02
Gain on sale of current investments in mutual funds	34	(49.56)	(44.57)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	34	9.09	(8.48)
Net gain arising on financial assets / liabilities measured at amortised cost	34	(24.45)	(14.39)
Net unrealised loss / (gain) on foreign currency transactions		(4.70)	11.87
Operating profit before working capital changes		3,183.43	3,175.70
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		(172.15)	(85.51)
Trade receivables		(120.64)	(165.17)
Non-current loans		(0.01)	(1.73)
Current loans		1.24	(12.32)
Other current financial asset		(280.22)	(85.81)
Other non-current financial asset		(229.98)	(0.10)
Other current assets		(53.23)	(15.73)
Other non-current assets		15.39	33.34
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		131.80	(76.31)
Non-current trade payables		26.98	43.46
Other current financial liabilities		21.05	91.46
Other non-current financial liabilities		98.77	92.48
Long-term provisions		4.19	(16.93)
Short-term provisions		1.01	8.18
Other current liabilities		82.89	98.52
Cash generated from operations		2,710.52	3,083.53
Taxes paid		(285.92)	(320.03)
Net cash flow from operating activities		2,424.60	2,763.50
Cash flow from investing activities			
Payments for property, plant and equipment & capital work-in-progress		(1,648.15)	(2,280.67)
Payments for intangible assets & intangible asset under development		(8.39)	(8.70)
Non-current advances for capital assets		(332.13)	(97.26)
Proceeds from sale of property, plant and equipment / investment property		100.80	51.68
Non-current Investment in subsidiaries		-	(0.02)
Non-current Investment in debentures		(78.30)	(182.40)
Purchase of non-current investments		(1.93)	(1.69)

CONSOLIDATED STATEMENT OF CASH FLOW (Contd.)

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Crore)

	Year ended 31 st March, 2019	Year ended 31 st March, 2018
(Investments) / redemption in bank deposits (net) (maturity more than three months)	(31.40)	(14.21)
Interest received	76.79	77.12
(Purchase of) / proceeds from current investments (net)	94.27	36.66
Rent income from investment property	-	1.05
Bank balances not considered as cash and cash equivalents	(0.02)	-
Net cash generated from / (used in) investing activities	(1,828.46)	(2,418.44)
Cash flow from financing activities		
Proceeds from long-term borrowings	859.61	987.74
Proceeds from short-term borrowings	1,200.05	-
Repayment of long-term borrowings	(447.55)	(360.33)
Prepayment of long-term borrowings	(290.75)	(19.33)
Repayment of short-term borrowings	(900.00)	(76.62)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	166.00	120.52
Dividend paid	(242.65)	(108.08)
Dividend distribution tax paid	(49.88)	(22.95)
Finance costs paid	(907.58)	(828.54)
Net cash generated from / (used) in financing activities	(616.57)	(311.41)
Net (decrease) / increase in cash and cash equivalents	(20.43)	33.65
Cash and cash equivalents as at beginning of the year	136.50	102.85
Cash and cash equivalents as at end of the year	116.07	136.50
See accompanying notes forming part of the consolidated financial statements		
Footnotes:		
1	Cash and cash equivalents as at end of the year:	
	Balances with banks	
	Balance in current accounts	107.85
	Balance in fixed deposit accounts (original maturity for less than three months)	0.78
	Cheques, drafts on hand	6.02
	Cash on hand	1.42
		116.07
2	The consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".	

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairman
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Samir Shah
Company Secretary

Ahmedabad, 15th May, 2019

Ahmedabad, 15th May, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity share capital [Refer note 20]

	(₹ in Crore)
Balance as at 1 st April, 2017	480.62
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	480.62
Changes in equity share capital during the year	-
Balance as at 31st March, 2019	480.62

B. Other equity [Refer note 21]

	Reserves and surplus								(₹ in Crore)
	Securities premium	Debt redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	Other equity attributable to equity holders of the Company	Non-controlling interests	Total
Balance as at 1 st April, 2017	0.03	129.46	6.24	78.07	3,583.89	2,613.78	6,411.47	28.93	6,440.40
Profit for the year	-	-	-	-	-	942.31	942.31	9.81	952.12
Other comprehensive income for the year, net of income tax	-	-	-	-	-	13.34	13.34	-	13.34
Total comprehensive income for the year	-	-	-	-	-	955.65	955.65	9.81	965.46
Transfer to debt redemption reserve	-	34.22	-	-	-	(34.22)	-	-	-
Transfer to contingency reserve	-	-	1.71	-	-	(1.71)	-	-	-
Dividend (including interim dividend) paid	-	-	-	-	-	(105.74)	(105.74)	(2.34)	(108.08)
Dividend distribution tax paid	-	-	-	-	-	(22.47)	(22.47)	(0.48)	(22.95)
Balance as at 31 st March, 2018	0.03	163.68	7.95	78.07	3,583.89	3,405.29	7,238.91	35.92	7,274.83
Balance as at 1 st April, 2018	0.03	163.68	7.95	78.07	3,583.89	3,405.29	7,238.91	35.92	7,274.83
Impact on adoption of Ind AS 115 [Refer note 54]	-	-	-	-	-	647.72	647.72	(0.60)	647.12
Restated balance as at 1 st April, 2018	0.03	163.68	7.95	78.07	3,583.89	4,053.01	7,886.63	35.32	7,921.95
Profit for the year	-	-	-	-	-	898.94	898.94	4.89	903.83
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(6.25)	(6.25)	-	(6.25)
Total comprehensive income for the year	-	-	-	-	-	892.69	892.69	4.89	897.58
Transfer to debt redemption reserve	-	34.22	-	-	-	(34.22)	-	-	-
Transfer to contingency reserve	-	-	1.81	-	-	(1.81)	-	-	-
Dividend (including interim dividend) paid	-	-	-	-	-	(240.31)	(240.31)	(2.34)	(242.65)
Dividend distribution tax paid	-	-	-	-	-	(49.40)	(49.40)	(0.48)	(49.88)
Balance as at 31 st March, 2019	0.03	197.90	9.76	78.07	3,583.89	4,619.96	8,489.61	37.39	8,527.00

In terms of our report attached

For and on behalf of the Board of Directors

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

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Samir Mehta
Chairman
DIN:00061903

Samir Shah
Company Secretary

Ahmedabad, 15th May, 2019

Ahmedabad, 15th May, 2019

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1A: GENERAL INFORMATION

These financial statements comprise financial statements of Torrent Power Limited (“the Company”) and its subsidiaries (hereinafter referred to as “the Group”) and associates for the year ended 31st March, 2019.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. 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 Group is engaged in the business of generation, transmission and distribution of Power and of manufacture and sale of Cable. Information on the Group’s structure is provided in note 41.

NOTE 1B: NEW STANDARDS OR INTERPRETATIONS ADOPTED BY THE GROUP

The Group 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 54 for the impact on change in policy and related disclosures.

NOTE 1C: NEW STANDARDS OR INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

Ind AS 116 “Leases”

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) 2018 on 30th March, 2019 which includes Ind AS – 116 “Lease”. 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 Group’s financial statements, the Group is analysing leasing contracts. The Group 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 Group progresses further in the implementation process. As a result, at this stage the Group is not able to estimate the impact of the new standard on the Group’s financial statements. The Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group 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 Group 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 Principles of consolidation:

Subsidiaries

The consolidated financial statements comprise the financial statements of Torrent Power Limited and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on 31st March.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

2.3 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 Group 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group 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 consolidated 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 or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

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 Group 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 Group 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 Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated 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 group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group, 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 group 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 consolidated 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 includes 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 consolidated balance sheet.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 and transmission charges is accounted for in accordance with the principles laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulator. Revenue recognized 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. Similarly contribution by third party towards construction of overhead transmission lines are recognized 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 consolidated financial statements are prepared in Indian rupee (INR) which is functional as well as presentation currency of the Group.

Transactions and balances

In preparing the financial statements of each individual Group entity 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Foreign exchange differences regarded as an adjustments to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group'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 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 Group has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the consolidated 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 consolidated 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 consolidated 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 consolidated balance sheet represents the actual deficit or surplus in the Group'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 consolidated 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated 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 consolidated 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 Group 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) attributable to owners of the Company by the weighted average number of equity shares outstanding during the year.

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.17 Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognized when the Group 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 Group 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 consolidated 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 Group 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 Group 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 Group 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 Group's consolidated balance sheet) when:

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

When the entity has transferred an asset, the Group 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 Group has not retained control over the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

i) Classification

All the Group'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 Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group 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 Group as Lessee): Lease payments under an operating lease are recognized as expense in the consolidated 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group 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 Group has not recognized those true up adjustment claims which are subject of dispute and for which the group is in appeal with regulatory authorities.

3.2 Property, plant and equipment:

(i) Service concession arrangements

The Group 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 Group 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 Group 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 42(1)]

3.3 Impairment of financial assets:

(i) Trade receivables

The Group estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in note 53.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.4 Taxation:

(i) Current tax

The Group has treated certain expenditure as being deductible for tax purposes. However, the tax legislation in relation to such expenditure is not clear and the Group 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 43]

3.5 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

As at 31st March, 2019

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss			Net carrying amount
	As at 1 st April, 2018	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2019	As at 1 st April, 2018	For the year	Deductions during the year	As at 31 st March, 2019
Freehold land	386.99	110.76	88.65	-	409.10	-	-	-	409.10
Buildings	1,426.22	79.13	0.37	0.70	1,505.68	135.83	51.68	0.04	1,318.21
Railway siding	1.86	-	-	-	1.86	0.15	0.05	-	1.66
Plant and machinery	18,889.09	1,229.67	31.74	6.13	20,093.15	2,849.48	1,152.19	11.32	3,990.35
Electrical fittings and apparatus	37.93	2.29	0.01	0.05	40.26	9.02	3.26	0.01	12.27
Furniture and fixtures	41.32	3.74	0.03	0.08	45.11	7.78	3.14	-	10.92
Vehicles	22.38	1.70	0.73	0.15	23.50	5.64	2.49	0.26	7.87
Office equipment	84.69	36.69	0.70	0.39	121.07	25.09	9.21	0.23	34.07
Total	20,890.48	1,463.98	122.23	7.50	22,239.73	3,032.99	1,222.02	11.86	4,243.15

As at 31st March, 2018

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss			Net carrying amount
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2018	As at 1 st April, 2017	For the year [^]	Deductions during the year	As at 31 st March, 2018
Freehold land	368.95	18.04	-	-	386.99	-	-	-	386.99
Buildings	1,357.56	67.92	0.24	0.98	1,426.22	86.51	49.32	*	135.83
Railway siding	1.86	-	-	-	1.86	0.10	0.05	-	0.15
Plant and machinery	16,817.70	2,122.12	34.96	(15.77)	18,889.09	1,793.81	1,065.14	9.47	2,849.48
Electrical fittings and apparatus	34.16	3.85	0.10	0.02	37.93	6.02	3.05	0.05	9.02
Furniture and fixtures	37.33	4.28	0.29	-	41.32	4.84	3.09	0.15	7.78
Vehicles	19.41	4.31	1.35	0.01	22.38	3.82	2.23	0.41	5.64
Office equipment	71.80	13.45	0.61	0.05	84.69	17.61	7.70	0.22	25.09
Total	18,708.77	2,233.97	37.55	(14.71)	20,890.48	1,912.71	1,130.58	10.30	3,032.99

[^] includes impairment loss amounting to ₹14.07 Crore

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Footnotes:

1 Assets mortgaged as security:

Entire movable and immovable properties (including capital work-in-progress) with the net carrying amount of ₹18,355.85 Crore (31st March, 2018 - ₹18,247.96 Crore) have been mortgaged and hypothecated to secure borrowings of the Company and certain subsidiaries [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 Group under various headings.

7 Refer note 42(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:

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 : INVESTMENT PROPERTY

As at 31st March, 2019

Particulars	Gross carrying amount				Accumulated depreciation			(₹ in Crore)	
	As at 1 st April, 2018	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2019	For the year	Deductions during the year	As at 31 st March, 2019	Net carrying amount
Freehold land	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

As at 31st March, 2018

Particulars	Gross carrying amount				Accumulated depreciation			(₹ in Crore)	
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2018	For the year	Deductions during the year	As at 31 st March, 2018	Net carrying amount
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] :

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 : INTANGIBLE ASSETS

As at 31st March, 2019

Particulars	Gross carrying amount				Accumulated amortization			Net carrying amount
	As at 1 st April, 2018	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2019	For the year	Deductions during the year	
Computer software	26.53	10.43	-	-	36.96	6.35	-	17.31
Total	26.53	10.43	-	-	36.96	6.35	-	17.31

As at 31st March, 2018

Particulars	Gross carrying amount				Accumulated amortization			Net carrying amount
	As at 1 st April, 2017	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2018	For the year	Deductions during the year	
Computer software	17.26	9.27	-	-	26.53	3.44	-	13.23
Total	17.26	9.27	-	-	26.53	3.44	-	13.23

Footnote:

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Investment in equity instruments (unquoted)		
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 - 31 st March, 2019: 9,61,500, 31 st 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 - 31 st March, 2019: 24,500, 31 st 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 - 31 st March, 2019: 25,000, 31 st March, 2018: 25,000)		
UNM Foundation @		
Equity shares of ₹10 each fully paid up	0.03	0.03
(No. of shares - 31 st March, 2019: 25,000, 31 st March, 2018: 25,000)		
	0.06	0.06
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 - 31 st March, 2019: 9,070, 31 st 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 - 31 st March, 2019: 8,600, 31 st 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 - 31 st March, 2019: 8,400, 31 st March, 2018: 5,482)		
	277.31	183.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS (Contd.)

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
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	-
	<u>10.19</u>	<u>8.26</u>
	<u>287.56</u>	<u>192.29</u>
Aggregate amount of quoted investments	10.19	8.26
Aggregate amount of unquoted investments	277.37	184.03
	<u>287.56</u>	<u>192.29</u>
Aggregate amount of provision for impairment in value of investments	0.63	0.63
Aggregate amount of market value of quoted investments	10.54	8.42
<p>@ 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.</p> <p>\$ 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].</p>		

NOTE 8 : NON-CURRENT LOANS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Security deposits	16.74	16.73
	<u>16.74</u>	<u>16.73</u>

NOTE 9 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Inter-corporate deposits #	230.00	-
Bank fixed deposits	0.48	0.62
Other advances	0.13	0.15
	<u>230.61</u>	<u>0.77</u>
# include ₹80.00 Crore (31 st March, 2018 - ₹ Nil) on which a lien has been created in favour of lenders		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 : NON-CURRENT TAX ASSETS

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Advance income tax (net)	28.36	27.07
	<u>28.36</u>	<u>27.07</u>

NOTE 11 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Capital advances	601.62	269.49
Advances for goods and services	213.02	230.29
Balances with government authorities	2.94	2.94
Prepaid expenses	2.14	2.53
Unamortised premium for leasehold land	155.84	153.57
	<u>975.56</u>	<u>658.82</u>

NOTE 12 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Stores and spares	279.56	285.37
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
	<u>627.03</u>	<u>454.88</u>

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 and certain subsidiaries.
3. The above carrying amount of fuel includes goods in transit of ₹4.48 Crore (31st March, 2018 - ₹6.05 Crore).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Investment in mutual funds (unquoted)		
Axis Liquid Fund- Growth (No. of units - 31 st March, 2019: 4,46,035, 31 st March, 2018: Nil)	92.11	-
Baroda Pioneer Liquid Fund-Growth (No. of units - 31 st March, 2019: Nil, 31 st March, 2018: 4,28,694)	-	85.28
DSPBR Liquidity Fund (No. of units - 31 st March, 2019: Nil, 31 st March, 2018: 1,82,845)	-	45.24
ICICI Liquid Plan - Regular - Growth [^] (No. of units - 31 st March, 2019: 98,64,058, 31 st March, 2018: Nil)	271.68	-
Invesco India Liquid Fund - Growth (No. of units - 31 st March, 2019: Nil, 31 st March, 2018: 4,59,617)	-	109.56
LIC MF Liquid Fund (No. of units - 31 st March, 2019: Nil, 31 st March, 2018: 17,065)	-	5.35
SBI PLF - Regular Plan Growth # (No. of units - 31 st March, 2019: Nil, 31 st March, 2018: 7,80,363)	-	211.91
Tata Money Market Fund (No. of units - 31 st March, 2019: 8,97,692, 31 st March, 2018: 6,68,769)	263.07	182.37
UTI Liquid Cash Plan - Growth (No. of units - 31 st March, 2019: Nil, 31 st March, 2018: 1,44,348)	-	40.95
	<u>626.86</u>	<u>680.66</u>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	<u>626.86</u>	<u>680.66</u>
	<u>626.86</u>	<u>680.66</u>
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-
	-	-
[^] include ₹22.30 Crore (31 st March, 2018 - ₹ Nil) on which a lien has been created in favour of lenders		
# include ₹ Nil (31 st March, 2018 - ₹89.14 Crore) on which a lien has been created in favour of lenders		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 : TRADE RECEIVABLES

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Trade receivables		
Secured - Considered good	488.35	453.94
Unsecured - Considered good	741.34	676.51
- Credit impaired	153.37	135.93
	1,383.06	1,266.38
Less: Allowance for bad and doubtful debts	153.37	135.93
	<u>1,229.69</u>	<u>1,130.45</u>
Footnotes:		
1. Refer note 53 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 31 st March, 2019	As at 31 st March, 2018
Balances with banks		
Balance in current accounts	107.85	133.26
Balance in fixed deposit accounts (original maturity of less than three months)	0.78	1.03
	108.63	134.29
Cheques, drafts on hand	6.02	1.61
Cash on hand	1.42	0.60
	<u>116.07</u>	<u>136.50</u>

NOTE 16 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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)	204.14	172.60
	<u>211.93</u>	<u>181.05</u>
# include ₹69.00 Crore (31 st 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 31 st March, 2019	As at 31 st March, 2018
Security deposits	15.07	16.31
	<u>15.07</u>	<u>16.31</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

	(₹ in Crore)	
	As at 31 st March, 2019	As at 31 st 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	11.35
Unbilled revenue (including revenue gap / surplus) [Refer note 54]	1,494.17	484.97
	1,581.61	651.42
Other advances / receivables		
Considered good	97.77	99.63
Considered credit impaired	6.06	6.06
	103.83	105.69
Less : Allowance for doubtful advances	6.06	6.06
	97.77	99.63
	1,679.38	751.05
# 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 31 st March, 2019	As at 31 st March, 2018
Advances for goods and services	52.86	63.05
Balances with government authorities	53.82	0.12
Prepaid expenses	19.92	10.32
Unamortised premium for leasehold land	5.85	5.73
	132.45	79.22

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 20 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at 31 st March, 2018) equity shares of ₹10 each	4,370.00	4,370.00
	<u>4,370.00</u>	<u>4,370.00</u>
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at 31 st March, 2018) equity shares of ₹10 each	480.62	480.62
	<u>480.62</u>	<u>480.62</u>
1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :		
	No. of shares As at 31 st March, 2019	No. of shares As at 31 st 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	<u>48,06,16,784</u>	<u>48,06,16,784</u>
2. 25,74,22,311 equity shares (25,74,22,311 equity shares as at 31 st 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 31 st March, 2019 No. of shares % holding	As at 31 st March, 2018 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 13 th August, 2015.		
6. Distributions made and proposed:		
The amount of per share dividend distributed to equity shareholders during the year ended 31 st March, 2019 was ₹5.00 (Previous year - ₹2.20) per equity share, being the final dividend declared for the year ended 31 st March, 2018.		
The Board of Directors at its meeting held on 15 th 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).		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 : OTHER EQUITY

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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	4,619.96	3,405.29
	<u>8,489.61</u>	<u>7,238.91</u>

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 Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 : NON-CURRENT BORROWINGS

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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	7,460.81	7,444.24
	7,460.81	7,444.24
	8,555.81	8,539.24
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
	8,576.45	8,563.70
@ After considering unamortised expense of ₹34.33 Crore as at 31 st March, 2019 and ₹34.31 Crore as at 31 st March, 2018.		
Current maturities		
Secured loans - at amortised cost		
Term loans \$		
From banks	834.83	730.57
	834.83	730.57
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
	838.65	734.39
Amount disclosed under the head 'Other current financial liabilities' [Refer note 29]	(838.65)	(734.39)
	-	-
\$ After considering unamortised expense of ₹5.24 Crore as at 31 st March, 2019 and ₹4.78 Crore as at 31 st March, 2018.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 : NON-CURRENT BORROWINGS (Contd.)

Footnote:

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.

Amount of term loan of ₹61.30 Crore from bank is secured by way of first pari passu charge created on the entire movable properties including transmission towers, insulators and other movable assets, book debts, operating cash flows, revenues, intangibles, trust and retention account of subsidiary Company, Torrent Power Grid Limited.

Amount of term loan of ₹274.13 Crore from bank is secured by way of first pari passu charge created on entire immovable (in the process of creation) and movable assets (whether tangible or intangible) including current assets, both present and future, all bank accounts of the project including trust and retention account of subsidiary Company, Jodhpur Wind Farms Private Limited.

Amount of term loan of ₹268.45 Crore from bank is secured by way of first pari passu charge created on entire immovable (in the process of creation) and movable assets (whether tangible or intangible) including current assets, both present and future, all bank accounts of the project including trust and retention account of subsidiary Company, Latur Renewables Private Limited.

NOTE 23 : NON-CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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
	<u>109.34</u>	<u>94.64</u>

NOTE 24 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st 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
	<u>1,055.03</u>	<u>956.44</u>

NOTE 25 : NON-CURRENT PROVISIONS

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Provision for employee benefits		
Provision for compensated absences	83.24	79.05
	<u>83.24</u>	<u>79.05</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Deferred revenue		
Contribution received from consumers	953.83	858.03
Capital grant from government	21.57	24.31
	<u>975.40</u>	<u>882.34</u>

NOTE 27 : CURRENT BORROWINGS

(₹ in Crore)

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

Footnote:

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.

Net debt reconciliation :

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Cash and cash equivalents	116.07	136.50
Current investments	626.86	680.66
Current borrowings	(300.05)	-
Non-current borrowings (including current maturities and interest accrued but not due)	(9,479.31)	(9,360.74)
	<u>(9,036.43)</u>	<u>(8,543.58)</u>

	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	102.85	664.27	(76.62)	(8,735.06)	(8,044.56)
Cash flows	33.65	(36.66)	76.62	(604.26)	(530.65)
Interest expense	-	-	(0.06)	(776.52)	(776.58)
Interest paid	-	-	0.06	755.10	755.16
Gain on sale of current investments	-	44.57	-	-	44.57
Fair value adjustment	-	8.48	-	-	8.48
Net balance as at					
31st March, 2018	136.50	680.66	-	(9,360.74)	(8,543.58)
Cash flows	(20.43)	(94.27)	(300.05)	(117.49)	(532.24)
Interest expense	-	-	(12.23)	(816.24)	(828.47)
Interest paid	-	-	12.23	815.16	827.39
Gain on sale of current investments	-	49.56	-	-	49.56
Fair value adjustment	-	(9.09)	-	-	(9.09)
Net balance as at					
31st March, 2019	<u>116.07</u>	<u>626.86</u>	<u>(300.05)</u>	<u>(9,479.31)</u>	<u>(9,036.43)</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 28 : CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises#	27.17	18.34
Total outstanding dues other than micro and small enterprises	763.32	640.37
	<u>790.49</u>	<u>658.71</u>
# Amount due to micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) have been determined based on the information available with the Group.		

NOTE 29 : OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Current maturities of long-term debt [Refer note 22]	838.65	734.39
Interest accrued but not due on loans and security deposits	24.64	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	34.06
Security deposits from consumers	26.45	25.39
Other deposits	3.97	3.69
Payables for purchase of property, plant and equipment	277.51	496.17
Sundry payables (including for employees related payables)	158.57	157.21
	<u>1,362.90</u>	<u>1,482.92</u>
# There is no amount due and outstanding to be credited to investor education and protection fund as at 31 st March, 2019.		

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Credit balances of consumers	71.89	59.46
Service line deposits from consumers	258.73	239.88
Deferred revenue		
Contribution received from consumers	67.61	58.76
Capital grant from government	2.72	2.71
Statutory dues	35.32	45.67
Sundry payables (including for electricity duty payable)	233.00	171.04
	<u>669.27</u>	<u>577.52</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 31 : CURRENT PROVISIONS

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Provision for employee benefits		
Provision for gratuity [Refer note 46.2(d)]	18.39	11.05
Provision for compensated absences	23.98	20.60
	42.37	31.65
Other provisions		
Provision for indirect taxes	0.07	0.18
	42.44	31.83
Movement in provision for indirect taxes		
Opening balance as on 1 st April	0.18	0.23
Additional provision recognised	0.06	-
Reduction arising from payments	(0.17)	(0.05)
Closing balance as on 31 st March	0.07	0.18

NOTE 32 : CURRENT TAX LIABILITIES

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Provision for taxation (net of advance tax and tax deducted at source)	16.42	26.55
	16.42	26.55

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 33 : REVENUE FROM OPERATIONS

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Revenue from contracts with customers		
Revenue from power supply [Refer note 54]	12,440.30	10,962.38
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
	12,974.74	11,305.26
Less: Discount for prompt payment of bills	18.23	15.68
	12,956.51	11,289.58
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	61.35	54.25
Capital grant from government	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	63.21	68.77
	194.46	222.51
	13,150.97	11,512.09

NOTE 34 : OTHER INCOME

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Interest income from financial assets at amortised cost		
Deposits	26.08	27.82
Consumers	28.23	21.21
Contingency reserve investments	0.73	0.60
Others	20.90	19.62
	75.94	69.25
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	49.56	44.57
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	(9.09)	8.48
Net gain on foreign currency transactions	4.70	0.76
Miscellaneous income	35.63	70.08
	189.59	263.55

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 35 : COST OF MATERIALS CONSUMED

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Cost of materials consumed	311.02	323.79
Less: Allocated to capital works	51.16	90.35
	<u>259.86</u>	<u>233.44</u>

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

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

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Salaries, wages and bonus	588.34	556.28
Contribution to provident and other funds [Refer note 46.1]	35.86	33.54
Employees welfare expenses	22.05	20.83
Compensated absences	20.67	4.94
Gratuity [Refer note 46.2(e)(3)]	12.35	32.22
	<u>679.27</u>	<u>647.81</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	192.85	180.78
	<u>486.42</u>	<u>467.03</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 38 : FINANCE COSTS

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Interest expense for financial liabilities not classified as fair value through profit or loss		
Term loans	706.34	666.62
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
	908.16	852.25
Less: Allocated to capital works	9.23	4.06
	<u>898.93</u>	<u>848.19</u>

NOTE 39 : DEPRECIATION, AMORTIZATION EXPENSE AND IMPAIRMENT LOSS

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Depreciation expense and impairment loss on property, plant and equipment	1,222.02	1,130.58
Amortization expense on intangible assets	6.35	3.44
	1,228.37	1,134.02
Less: Transfer from others	0.10	0.09
Less: Allocated to capital works	1.74	2.43
	<u>1,226.53</u>	<u>1,131.50</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 40 : OTHER EXPENSES

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Consumption of stores and spares	165.17	171.57
Rent and hire charges	25.04	19.26
Repairs to		
Buildings	11.53	12.28
Plant and machinery	321.07	315.54
Others	14.47	16.41
	347.07	344.23
Insurance	17.88	19.85
Rates and taxes	10.97	9.83
Excise duty	-	9.92
Corporate social responsibility expenses [Refer note 48]	20.49	15.69
Vehicle running expenses	29.84	30.64
Electricity expenses	26.39	27.13
Security expenses	36.03	38.63
Water charges	16.41	16.66
Loss on sale / discarding of property, plant and equipment	17.97	31.07
Commission to non-executive directors [Refer note 52(b)]	6.11	1.29
Directors sitting fees	0.84	0.90
Auditors remuneration [Refer note 47]	1.70	0.97
Legal, professional and consultancy fees	42.46	35.66
Donations [Refer note 49]	34.20	17.68
Net loss on foreign currency transactions	-	31.99
Non-current investment written off	-	0.02
Bad debts written off (net)	3.96	3.32
Allowance for doubtful debts (net of recovery)	17.44	6.45
Miscellaneous expenses	104.11	117.48
	924.08	950.24
Less: Allocated to capital works, repairs and other relevant revenue accounts	64.71	79.14
	859.37	871.10

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 41: COMPOSITION OF THE GROUP

(a) Subsidiaries

(1) Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at 31 st March, 2019	As at 31 st March, 2018
Torrent Solargen Limited	Power Generation	India	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%
Latur Renewable Private Limited (w.e.f. 29 th January, 2018)	Power Generation	India	100%	100%
Jodhpur Wind Farms Private Limited (w.e.f. 29 th January, 2018)	Power Generation	India	100%	100%

(2) Disclosure of additional information pertaining to the Parent Company and its Subsidiaries as per Schedule III of Companies Act, 2013 as at and year ended 31st March, 2019 :

Name of the entity in the Group	Consolidated net assets i.e total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Company	99.21%	8,936.80	98.39%	889.24	99.32%	(6.21)	98.38%	883.03
Torrent Solargen Limited	0.96%	86.30	0.23%	2.08	-	-	0.23%	2.08
Torrent Pipavav Generation Limited	0.38%	34.65	(0.15)%	(1.37)	-	-	(0.15)%	(1.37)
Torrent Power Grid Limited	1.12%	101.17	1.57%	14.16	0.68%	(0.04)	1.57%	14.12
Latur Renewable Private Limited	1.16%	104.70	(0.07)%	(0.65)	-	-	(0.07)%	(0.65)
Jodhpur Wind Farms Private Limited	1.21%	108.98	0.30%	2.74	-	-	0.31%	2.74
Non-controlling interests	0.42%	37.39	0.54%	4.89	-	-	0.54%	4.89
Consolidation adjustments	(4.46)%	(402.37)	(0.80)%	(7.26)	-	-	(0.81)%	(7.26)
Total	100.00%	9,007.62	100.00%	903.83	100.00%	(6.25)	100.00%	897.58

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 41: COMPOSITION OF THE GROUP (Contd.)

(b) Associates

Details of the Company's associates at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Quoted fair value	Carrying amount as at 31 st March, 2019
			As at 31 st March, 2019	As at 31 st March, 2018		
Wind Two Renergy Private Limited (w.e.f. 12 th December, 2017)	Power Generation	India	0%	0%	Unlisted	#
Wind Four Renergy Private Limited (w.e.f. 12 th December, 2017)	Power Generation	India	0%	0%	Unlisted	#
Wind Five Renergy Private Limited (w.e.f. 12 th December, 2017)	Power Generation	India	0%	0%	Unlisted	#
Nani Virani Wind Energy Private Limited (w.e.f. 9 th March, 2018 to 15 th December, 2018)	Power Generation	India	NA	0%	Unlisted	\$
Ravapar Wind Energy Private Limited (w.e.f. 9 th March, 2018 to 15 th December, 2018)	Power Generation	India	NA	0%	Unlisted	\$
Khatiyu Wind Energy Private Limited (w.e.f. 9 th March, 2018 to 15 th December, 2018)	Power Generation	India	NA	0%	Unlisted	\$

The Company has made investments in the above three entities in the form of secured redeemable (with premium) non-convertible debentures and does not hold any equity investments. To protect the investment aggregating to ₹260.70 Crore made by the Company, the Company has acquired certain rights which include the right to nominate directors on the board. Considering the above facts and based on the requirements of Ind AS, the investments in aforesaid entities have been classified as Investments in associates. As the Company does not have any equity interest, the Company does not have any share in the profit, loss or comprehensive income of the entities and accordingly, there is no impact on the consolidated statement of profit and loss and the aforesaid investments in redeemable debentures of ₹260.70 Crore have been carried at amortized cost.

\$ During the year, Nani Virani Wind Energy Private Limited, Ravapar Wind Energy Private Limited and Khatiyu Wind Energy Private Limited have ceased to be associates of the Company. There is no impact of this development on the consolidated financial results for the year.

Refer note 44(C) for capital and other commitments in the above associates.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 42: 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 43: INCOME TAX EXPENSE

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

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Current tax		
Current tax on profits for the year	278.89	317.30
Adjustment for current tax of prior periods	(3.38)	(4.82)
	<u>275.51</u>	<u>312.48</u>
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(54.02)	(129.90)
(Decrease) / increase in deferred tax liabilities	138.29	266.29
	<u>84.27</u>	<u>136.39</u>
Income tax expense	<u>359.78</u>	<u>448.87</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Reconciliation of income tax expense

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Profit before tax	1,263.61	1,400.99
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.608%)	441.56	484.85
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	25.23	21.02
Tax incentives	(377.85)	(11.41)
Transition to Ind AS 115	63.53	-
Unabsorbed depreciation / tax credits and other items	212.12	(59.38)
Different tax rates of subsidiaries	(1.57)	1.57
Impact of enacted income tax rate on deferred tax balance	0.14	17.04
Total	363.16	453.69
Adjustment for current tax of prior periods	(3.38)	(4.82)
Total expense as per statement of profit and loss	359.78	448.87
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 31 st March, 2019	Year ended 31 st March, 2018
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	(9.60)	20.50
Income tax expense / (income) recognised in other comprehensive income	(3.35)	7.16

(d) Deferred tax balances

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

	(₹ in Crore)	
	As at 31 st March, 2019	As at 31 st March, 2018
Deferred tax assets	682.93	626.58
Deferred tax liabilities	(2,244.75)	(2,106.46)
	<u>(1,561.82)</u>	<u>(1,479.88)</u>
Disclosed as deferred tax assets (net)	3.56	3.06
Disclosed as deferred tax liabilities (net)	<u>(1,565.38)</u>	<u>(1,482.94)</u>
	<u>(1,561.82)</u>	<u>(1,479.88)</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 43: INCOME TAX EXPENSE (Contd.)

(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	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,093.58)	(144.26)	-	-	(2,237.84)
Expense allowable for tax purposes when paid	58.33	(4.71)	-	3.35	56.97
Tax effect on fair value change in financial instruments and unamortised cost	(12.88)	5.97	-	-	(6.91)
Unabsorbed depreciation / Minimum Alternate Tax (MAT) credit entitlement and other items	568.25	58.73	(1.02)	-	625.96
	<u>(1,479.88)</u>	<u>(84.27)</u>	<u>(1.02)</u>	<u>3.35</u>	<u>(1,561.82)</u>

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

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(1,835.11)	(258.47)	-	-	(2,093.58)
Expense allowable for tax purposes when paid	58.30	7.19	-	(7.16)	58.33
Tax effect on fair value change in financial instruments and unamortised cost	(5.05)	(7.83)	-	-	(12.88)
Unabsorbed depreciation / Minimum Alternate Tax (MAT) credit entitlement and other items	445.53	122.72	-	-	568.25
	<u>(1,336.33)</u>	<u>(136.39)</u>	<u>-</u>	<u>(7.16)</u>	<u>(1,479.88)</u>

(3) Unrecognised deferred tax assets

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Unused tax losses	-	146.09
Unused tax credits	992.37	827.64
	<u>992.37</u>	<u>973.73</u>

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 44: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

	As at 31 st March, 2019	As at 31 st March, 2018
Disputed income tax matters	31.64	29.32
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 Group not acknowledged as debt	34.51	28.30
Guarantees given to lenders of subsidiaries	274.13	-

The Group 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

	As at 31 st March, 2019	As at 31 st March, 2018
Coal grade slippage claim	31.49	16.02
	<u>31.49</u>	<u>16.02</u>

(c) Capital and other commitments

	As at 31 st March, 2019	As at 31 st 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	4,002.56	2,219.98
ii) Other commitments		
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 31 st 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.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 45 : OPERATING LEASE

The Group'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 Group has not entered into any material financial lease. The Group does not have any non-cancellable lease.

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

NOTE 46: EMPLOYEE BENEFIT PLANS

46.1 Defined contribution plan:

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

The Group'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 Group's superannuation scheme for qualifying employees is administered through its various superannuation trust funds. The Group'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 Group has no further obligation in respect of such plans beyond the contributions made.

The Group's contribution to provident, pension and superannuation funds aggregating to ₹35.86 Crore and to employees state insurance scheme of ₹1.29 Crore (Previous year - ₹33.54 Crore & ₹1.33 Crore respectively) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 37].

46.2 Defined benefit plans:

(a) Gratuity

The Group 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 Group 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 Group. In case of death while in service, the gratuity is payable irrespective of vesting.

The Group 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 Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 46: EMPLOYEE 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 purpose of the actuarial valuation were as follows.

	As at 31 st March, 2019	As at 31 st 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 Group's obligation in respect of its defined benefit plans is as follows :**Balances of defined benefit plan**

(₹ in Crore)

	As at 31 st March, 2019	As at 31 st March, 2018
Present value of funded defined benefit obligation	244.20	239.34
Fair value of plan assets	225.81	228.29
Net (asset) / liability [Refer note 31]	18.39	11.05

(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 31 st March, 2019	As at 31 st March, 2018
(1) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	239.34	236.73
Current service cost	11.49	12.23
Past service cost	-	17.81
Interest cost	18.62	17.04
Actuarial (gains) / losses from changes in demographic assumptions	-	(4.33)
Actuarial (gains) / losses arising changes in financial assumptions	(2.00)	(8.08)
Actuarial (gains) / losses from experience adjustments	9.75	(5.73)
Liability transferred in	-	0.01
Liability transferred out	(0.52)	(0.08)
Benefits paid directly by employer	(2.80)	(1.42)
Benefits paid	(29.68)	(24.84)
Obligation at the end of the year	244.20	239.34

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 46: EMPLOYEE BENEFIT PLANS (Contd.)

(₹ in Crore)

	Funded plan - Gratuity	
	As at 31 st March, 2019	As at 31 st March, 2018
(2) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	228.29	206.46
Interest income	17.76	14.86
Return on plan assets (excluding interest income)	(1.85)	2.36
Contributions received	11.29	29.45
Benefits paid	(29.68)	(24.84)
Plan assets at the end of the year, at fair value	225.81	228.29
(3) Gratuity cost recognized in the statement of profit and loss		
Current service cost	11.49	12.23
Interest cost, net	0.86	2.18
Past service cost	-	17.81
Net gratuity cost recognized in the statement of profit and loss [Refer note 37]	12.35	32.22
(4) Gratuity cost recognized in the other comprehensive income (OCI)		
Return on plan assets (excluding interest income)	1.85	(2.36)
Actuarial (gains) / losses	7.75	(18.14)
Net (income) / expense for the year recognized in OCI	9.60	(20.50)

(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 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 31 st March, 2019	As at 31 st 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	7.34	7.09
50 basis points increase in salary escalation rate	2.52	6.43
50 basis points decrease in salary escalation rate	(11.46)	(7.17)

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).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (i) Expected contribution to the plan for the next annual reporting period is ₹18.39 Crore (Previous year - ₹11.05 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 31 st March, 2019	As at 31 st March, 2018
1 st following year	36.29	37.72
2 nd following year	20.65	21.58
3 rd following year	36.13	30.24
4 th following year	31.76	32.75
5 th following year	26.97	28.70
sum of years 6 to 10 th	95.14	96.54

46.3 Other long-term employee benefit obligations:

The leave obligation covers the Group'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 47: AUDITORS REMUNERATION (INCLUDING TAXES)

(₹ in Crore)

	Year ended 31 st March, 2019	Year ended 31 st March, 2018
As auditor		
Audit fees	1.15	0.81
Other services - certificates etc.	0.30	0.07
Reimbursement of expenses	0.25	0.09
	<u>1.70</u>	<u>0.97</u>

NOTE 48: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crore)

	Year ended 31 st March, 2019	Year ended 31 st March, 2018
(a) Gross amount required to be spent by the Group	20.35	15.76
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above [Refer note 40]	20.49	15.85
	<u>20.49</u>	<u>15.85</u>
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornascent Care Institute	2.70	8.66
(ii) UNM Foundation	4.75	2.87
	<u>7.45</u>	<u>11.53</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 49: DONATIONS INCLUDE POLITICAL CONTRIBUTIONS AS UNDER

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Electoral Bonds	25.00	-
Prudent Electoral Trust	-	10.00
	<u>25.00</u>	<u>10.00</u>

NOTE 50: EARNINGS PER SHARE

	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Basic earnings per share (₹)	18.70	19.61
Diluted earnings per share (₹)	18.70	19.61

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 31 st March, 2019	Year ended 31 st March, 2018
Profit for the year attributable to the Company used in calculation of basic earnings per share (₹ in Crore)	898.94	942.31
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 51: OPERATING SEGMENT

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 52: RELATED PARTY DISCLOSURES

(a) Names of related parties and description of relationship

1.	Parent Company	Torrent Private Limited
2.	Associates	Power Grid Corporation of India Limited, Wind Two Renergy Private Limited (w.e.f. 12 th December, 2017), Wind Four Renergy Private Limited (w.e.f. 12 th December, 2017), Wind Five Renergy Private Limited (w.e.f. 12 th December, 2017), Nani Virani Wind Energy Private Limited (w.e.f. 9 th March, 2018 to 15 th December, 2018), Ravapar Wind Energy Private Limited (w.e.f. 9 th March, 2018 to 15 th December, 2018), Khatriyu Wind Energy Private Limited (w.e.f. 9 th March, 2018 to 15 th December, 2018)
3.	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, TPG Gratuity Trust, TPG Superannuation Fund, TPL (DGEN) Gratuity Trust, TPL (DGEN) Superannuation Fund
4.	Key management personnel	Sudhir Mehta (upto 31 st March, 2018) Samir Mehta Markand Bhatt (upto 30 th September, 2018) Jinal Mehta
5.	Non-executive directors	Sudhir Mehta (w.e.f. 1 st April, 2018) Pankaj Patel Samir Barua Kiran Karnik (upto 31 st March, 2019) Keki Mistry R. Ravichandran (upto 1 st August, 2017) Bhavna Doshi Dharmishta Raval P. K. Taneja (upto 23 rd May, 2017) Pankaj Joshi (w.e.f. 23 rd May, 2017) Varun Mehta, Aman Mehta
6.	Relatives of key management personnel*	
7.	Enterprise controlled by relatives of key management personnel*	Munjal Bhatt Architects (upto 30 th September, 2018)
8.	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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 52: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	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
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
UNNM Foundation	-	-	-	-	-	-	0.04	0.01	0.04	0.01
Munjil Bhatt Architects	-	-	-	-	-	-	*	0.01	*	0.01
Services provided (rent income including tax)	-	-	-	-	-	-	0.07	1.26	0.07	1.26
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	1.23	-	1.23
UNNM Foundation	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Tornascent Care Institute	-	-	-	-	-	-	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	1.62	1.56	-	-	-	-	0.94	1.09	2.56	2.65
Munjil Bhatt Architects	-	-	-	-	-	-	0.47	0.62	0.47	0.62
Power Grid Corporation of India Ltd.	1.62	1.56	-	-	-	-	-	-	1.62	1.56
Anan Mehta	-	-	-	-	-	-	-	*	-	*
Varun Mehta	-	-	-	-	-	-	0.47	0.47	0.47	0.47
Transmission income	46.41	62.14	-	-	-	-	-	-	46.41	62.14
Power Grid Corporation of India Ltd.	46.41	62.14	-	-	-	-	-	-	46.41	62.14
Shared expenditure charged to	0.03	-	-	-	-	-	-	-	0.03	-
Power Grid Corporation of India Ltd.	0.03	-	-	-	-	-	-	-	0.03	-
Transfer of gratuity / leave liability to / (from)	-	-	-	-	-	-	0.68	0.13	0.68	0.13
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	0.05	-	0.05
UNNM Foundation	-	-	-	-	-	-	-	*	-	*
Tornascent Care Institute	-	-	-	-	-	-	0.10	0.08	0.10	0.08
Maresh Gas Ltd.	-	-	-	-	-	-	0.25	-	0.25	-
Torrent Gas Private Ltd.	-	-	-	-	-	-	0.33	-	0.33	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 52: RELATED PARTY DISCLOSURES (Contd.)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Relatives of key management personnel / enterprises controlled by relatives of key management personnel / enterprise 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
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^	-	-	-	-	0.68	0.72	-	-	0.68	0.72
Samir Barua	-	-	-	-	0.14	0.15	-	-	0.14	0.15
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	-	-	-	-	-	-	7.45	11.53	7.45	11.53
Tornascent Care Institute	-	-	-	-	-	-	2.70	8.66	2.70	8.66
UNM Foundation	-	-	-	-	-	-	4.75	2.87	4.75	2.87
Contribution to employee benefit plans (net)	-	-	18.46	34.42	-	-	-	-	18.46	34.42
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
TPL (SUGEN) Superannuation Fund	-	-	0.47	0.38	-	-	-	-	0.47	0.38
TPL (DGEN) Gratuity Trust	-	-	0.04	0.86	-	-	-	-	0.04	0.86
TPL (DGEN) Superannuation Fund	-	-	0.40	0.33	-	-	-	-	0.40	0.33
TPG Gratuity Trust	-	-	0.32	-	-	-	-	-	0.32	-
TPG Superannuation Fund	-	-	0.02	0.01	-	-	-	-	0.02	0.01

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 52: RELATED PARTY DISCLOSURES (Contd.)

	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
Investment in non-convertible debentures										
Wind Two Renergy Private Ltd.	78.30	182.40	-	-	-	-	-	-	78.30	182.40
Wind Four Renergy Private Ltd.	17.94	72.76	-	-	-	-	-	-	17.94	72.76
Wind Five Renergy Private Ltd.	31.18	54.82	-	-	-	-	-	-	31.18	54.82
	29.18	54.82	-	-	-	-	-	-	29.18	54.82

^ Excluding service tax / Goods and Service Tax.

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

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

Footnote:

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

(c) Key management personnel compensation

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 52: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

	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	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Balances at the end of the year										
Current liabilities	-	-	-	-	31.41	4761	-	0.13	31.41	4774
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
Dharmishtha Raval	-	-	-	-	0.16	0.15	-	-	0.16	0.15
Investment in equities	-	-	-	-	-	-	0.06	0.06	0.06	0.06
Tornascent Care Institute	-	-	-	-	-	-	0.03	0.03	0.03	0.03
UNM Foundation	-	-	-	-	-	-	0.03	0.03	0.03	0.03
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
Wind Five Renergy Private Ltd.	88.87	55.33	-	-	-	-	-	-	88.87	55.33
Trade receivables	11.71	5.98	-	-	-	-	0.77	0.90	12.48	6.88
Tornascent Care Institute	-	-	-	-	-	-	0.03	-	0.03	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	0.74	0.90	0.74	0.90
Power Grid Corporation of India Ltd.	11.71	5.98	-	-	-	-	-	-	11.71	5.98

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: FINANCIAL INSTRUMENTS AND RISK REVIEW

(a) Capital management

The Group 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 Group'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 Group's management reviews the capital structure of the Group 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 Group'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 year is as follows.

	(₹ in Crore)	
	As at 31 st March, 2019	As at 31 st March, 2018
Debt	9,454.67	9,337.18
Total equity	10,552.13	9,220.06
Debt to equity ratio	0.90	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 group has complied with financial covenants specified as per the terms of borrowing facilities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(b) Categories of financial instruments

(₹ in Crore)

	As at 31 st March, 2019		As at 31 st March, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Cash and cash equivalent	116.07	116.07	136.50	136.50
Bank balance other than cash and cash equivalents	211.93	211.93	181.05	181.05
Investment in bonds and debentures	287.50	287.50	192.23	192.23
Trade receivables	1,229.69	1,229.69	1,130.45	1,130.45
Loans	31.81	31.81	33.04	33.04
Other financial assets	1,909.99	1,909.99	751.82	751.82
	3,786.99	3,786.99	2,425.09	2,425.09
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	626.86	626.86	680.66	680.66
Investment in equity instruments#	0.06	0.06	0.06	0.06
	626.92	626.92	680.72	680.72
Financial liabilities				
Measured at amortised cost				
Borrowings	8,876.50	8,907.49	8,563.70	8,616.69
Trade payables	899.83	899.83	753.35	753.35
Other financial liabilities	2,417.93	2,417.93	2,439.36	2,439.36
	12,194.26	12,225.25	11,756.41	11,809.40

Other than equity instruments in 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: 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)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 st March, 2019	As at 31 st March, 2018		
Investment in mutual fund units	626.86	680.66	Level 1	Quoted bid prices in an active market
	<u>626.86</u>	<u>680.66</u>		

(₹ in Crore)

(2) Financial liabilities at amortised cost

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

(₹ in Crore)

(d) Financial risk management objectives

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations, routine and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group'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 Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Foreign currency risk

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

Unhedged foreign currency exposures

Foreign currency exposures not hedged by derivative instruments are as under:

Nature of transactions	Currency	(in Crore)	
		As at 31 st March, 2019	As at 31 st 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	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

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 Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group 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 Group's fixed and floating rate borrowings:

	(₹ in Crore)	
	As at 31 st March, 2019	As at 31 st March, 2018
Fixed rate borrowings	1,119.46	1,123.28
Floating rate borrowings [^]	8,635.26	8,213.90
	<u>9,754.72</u>	<u>9,337.18</u>
[^] 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.

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Impact on profit before tax - increase in 50 basis points	(43.18)	(41.07)
Impact on profit before tax - decrease in 50 basis points	43.18	41.07

Credit risk

Trade receivables

(1) Exposures to credit risk:

The Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(2) Credit risk management:

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Group 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 Group is dependent on the domestic market for its business and revenues.

The Group'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, Group generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements

The Group 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 Group 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	1,194.93	28.56
More than 6 months but less than or equal to 1 year	83.47	26.18
More than one year	104.66	98.63
	<u>1,383.06</u>	<u>153.37</u>

As at 31st March, 2018

	(₹ in Crore)	
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,110.93	33.63
More than 6 months but less than or equal to 1 year	53.70	22.01
More than one year	101.75	80.29
	<u>1,266.38</u>	<u>135.93</u>

(5) Movement in the expected credit loss allowance

	(₹ in Crore)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Opening balance	135.93	129.48
Movement in expected credit loss allowance on trade receivable calculated, net	17.44	6.45
Closing balance [Refer note 14]	<u>153.37</u>	<u>135.93</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Other financial assets

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

Liquidity risk

Liquidity risk is the risk that the Group 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 Group 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 Group'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 Group 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 Group 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^	-	3,208.70	5,402.08	8,610.78
Trade payables^	-	64.99	76.68	141.67
Other financial liabilities	-	46.44	1,008.59	1,055.03
	-	3,320.13	6,487.35	9,807.48
Current financial liabilities				
Borrowings	300.05	-	-	300.05
Trade payables	790.49	-	-	790.49
Other financial liabilities^	1,368.14	-	-	1,368.14
	2,458.68	-	-	2,458.68
Total financial liabilities	2,458.68	3,320.13	6,487.35	12,266.16

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: 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^	-	3,100.32	5,497.69	8,598.01
Trade payables^	-	114.99	4.40	119.39
Other financial liabilities	-	42.37	914.07	956.44
	-	3,257.68	6,416.16	9,673.84
Current financial liabilities				
Trade payables	658.71	-	-	658.71
Other financial liabilities^	1,487.70	-	-	1,487.70
	2,146.41	-	-	2,146.41
Total financial liabilities	2,146.41	3,257.68	6,416.16	11,820.25

^ Gross amount including unamortised expense.

NOTE 54: CHANGE DUE TO TRANSITION TO IND AS - 115 “REVENUE FROM CONTRACTS WITH CUSTOMERS”

The Group 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 Group 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 Group has adopted Ind AS 115 retrospectively with the cumulative effect of initial application recognized in the opening retained earnings on 1st April, 2018. The Group 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 Group 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 ₹647.12 Crore, unbilled revenue higher by ₹637.15 Crore and sundry payables lower by ₹9.97 Crore.

Consequent to adoption of Ind AS 115, revenue from operations and profit for the year ended 31st March, 2019, are higher by and ₹318.26 Crore. Accordingly, as at 31st March, 2019, retained earnings are higher by ₹965.38 Crore, unbilled revenue higher by ₹955.71 Crore and sundry payables lower by ₹9.67 Crore.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55:

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

NOTE 56: 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 56

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairman
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Samir Shah
Company Secretary

Ahmedabad, 15th May, 2019

Ahmedabad, 15th May, 2019

FORM AOC-1

Statement pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014:

(a) Statement containing salient features of the financial statement of subsidiaries

1.	Name of Subsidiary Company	Torrent Power Grid Limited 31 st March, 2019	Torrent Pipavav Generation Limited 31 st March, 2019	Torrent Solargen Limited 31 st March, 2019	Jodhpur Wind Farms Private Limited 31 st March, 2019	Latur Renewable Private Limited 31 st March, 2019
2.	Financial year ended on					
3.	Share capital	90.00	50.00	80.05	111.00	110.00
4.	Reserves and surplus	46.72	(13.49)	6.25	(2.02)	(5.30)
5.	Total assets	221.69	94.30	217.94	471.54	443.69
6.	Total liabilities (excluding share capital and reserves and surplus)	84.97	57.79	131.64	362.56	338.99
7.	Investments	37.51	-	88.82	23.03	5.04
8.	Turnover	46.52	-	-	66.55	60.37
9.	Profit / (loss) before taxation	19.82	(1.44)	1.06	3.89	(0.81)
10.	Provision for taxation (including deferred tax)	0.68	*	(1.02)	1.15	(0.16)
11.	Profit / (loss) after taxation	19.14	(1.44)	2.08	2.74	(0.65)
12.	Other comprehensive income (net of tax)	(0.04)	-	-	-	-
13.	Total comprehensive income	19.10	(1.44)	2.08	2.74	(0.65)
14.	Proposed dividend (including dividend distribution tax)	18.45	-	-	-	-
15.	Extent of shareholding (in percentage)	74.00%	95.00%	100.00%	100.00%	100.00%
Footnote :						
1	Torrent Pipavav Generation Limited & Torrent Solargen Limited is yet to commence its operations.					
* Figures below ₹50,000						

FORM AOC-1 (Contd.)

(b) Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Companies

		(₹ in Crore)	
Name of Associates		Wind Two Renergy Private Limited	Wind Four Renergy Private Limited
1. Latest audited balance sheet date		31 st March, 2019	31 st March, 2019
2. Date on which the associate was associated or acquired		12th December, 2017	12th December, 2017
3. Shares of associate held by the company on the year end			
(i) Numbers		-	-
(ii) Amount of investment in associates		-	-
(iii) Extend of holding (in percentage)		0%	0%
4. Description of how there is significant influence		The Company has acquired certain rights which include the right to nominate directors on the board. Considering the said facts and based on the requirements of Ind AS, Company has significant influence in the above companies.	
5. Reason why the associate is not consolidated		As the Company does not have equity interest in the companies, the Company does not have any share in the profit, loss or comprehensive income of the entities and accordingly, there is no impact on the Consolidated Statement of Profit and Loss.	
6. Networth attributable to shareholding as per latest audited balance sheet		-	-
7. Profit / (loss) for the year		-	-
(i) Considered in consolidation		-	-
(ii) Not considered in consolidation		0.01	0.02
Footnotes :			
1	All associates are yet to commence its operations.		
2	During the year, Nani Virani Wind Energy Private Limited, Ravapar Wind Energy Private Limited and Khatiyu Wind Energy Private Limited have ceased to be associates of the Company. There is no impact of this development on the consolidated financial results for the year ended 31 st March, 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

5 YEARS' HIGHLIGHTS - CONSOLIDATED

Particulars	UoM	2018-19 (Ind AS)	2017-18 (Ind AS)	2016-17 (Ind AS)	2015-16 (Ind AS)	2014-15 (IGAAP)
TECHNICAL DATA						
Generation Capacity	MW	3,703	3,721	3,556	3,334	3,253
Units Dispatched by Generating Stations	MUs	10,004	9,671	7,543	9,362	5,327
Units Purchased	MUs	8,125	8,046	8,986	7,504	11,314
Units Sold	MUs	16,678	15,957	14,454	14,673	14,155
No. of Consumers	Mn	3.32	3.23	3.12	3.03	2.95
KEY FINANCIALS						
Total Income	₹ in Crore	13,341	11,776	10,191	11,998	10,762
EBITDA	₹ in Crore	3,389	3,381	2,651	3,336	2,423
Profit Before Tax	₹ in Crore	1,264	1,401	587	1,290	740
Total Comprehensive Income (after Non-controlling interests)	₹ in Crore	893	956	423	893	360
Equity Share Capital	₹ in Crore	481	481	481	481	472
Other Equity (Reserves and Surplus)	₹ in Crore	8,490	7,239	6,411	5,990	6,083
Loan Funds (Gross)	₹ in Crore	9,755	9,337	8,810	8,565	9,355
Fixed Assets	₹ in Crore	18,373	18,263	17,136	15,343	15,311
KEY FINANCIAL RATIOS						
EBITDA / Total Income	%	25.40	28.71	26.01	27.80	22.51
Net Profit Margin	%	7.41	9.59	4.47	8.65	5.67
Return on Net Worth*	%	9.54	12.62	5.57	13.22	8.14
Return on Capital Employed*	%	8.23	9.62	7.31	11.21	7.86
Long Term Debt Equity Ratio*		0.90	1.01	1.06	1.10	1.23
Earnings Per Share	₹	18.70	19.61	8.93	18.73	7.61
* Deferred Tax Liability is included as a part of Equity						
FY 2018-19 numbers are not comparable due to change in accounting policy on account of implementation of Ind AS 115 during the year.						

NOTES

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ROUTE MAP TO THE AGM VENUE

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068



15th Annual General Meeting
Date: Monday, 5th August, 2019
Time: 9:30 am

Venue: J. B. Auditorium, Torrent-AMA Centre,
Ahmedabad Management Association,
Vastrapur, Ahmedabad-380015

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

Regd. Office: "Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015, Gujarat, India.

Phone: +91 79 26628300; Fax: +91 79 26764159

Website: www.torrentpower.com; Email: cs@torrentpower.com

**15th Annual General Meeting – 5th August, 2019****ATTENDANCE SLIP**

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

For demat shares

For physical shares

DP ID:	REGD. FOLIO NO.:
CLIENT ID:	NO. OF SHARES HELD:

Full name of the member attending: _____

Name of Proxy: _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the **15th Annual General Meeting** of the Company at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015 on Monday, 5th August, 2019 at 9:30 am.

Member's / Proxy's Signature

(To be signed at the time of handing over this slip)

Note : Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

Regd. Office: "Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015, Gujarat, India.

Phone: +91 79 26628300; Fax: +91 79 26764159

Website: www.torrentpower.com; Email: cs@torrentpower.com

**15th Annual General Meeting – 5th August, 2019****PROXY FORM**

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : _____
 Registered address : _____
 Email ID : _____
 Folio No. / Client ID : _____
 DP ID : _____

I/ We being the member(s) of _____ equity shares of the Torrent Power Limited, hereby appoint;

1 Name : _____	E-mail Id : _____
Address : _____	Signature : _____

or failing him/her

2 Name : _____	E-mail Id : _____
Address : _____	Signature : _____

or failing him/her

3 Name : _____	E-mail Id : _____
Address : _____	Signature : _____

as my/ our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **15th Annual General Meeting** of the Company, to be held on Monday, 5th August, 2019 at 9:30 am at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:



Resolution	Vote - Refer Note 4		
	For	Against	Abstain
ORDINARY BUSINESSES			
1. Adoption of the Financial Statements.			
2. Declaration of dividend.			
3. Re-appointment of Director retiring by rotation.			
SPECIAL BUSINESSES			
4. Commission to Non-Executive Directors.			
5. Ratification of Remuneration of Cost Auditors.			
6. Commission to Shri Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 19.			
7. Issuance of Non-Convertible Debentures on a private placement basis.			

Signed this _____ day of _____, 2019.

Signature of member(s)

Signature of proxy holder(s)

Affix
Revenue
Stamp of not
less than
1/-

Notes:

1. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 15th Annual General Meeting.
2. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
3. A Proxy need not be a member of the Company.
4. It is optional to indicate your preference. If you leave 'For,' 'Against' or 'Abstain' column blank against any or all of the resolutions, your Proxy will be entitled to vote in any manner as he/she may deem appropriate.



Human Capital Builds Our Brand

Enhancing Knowledge Capital. Enriching Capabilities.

The Company places as much emphasis on human capital as on financial capital. The latter's productivity is inextricably linked with the former's capability, efficiency, motivation and sense of belonging.

Company's core values bind all the employees into an organisation with cohesive culture. Providing a work culture that provides a path to personal development of all, silently builds the human capital and provides future generation of leaders.

The Company's human capital is its most important off-balance sheet asset.



Child Health – Investing for Future

Serving Communities. Spreading Smiles.

"Think of others also, when you think about yourself" - With this guiding philosophy, Torrent's CSR endeavours are undertaken in key focus areas of healthcare, education and community welfare.

The flagship REACH programme aims to alleviate anaemia and mal-nutrition among under-privileged children whilst providing basic healthcare facilities. It has screened more than 58,000 children by organising medical check-up camps and over 2,00,000+ children have been treated at Torrent's 4 Paediatric Health Centres and through Mobile OPDs.

On the education front, through "Siksha Setu" 8000+ children from economically disadvantaged sections of rural communities and urban slums, 250+ teachers and 3500+ parents are being covered through 26 schools for improvement in teaching and learning outcomes.

"Pratiti" is an initiative to develop beautifully landscaped gardens in the city of Ahmedabad for the general benefit of citizens and increasing the green cover of the city.



Founders' Day 2019–Fostering the Spirit of Parivaar



Siksha Setu – Improving Quality of Education

**TORRENT POWER LIMITED**

CIN : L31200GJ2004PLC044068

'Samanvay', 600, Tapovan, Ambawadi, Ahmedabad- 380015,
Gujarat, India

Phone: +91 79 26628000, Website: www.torrentpower.com,
Email: cs@torrentpower.com

818th 16 ANNUAL REPORT 2019-20

Responsible Actions



Promising Future

Sustainable Actions Through Integrated Environmental Approach



Large industrial undertakings tend to have a tremendous impact, both positive and negative, on the society. A responsible Corporate ensures its existence leaves a net positive influence on the society, whilst minimising if not eliminating, the negative influence. Your Company is in production and distribution of electricity - an activity absolutely essential for the existence and development of modern society, but at the same time is under focus for its negative impact on the environment. Torrent Group has inbuilt environment responsibilities into its operating model and continuously strives to minimise the environmental footprint of its activities. Out of total generation capacities of 3879 MW, 90% are from clean sources (20% renewable sources & 70% natural gas based) and only 10% is coal-based generation. In the latter, all efforts are focused on minimising the emissions & water consumption and gainfully recycling the fly ash and bottom ash in making useful products. All industrial sites treat the effluent water and recycle it for further use. Thick green cover comprising rain forest trees, fruit orchards, vegetables farms etc. are maintained at all plant locations. All new construction is based on green building concepts and captive rooftop solar power is utilised to full extent.



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CORPORATE INFORMATION

Board of Directors

Sudhir Mehta, Chairman Emeritus
 Samir Mehta, Chairperson
 Pankaj Patel
 Samir Barua
 Keki Mistry
 Bhavna Doshi
 Dharmishta Raval
 Pankaj Joshi, IAS (*upto 17/12/2019*)
 Sunaina Tomar, IAS (*wef 13/02/2020*)
 Jinal Mehta, Managing Director

Audit Committee

Samir Barua, Chairperson
 Keki Mistry
 Bhavna Doshi
 Dharmishta Raval

Stakeholders Relationship Committee

Pankaj Patel, Chairperson
 Samir Mehta
 Jinal Mehta

Nomination and Remuneration Committee

Pankaj Patel, Chairperson
 Sudhir Mehta
 Dharmishta Raval

Corporate Social Responsibility Committee

Bhavna Doshi, Chairperson
 Samir Barua
 Jinal Mehta

Risk Management Committee

Samir Barua, Chairperson
 Bhavna Doshi
 Sanjay Dalal

Committee of Directors

Samir Mehta, Chairperson
 Jinal Mehta

Chief Financial Officer

Sanjay Dalal

Company Secretary

Rahul Shah

Statutory Auditors

Price Waterhouse Chartered Accountants LLP
 Chartered Accountants

Registered Office

“Samanvay”,
 600 Tapovan,
 Ambawadi, Ahmedabad - 380015,
 Gujarat, India.
 Phone: +91 79 26628300
 Fax: +91 79 26764159

Corporate Identity Number

L31200GJ2004PLC044068

Website

www.torrentpower.com

Investor Services Email Id

cs@torrentpower.com

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
 Unit: Torrent Power Limited
 5th floor, 506-508, Amarnath Business Centre-1,
 Beside Gala Business Centre,
 Nr. St. Xavier's College Corner, Off. C. G. Road,
 Ellisbridge, Ahmedabad - 380006 (Gujarat)
 Phone: +91 79 2646 5179 / 86 / 87
 Email: ahmedabad@linkintime.co.in
 Website: www.linkintime.co.in

NOTICE

NOTICE is hereby given that 16th Annual General Meeting of the Members of **TORRENT POWER LIMITED** (herein after the “Company”) will be held on Thursday, August 06, 2020 at 9:30 am IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To consider and adopt Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, the Auditor's Report and the Board's Report thereon, by passing the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2020, the Auditor's Report and the Board's Report thereon be and are hereby considered and adopted.”

2. Confirmation of interim dividend

To confirm payment of interim dividend as final dividend for the Financial Year ended March 31, 2020 by passing the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT payment of interim dividend of ₹11.60 per equity share (including special dividend of ₹5 per equity share) for the Financial Year ended March 31, 2020 be and is hereby confirmed as final dividend.”

3. Re-appointment of Samir Mehta as Director

To appoint a Director in place of Samir Mehta, who retires by rotation and being eligible, offers himself for re-appointment by passing the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Samir Mehta (DIN: 00061903), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

4. Appointment of Sunaina Tomar, IAS as Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Sunaina Tomar, IAS (DIN: 03435543), who was appointed as an Additional Director of the Company, pursuant to the provisions of section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office upto the commencement of this Annual General Meeting and in respect of whom the Company has received a notice from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. Ratification of Remuneration of Cost Auditors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 148 of the Companies Act, 2013 (“the Act”) read with the Companies (Cost Records and Audit) Rules, 2014, the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, rules or notifications of the Act including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, the Cost Auditors appointed by the Board of Directors of the Company to conduct audit of cost records of the Company for FY 2020-21 be paid remuneration of ₹14,40,000/- (including ₹2,00,000 for Cables Business Undertaking which is under process of slump sale to TCL Cables Private Limited) plus applicable taxes and out of pocket expenses incurred by them during the course of cost audit.”

6. Commission to Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 20

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby accorded to remuneration by way of annual commission of ₹5 Crore to Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 2019-20.”

7. Issuance of Non-Convertible Debentures on a private placement basis

To consider and if thought fit, to pass the following resolutions as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 42, 71, 179, 180 and other applicable provisions, if any, of the Companies Act, 2013 and all applicable rules made thereunder for the time being in force (“the Act”), the Memorandum of Association and the Articles of Association of the Company, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI regulations, circulars and guidelines for the time being in force and Foreign Exchange Management Act & RBI directives, circulars and guidelines for the time being in force, approval of the Members be and is hereby accorded for issuance of Non-Convertible Debentures (NCDs) by way of offer or invitation, upto an aggregate ₹2,000 Crore, on a private placement basis to the following identified investor classes viz.

- (a) Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) Banks other than scheduled commercial banks, companies, bodies corporate, Foreign Portfolio Investors (category III) registered with SEBI, financial institutions (including NBFCs), pension / gratuity / provident / superannuation funds;

in one or more tranches, within the overall borrowing limits approved for the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds and things as may be necessary for or incidental to the above resolution.”

**By Order of the Board
For Torrent Power Limited**

Ahmedabad
May 18, 2020

Rahul Shah
Company Secretary

Registered Office:

“Samanvay”,
600 Tapovan,
Ambawadi, Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Phone: +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted holding of Annual General Meeting (“AGM” or “meeting”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company for FY 20 is being held through VC / OAVM. The detailed procedure for participation in the meeting through VC / OAVM is as per Note No. 24.

2. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
4. Members of the Company who are Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate Members intending to authorize their representatives to participate and vote through e-voting on their behalf at the meeting are requested to send a certified copy of the Board Resolution / authorization letter to the Company.
5. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 Members on a first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The statement pursuant to section 102 of the Act and Regulation 36(3) of the Listing Regulations is annexed hereto and forms part of this Notice.
7. In terms of section 124 of the Act, the amount of dividend not encashed or claimed within 7 years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. Accordingly, the unclaimed dividend in respect of FY 13 of the erstwhile Torrent Cables Limited (since amalgamated with the Company) and the Company will be due for transfer to the said Fund in August, 2020. Members who have not encashed their dividend warrants for FY 13 are requested to approach the Company for payment.

Further, pursuant to the provisions of section 124 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all shares on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. The Company has sent intimation to all such Members who have not claimed their dividend for seven consecutive years. All such Members are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to the Demat Account of IEPF Authority and no claim shall lay against the Company. The Members thereafter need to claim their shares from IEPF Authority by filing IEPF Form-5 and by following such procedures as prescribed therein.

8. Nomination facility is available for the Members as per section 72 of the Act. As a Member of the Company, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail this facility especially by the Members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to your Depository Participant (DP).
9. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. For further information, you are requested to approach the Registrar and Share Transfer Agent (RTA) of the Company.
10. **Trading in equity shares of the Company is compulsorily in dematerialised mode by all the Members. Also, as per provisions of Listing Regulations, transfer of listed securities shall not be processed unless the securities are in dematerialized form. This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.**

11. **With a view to conserve natural resources, we request Members to update and register their email addresses with their DPs or RTA, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars, etc. electronically. Members may register their email addresses by following below process:**

Physical Holding	By clicking on the below link, Member may register his / her email address, mobile number and bank details https://linkintime.co.in/EmailReg/Email_Register.html After clicking the above link, Members have to fill the relevant details in the respective fields and attach self attested copy of PAN, address proof / share certificate and cancelled cheque leaf.
Demat Holding	By clicking on the below link, Member may register his / her email address and mobile number https://linkintime.co.in/EmailReg/Email_Register.html . For registration of bank details Members are requested to visit their respective DPs.

12. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names, are requested to send the share certificates to the RTA, for consolidation of such multiple folios into a single folio.
13. The SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
15. All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of the AGM of the Company and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to cs@torrentpower.com.
16. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / DPs. Members may note that the Notice and Annual Report will also be available on the Company's website i.e. www.torrentpower.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Central Depository Services Limited (CDSL) at www.evotingindia.com.
17. In terms of section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations and MCA Circulars, the Company has provided the e-voting facility through CDSL. This facility is being provided to Members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice.

The information and other instructions regarding remote e-voting and e-voting at AGM are detailed in Note No. 22 and 23 respectively.
18. Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) has been appointed as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
19. The results shall be declared by the Chairperson or a person so authorised by him in writing on receipt of consolidated report from Scrutinizer. The results declared along with Scrutinizer's Report shall be placed on the Company's website i.e. www.torrentpower.com and on the website of CDSL and shall also be communicated to the stock exchanges where the shares of the Company are listed.

20. **The resolutions shall be deemed to have been passed on the date of the AGM, subject to the same being passed with requisite majority.**
21. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

22. Voting Process and other instructions regarding remote e-voting:

- i. The voting period begins on Sunday, August 02, 2020 at 9:00 am and shall end on Wednesday, August 05, 2020 at 5:00 pm. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, July 30, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- iii. The Members should log on to the e-voting website www.evotingindia.com.
- iv. Click on 'SHAREHOLDERS'.
- v. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 character DP ID followed by 8 digits Client ID,
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- vi. Next enter the Image verification as displayed and click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in demat form and physical form	
PAN	<p>Enter your 10 digit alpha-numeric PAN (applicable for both demat as well as physical Members)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / DPs are requested to use the sequence number indicated in the PAN field of the email sent to them. Members who have not registered their email address may obtain the sequence number from the Company after registering their email address as per the process defined in Note No. 11.
Dividend Bank details OR Date of Birth (DoB)	<p>Enter the Dividend Bank details or DoB (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the DPs or Company please enter the Member ID / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on 'SUBMIT' tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**

- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for TORRENT POWER LIMITED on which you choose to vote.
- xiii. On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES / NO' for voting. Select the option 'YES / NO' as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- xiv. Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire resolution details.
- xv. After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK' else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- xvi. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on 'Click here to print' option on the voting page.
- xviii. If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. **Members can also cast their vote using CDSL's mobile app m-voting. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

xx. **Note for Non – Individual Members and Custodians**

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board resolution and Power of Attorney which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual Members are required to send the relevant Board resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ('FAQs') and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

23. Instructions for Members voting on the day of AGM on e-voting system:

- a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b) Only those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available at the AGM.
- c) If any votes are casted by the Members through e-voting available during the AGM and if the same Members have not participated in the meeting through VC / OAVM facility, then the votes casted by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members participating in the meeting.
- d) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

24. Instructions for Members for attending the AGM through VC / OAVM:

- a) Member will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under Shareholders / Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Shareholder / Members login where the EVSN of Company will be displayed.
- b) Members are encouraged to join the meeting through Laptops / Desktops for better experience. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- c) Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- d) Members who would like to express their views / have questions may send their views / questions 7 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at cs@torrenttower.com and register themselves as a speaker. Only those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 3

Brief profile of Samir Mehta is set forth in the table below:

Age	57 years
Qualification	Masters in Business Administration
Experience / Brief resume	<p>He has been associated with the Company since its inception, as a Promoter and has 34 years of hands-on experience in business strategy and growth and brought in the much desired analytical and professional approach in Torrent Group. Apart from setting up an orderly and system oriented organization, development of prudent financial management policies and balanced human resource policies have been the hallmark of his leadership. His focus on strategy whilst continuing to emphasise excellence in execution and business operations ensured that Torrent Power not only maneuvered the difficult times in power sector but constantly improved its performance on all efficiency parameters – strong project management, high plant availability, reduction in AT&C losses, better reliability indices, efficient gas procurement, management of regulatory aspects etc.</p> <p>Today, Torrent Power is ranked amongst the best run power utilities in the Country and has won accolades from all quarters for its excellent operational capabilities and high customer orientation.</p>
Date of first appointment on the Board	April 29, 2004
No. of shares held in the Company	6,125
Relationship with other Directors and Key Managerial Personnel	He is brother of Sudhir Mehta, Chairman Emeritus and relative of Jinal Mehta, Managing Director.
List of Directorship of listed entities	<ul style="list-style-type: none"> • Torrent Pharmaceuticals Ltd • Torrent Power Ltd
Chairpersonship / Membership of Committees of the Board in such Companies	<p>Torrent Pharmaceuticals Ltd</p> <ul style="list-style-type: none"> • Nomination and Remuneration Committee (Member) • Committee of Directors (Chairperson) <p>Torrent Power Ltd</p> <ul style="list-style-type: none"> • Stakeholders Relationship Committee (Member) • Committee of Directors (Chairperson)

ITEM NO. 4

Sunaina Tomar, IAS (DIN: 03435543), was appointed as an Additional Director by the Board of Directors on February 13, 2020 based on the request received from Government of Gujarat (holder of 11.22% equity shares of the Company). As per the provisions of section 161 of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, she holds the office of Director till commencement of this Annual General Meeting. The Company had received a notice in writing under section 160 of the Act from a Member proposing her candidature for appointment as Director of the Company.

Sunaina Tomar, an Indian Administrative Service officer with GoG, has wide experience in the public administration. She has held distinguished positions in the GoG in various departments including National Rural Health Mission, Land Reforms, Women & Child Development Department, Social Justice & Empowerment, Welfare of Scheduled Castes & Backward Castes, Education Department and Ports & Transport. She also worked with the Union Government as Joint Secretary, Ministry of Textiles. She also holds directorship of various Government Companies. Presently, she is Principal Secretary, Energy and Petrochemicals Department.

Nomination and Remuneration Committee and the Board have considered the above proposal at their respective meetings and recommend to the Members for their approval.

Sunaina Tomar does not hold any equity shares of the Company. She is not related to any Director of the Company.

The Board recommends the resolution at Item No. 4 of the Notice for your approval as an Ordinary Resolution.

Sunaina Tomar is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 5

The Audit Committee had at its meeting held on May 18, 2020 recommended and the Board had at its meeting held on the same day approved the re-appointment of M/s Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for FY 21 at a remuneration of ₹14,40,000/- (including ₹2,00,000 for Cables Business Undertaking which is under process of slump sale to TCL Cables Private Ltd) plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of cost audit.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company.

Accordingly, Members are requested to ratify the remuneration to be payable to Cost Auditors of the Company for FY 21 by passing an Ordinary Resolution at Item No. 5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 6

In recognition of invaluable contribution to the businesses of the Company and significant time commitment of Sudhir Mehta, Non-Executive Director and Chairman Emeritus, the Board approved annual commission of ₹5 Crore for Sudhir Mehta, subject to approval of Members.

In terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of Members by way of Special Resolution is sought for annual commission of ₹5 Crore to Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 20.

The Board recommends the resolution at Item No. 6 of the Notice for your approval as a Special Resolution.

Sudhir Mehta holds 6,882 equity shares of the Company and is related to Samir Mehta, Chairperson and Jinal Mehta, Managing Director. Sudhir Mehta, Samir Mehta and Jinal Mehta are, therefore, deemed interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 7

Members of the Company at Annual General Meeting held on August 01, 2018 accorded consent to the Board of Directors to borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) and create security on assets of the Company for such borrowing, in such form and manner and on such terms and conditions as the Board may deem fit, such that the total amount borrowed and outstanding at any time does not exceed ₹20,000 Crore and for the said purpose authorised the Board inter-alia, to delegate all or any of the above powers to the Committee of Directors.

Out of above borrowing limit, the Company may, at an appropriate time consider offering or inviting subscriptions for Non-Convertible Debentures (NCDs), in one or more series / tranches, on private placement basis, in order to augment long-term resources for financing the ongoing capital expenditure and other general corporate purposes.

Section 42 of the Companies Act, 2013 read with rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a company which intends to make a private placement of its NCDs, shall obtain approval of its Members by means of a Special Resolution. It shall be sufficient if the company passes a Special Resolution only once in a year for all the offers or invitations for such NCDs during the year.

It is therefore found desirable to have the requisite enabling approval in place for meeting the fund requirements of the Company in an efficient manner.

Approval of Members is sought for issuance of NCDs upto an aggregate ₹2,000 Crore, within overall approved borrowing limit of the Company. Such approval shall be valid in respect of all offers and invitations for such NCDs to be made in one or more series / tranches, within 12 months from the date of passing of the Special Resolution.

The Board recommends the resolutions at Item No. 7 of the Notice for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution.

**By Order of the Board
For Torrent Power Limited**

Ahmedabad
May 18, 2020

Rahul Shah
Company Secretary

Registered Office:

"Samanvay",
600 Tapovan,
Ambawadi,
Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Phone: +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Sixteenth Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2020.

1. OPERATIONAL & FINANCIAL HIGHLIGHTS

The Management Discussion and Analysis Report for FY 20 is part of the Annual Report and explain the operating and financial performance of the business for the year.

Summary of the financial results of the Company for the year under review is as under:

(₹ in Crore except per share data)

Particulars	Standalone		Consolidated	
	FY 20	FY 19	FY 20	FY 19
Total Income	13,687	13,239	13,818	13,341
Profit before Tax and Exceptional item	1,546	1,248	1,475	1,264
Exceptional item	1,000	-	1,000	-
Profit Before Tax	546	1,248	475	1,264
Total Comprehensive Income for the year (after non-controlling interest)	1,209	883	1,145	893
Add: Balance brought forward	4,587	3,379	4,620	3,405
Add: Impact on adoption of Ind AS 115	-	649	-	648
Balance available for Appropriation	5,796	4,911	5,765	4,946
Appropriations				
Transfer to specific reserves	62	36	62	36
Dividend paid (including dividend distribution tax)	959	288	962	290
Balance carried to Balance Sheet	4,775	4,587	4,741	4,620
Basic and Diluted Earnings per Share (₹ per share)	26	19	24	19

2. SCHEME OF ARRANGEMENT

During the year, the Company entered into Scheme of Arrangement with TCL Cables Private Limited (wholly owned subsidiary of the Company) for transfer and vesting of its Cables Business Undertaking on a going concern basis by way of a slump sale as per the terms and conditions of the Scheme, for a cash consideration of ₹214.50 Crore, subject to working capital adjustment on transfer. The appointed date for transfer is April 01, 2020. The Company has received approvals from both the stock exchanges (NSE & BSE) with BSE being designated stock exchange. The Company has filed an application with National Company Law Tribunal (NCLT), Ahmedabad, for approval of the Scheme.

3. DIVIDEND

The Company as a policy, endeavours to distribute approx. 30% of its consolidated annual profits after tax as dividend in one or more tranches. The Board of Directors, on February 12, 2020, declared interim dividend of ₹11.60 per equity share (including ₹5.00 per equity share as a special dividend) on 48,06,16,784 equity shares for FY 20 (PY ₹5.00 per equity share), amounting to ₹557.51 Crore (PY ₹240.31 Crore). The Board has not considered any further dividend for the year.

The Company paid Dividend Distribution Tax of ₹114.60 Crore (PY ₹49.40 Crore) on the above dividend; the total outflow on account of dividend was ₹672.11 Crore (PY ₹289.71 Crore). Excluding the special dividend of ₹5.00 per equity share, the dividend distribution was ₹382.41 Crore i.e. 33.26% (PY 32.28%) of consolidated total comprehensive income for FY 20 after the provision for impairment of DGEN Power Plant. It may be noted that the said provision is a non-cash charge not impacting the cashflows of the current or future years.

The Dividend Distribution Policy of the Company can be accessed at the Company's website.

4. TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the year under review, other than ₹62 Crore to certain specific reserves as described in Statement of Changes in Equity as part of Standalone Financial Statements.

5. FINANCE

During the year, CRISIL upgraded the long term credit rating of the Company from AA-/Stable to AA/Stable and reaffirmed the short term credit rating at A1+. Additionally, India Ratings assigned short term rating of IND A1+ to Commercial Papers programme of ₹850 Crore. The Company raised ₹1,078 Crore of new long term debt including through secured and unsecured Non-convertible Debentures (NCDs) mainly to finance ongoing capital expenditure in its distribution businesses and repaid ₹1,635 Crore of long term debt, thus reducing the long term debt by ₹557 Crore. The Company also tied up incremental working capital lines (fund and non-fund based) of ₹839 Crore i.e. increased it from ₹3,111 Crore to ₹3,950 Crore.

New long term debt raised included ₹370 Crore by way of issuance of NCDs on private placement basis as per the details mentioned below:

Description of NCDs	Date of Allotment	Number of NCDs issued	Face Value and Issue Price (₹ in Lakh)	Amount raised (₹ in Crore)	Coupon Rate	Maturity Date (Series wise)
Unsecured, Rated, Listed, Taxable, Non-Cumulative, Redeemable NCDs	May 14, 2019	2,700	10	270	10.25% p.a.	A – May 13, 2022 B – May 12, 2023 C – May 14, 2024
Secured, Rated, Listed, Taxable, Non-Cumulative, Redeemable NCDs	March 19, 2020	1,000	10	100	7.65% p.a.	March 17, 2023

Outstanding long term debt as on March 31, 2020 was ₹8,898 Crore, details of which are provided in Note 22 to the Consolidated Financial Statements. The consolidated debt to equity (including deferred tax liability) ratio as at the end of FY 20 was 0.92 (PY 0.90). The particulars of loans given, guarantees provided and investments made are disclosed in Note 55 to the Standalone Financial Statements.

6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Board has reviewed the affairs of the Company's subsidiaries and associates at regular intervals. In accordance with section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements incorporating the Financial Statements of all subsidiaries, which form part of the Annual Report. Further, a statement containing salient features of the Financial Statements of the Company's subsidiaries and associates is given in prescribed Form AOC-1 which forms part of the Annual report at page no. 249. The said Form also highlights the financial performance of each of the subsidiaries and associate companies included in the Consolidated Financial Statements.

Details pertaining to companies that ceased to be the associates of the Company during the year are provided in Note no. 41 of the notes to the Consolidated Financial Statements, forming part of the Annual Report.

In accordance with section 136(1) of the Companies Act, 2013, the Financial Statements of the subsidiary and associate companies are available for inspection by the Members at the Registered Office of the Company during business hours on all days except Saturday, Sunday and Public Holiday. Any person desirous of obtaining said Financial Statements may write at cs@torrentpower.com. The Annual Report of the Company and Audited Financial Statements of each of the subsidiary companies have been placed on the website of the Company at www.torrentpower.com.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Pankaj Joshi, IAS, Director resigned wef December 17, 2019 due to his transfer within the Government. The Board places on record its appreciation for the guidance and support provided by him during his tenure as a member of the Board.

Government of Gujarat holding 11.22% equity shares of the Company as at end of the year nominated Sunaina Tomar, IAS - Principal Secretary, Energy and Petrochemicals Department (DIN: 03435543) on the Board of the Company in place of Pankaj Joshi, IAS and the Board at its meeting held on February 12, 2020 appointed her as Additional Director wef February 13, 2020 till the commencement of ensuing Annual General Meeting (AGM). The Board hereby recommends her appointment as Director, liable to retire by rotation, wef the ensuing AGM i.e. August 06, 2020.

As per the provisions of the Companies Act, 2013, Samir Mehta (DIN: 00061903), Director, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. A brief resume and other relevant details of Samir Mehta are given in the Explanatory Statement to the Notice convening the AGM.

The Board at its meeting held on May 15, 2019 appointed Rahul Shah as Company Secretary & Whole-time KMP of the Company wef May 16, 2019 in place of Samir Shah, who took up another role in the Company.

8. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors are in compliance with the Code of Conduct prescribed under Schedule IV of the Companies Act, 2013.

9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

The Nomination and Remuneration Committee (NRC) has approved the following criteria and process for identification / appointment of Directors:

Criteria for Appointment:

- i. Proposed Director ("Person") shall meet all statutory requirements and should:
 - possess the highest ethics, integrity and values
 - not have direct / indirect conflict with present or potential business / operations of the Company
 - have the balance and maturity of judgment
 - be willing to devote sufficient time and energy
 - have demonstrated leadership and vision at senior levels, and have the ability to articulate a clear direction for the Company
 - have relevant experience with respect to Company's business (in exceptional circumstances, specialisation / expertise in unrelated areas may also be considered)
 - have appropriate comprehension to understand or be able to acquire that understanding
 - o relating to corporate functioning
 - o concerning the scale, complexity of business and specific market and environment factors affecting the functioning of the Company
- ii. The appointment shall be in compliance with the Board Diversity Policy of the Company.

Process for Identification / Appointment of Directors:

- i. Board members may (formally or informally) suggest any potential person to the Chairperson of the Company meeting the above criteria. If the Chairperson deems fit, necessary recommendation shall be made by him to the NRC.
- ii. Chairperson of the Company can himself also refer any potential person meeting the above criteria to the NRC.
- iii. NRC will process the matter and recommend such proposal to the Board.
- iv. Board will consider such proposal on merit and decide suitably.

Remuneration Policy:

The Company has in place a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees of the Company. The policy is available on the website of the Company.

10. EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The evaluation of Board, its Committees and Individual Directors was carried out as per the process and criteria laid down by the Board of Directors.

The proforma formats for facilitating the evaluation process of Non-Independent Directors & Board as a whole and Committees were sent to all Independent Directors. A presentation on functioning of the Board and Committees, containing the outcome of their evaluation and feedback was reviewed by the Independent Directors in their separate meeting and by the Board. Based on the feedback, the Board expressed satisfaction on overall functioning of the Board, Committees and performance of Directors.

11. MEETINGS OF THE BOARD, COMMITTEES & COMPLIANCE TO SECRETARIAL STANDARDS

The Board meets at regular intervals, with gap between two meetings not exceeding 120 days. During the year under review, the Board met four times.

The Board has six committees namely Audit Committee (AC), Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSR), Stakeholders Relationship Committee (SRC), Risk Management Committee (RMC) and Committee of Directors (CoD). A detailed note on the composition of the Board and its committees (AC, NRC and SRC) is provided in the Corporate Governance Report included in the Annual Report. Composition of CSR Committee is given in the Report on CSR Activities (Annexure C). Composition of RMC is provided in this Report in Risk Management section. CoD is a Board Committee to facilitate routine executive decisions and exercise of authority granted by the Board in various matters. The minutes of all the Committee meetings are reviewed at every Board meeting.

During the year, the Company has complied with the provisions of Secretarial Standard 1 (relating to meetings of the Board of Directors) and Secretarial Standard 2 (relating to General meetings).

12. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134(3) of the Companies Act, 2013, the Board of Directors state that:

- a) in preparation of the Financial Statements, the applicable accounting standards have been followed and there are no material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020 and of the profits for the year ended March 31, 2020;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the Financial Statements have been prepared on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. AUDITORS

STATUTORY AUDITORS

The Members at the 13th AGM of the Company had appointed M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company to hold office from the close of the 13th AGM till the conclusion of the 18th AGM.

The Auditors' Report for FY 20 forms part of the Annual Report and does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to section 148(3) of the Companies Act, 2013, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai had been appointed as Cost Auditors of the Company for FY 20 by the Board of Directors for conducting audit of cost records maintained in respect of electricity and electricals or electronic machinery. Their remuneration was ratified by Members at the 15th AGM of the Company.

The Cost Audit Report for FY 19 does not contain any qualification and was filed on August 26, 2019 with the Central Government (within the prescribed time limit) pursuant to section 148(6) of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to section 204 of the Companies Act, 2013 read with Rules thereof, the Board of Directors had appointed M/s. M. C. Gupta & Co., Company Secretaries, Ahmedabad, as Secretarial Auditors of the Company for FY 20. The Secretarial Audit Report for FY 20 is annexed herewith as **Annexure A**.

There are no adverse observations in the Secretarial Audit Report which call for explanation.

14. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to Financial Statements. The Statutory Auditors of the Company have audited such controls with reference to Financial Reporting and their Audit Report is annexed as Annexure A to the Independent Auditors' Report under Standalone Financial Statements and Consolidated Financial Statements which forms part of the Annual Report.

15. CORPORATE GOVERNANCE

In compliance with Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance forms part of the Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance is annexed to the Board's Report as **Annexure B**.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During FY 20, the Company incurred CSR expenditure of ₹20.36 Crore which was 2% of average net profit for the past three Financial Years. The CSR activities by the Company were under the thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. Brief outline of the CSR Policy of the Company and the details of key CSR programs and activities undertaken at Group level are provided in the Report on CSR Activities annexed herewith as **Annexure C**.

In addition to above, the Company continued other social activities during the year, the brief details of the same are described hereunder:

- **Creating livelihoods**

- o To contribute towards societal goal of uplifting the local youth of the area, 48 unemployed youth with basic primary education were selected from surrounding areas in FY 20. They were imparted an intensive in-house developed training module of 33 working days, followed by a structured on-the-job training for one month covering security, basic firefighting and computer skills. Post completion of successful training, they were absorbed as security guards at SUGEN and DGEN power plants. Till date, total 186 such youth have been trained and employed.
- o Differently abled persons (with impaired hearing and speech) were trained for routine cleaning of solar panels at GENSU Solar Plant, thus providing them a dignified livelihood.
- o Employment opportunities for uneducated and destitute locals for horticulture, house keeping and canteen work at industrial and office facilities.

- **Community Healthcare**

During the year, Swadhar community healthcare facility was renamed Sumangal and integrated into Rangtarang hospital complex comprising 150 bed paediatric hospital, inaugurated in February, 2020. Sumangal now operates with an enhanced scope which includes specialized consultations in the areas of dental care, ophthalmology, dermatology, gynaecology, physiotherapy and orthopaedic. During FY 20, 1,00,311 patients have benefitted from the facility.

- **Donations**

The Company made charitable donations amounting to ₹19.44 Crore to various organisations for activities related to healthcare, education, arts & culture, science, relief to disaster victims; socio-economic development including de-addiction, skill development, self-help groups, upliftment of women, integrated development of tribes, protection of consumer rights, building of toilets etc.

The Company has also donated ₹15.00 Crore to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM – CARES Fund) and ₹35.00 Lakh to various charitable organizations to fight the effects of COVID -19 pandemic and its fallout on poorer sections of the society.

17. ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company accords utmost importance to EHS in its various operations. The key developments concerning EHS during FY 20 include:

- AMGEN Power Plant has been awarded the prestigious sword of honour by British Safety Council in October, 2019 for its commitment to excellence in occupational health and safety.
- Gas based generation plants have implemented 5S Work Place Management System and were certified by Quality Circle Forum of India (QCFI) and Union of Japanese Scientist and Engineers (JUSE).
- Kitchen waste of all Company operated canteens was converted into manure through organic waste converter machines.
- Extensive plantations of trees and shrubs in all the vacant lands of the Company.
- Implemented "Behaviour Based Safety" (BBS) to develop and inculcate safety as a behavioural aspect of each individual at the gas-based generation plants.
- Health talks on common health problems such as Hypertension, Diabetes, Life Style Diseases, Yoga, mini marathon etc. were conducted for employees.
- Specialized external training workshops were organised by AMGEN power plant for AED (Automated External Defibrillator), AMBU Bag (Artificial Manual Breathing Unit), Cardio Pulmonary Resuscitation (CPR) technique with the practical demonstration, awareness for hazards and precautions for COVID-19, electrical safety training for

safe isolation, mock drills for different kind of emergency scenarios such as body illness, fire in office premise etc. E-learning initiatives taken up for EHS training in AMGEN power plant.

- Continuing efforts for reducing paper consumption by development of Field Force Application for various activities.
- Measurement and monitoring of environmental parameters related to drinking water quality, food quality, work place noise, ambient noise, DG stack emission monitoring, ambient air quality monitoring and usage of environmental friendly bio-degradable ester oil in place of mineral oil in distribution transformers in densely populated and congested areas to enhance safety and to prevent land contamination.

Moreover, the Company has in place the "Conviction for Safety" policy, which provides for substantial compensation to the personnel (employees as well as contractors' labour) and their families, who are adversely affected by accidents.

18. VIGIL MECHANISM

The Company has in place a Whistle Blower Policy pursuant to the applicable statutory requirements. The details of the Whistle Blower Policy are explained in the Report on Corporate Governance.

19. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, during the year under review, the Company has credited unpaid / unclaimed Dividend to IEPF Authority and equity shares to the Demat account of IEPF Authority as per the details mentioned below:

Financial Year	Unpaid / Unclaimed Dividend transferred (in ₹)	No. of equity shares transferred
2011-12 (Final dividend)	1,09,74,765.00	1,83,907
Fractional entitlement	8,45,611.00	-

During the year under review, the Company has also credited following dividend to IEPF authority against equity shares already transferred:

Financial Year	Dividend (in ₹)	Amount credited to IEPF (in ₹)	No. of equity shares already transferred
2018-19 (Final dividend)	5.00 per share	88,32,455.00	17,66,491
2019-20 (Interim dividend)	11.60 per share	2,22,05,624.80	19,14,278

Members whose shares and unclaimed dividend have been transferred to the IEPF Demat Account or IEPF account, as the case may be, may claim the shares or apply for refund of dividend by making an application to the IEPF Authority in web Form IEPF-5 (available on <http://www.iepf.gov.in>). Details of Members whose dividend remained unpaid for 7 consecutive years or more may be accessed at Company's website at www.torrentpower.com.

The details of unpaid / unclaimed dividend lying in the unpaid dividend accounts as on March 31, 2020 are mentioned below:

Sr. No.	Dividend for Financial Year	Due date for transfer to IEPF	Amount of Unpaid / Unclaimed Dividend (in ₹)
1.	2012-13 (Final) of erstwhile Torrent Cables Ltd.	August 25, 2020	9,37,321.00
2.	2012-13 (Final) of Torrent Power Ltd.	August 30, 2020	63,54,982.00
3.	2013-14 (Final) of erstwhile Torrent Cables Ltd.	September 02, 2021	4,69,672.50
4.	2013-14 (Final) of Torrent Power Ltd.	September 02, 2021	17,79,553.50
5.	2014-15 (Final) of erstwhile Torrent Cables Ltd.	September 02, 2022	3,08,956.00
6.	2014-15 (Final) of Torrent Power Ltd.	September 09, 2022	52,85,455.50
7.	2015-16 (Interim) of Torrent Power Ltd.	April 15, 2023	1,61,622,67.50
8.	2016-17 (Final) of Torrent Power Ltd.	September 06, 2024	1,21,33,748.00
9.	2017-18 (Final) of Torrent Power Ltd.	September 06, 2025	1,57,80,585.00
10.	2018-19 (Final) of Torrent Power Ltd.	September 10, 2026	1,21,35,915.00
11.	2019-20 (Interim) of Torrent Power Ltd.	March 19, 2027	2,41,68,971.20

Note: Torrent Cables Ltd. was amalgamated with Torrent Power Ltd. wef October 01, 2015.

The actual amount lying in unpaid dividend accounts alongwith corresponding shares related thereto will be transferred to IEPF Authority within statutory timeline as applicable.

Rahul Shah, Company Secretary, has been appointed as Nodal Officer of the Company and details of the Nodal Officer are available on the website of the Company at <https://www.torrentpower.com/index.php/investors/iepf>.

20. BUSINESS RESPONSIBILITY REPORT

As stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report forms part of the Annual Report.

21. RISK MANAGEMENT

The Company has in place a Risk Management framework for a systematic approach to control risks. The Risk Management Policy of the Company lays down procedures for risk identification, assessment, monitoring, review and reporting. The Policy also lists the roles and responsibilities of Board, Risk Management Committee (RMC), Chief Risk Officer, Risk Champions and Risk Co-ordinators. The Risk Management process is reviewed and monitored by the functional heads. RMC meets at least once in a year to review internal and external risks with potential impact and likelihood that may impact the Company in achieving its strategic objectives or may threaten its existence. Composition of RMC consists of member of Board and Senior Management of the Company as provided below:

Name of Member	Category
Samir Barua, Chairperson	Independent Director
Bhavna Doshi	Independent Director
Sanjay Dalal	Chief Financial Officer

Management and Discussion Analysis section of the Annual Report identifies the key risks which can affect the performance of the Company.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties are given in the prescribed Form AOC-2, annexed herewith as **Annexure D** and in the section on Related Party Transactions in the Report on Corporate Governance.

23. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The details in terms of section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time are forming part of this Report as **Annexure E**.

24. PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORK PLACE

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

25. THE EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure F** to this Report.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in the **Annexure G** which forms part of this Report.

27. OTHER DISCLOSURES

- During the year under review, the Company has neither accepted nor renewed any fixed deposits.
- During the year under review, there are no changes in the nature of business.
- There are no material changes and commitments, affecting the financial position of the Company which has occurred between end of financial year i.e. March 31, 2020 and the date of Directors' Report i.e. May 18, 2020.
- No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future.

28. APPRECIATION AND ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record its appreciation for the continued support received from all stakeholders including government, regulatory authorities and financing institutions. The Board is thankful to the members and employees for their unstinted support and contribution.

The Directors regret the loss of life due to COVID-19 pandemic and have immense respect for every person who risked their life and safety to fight this pandemic.

For and on behalf of the Board of Directors

May 18, 2020
Ahmedabad

Samir Mehta
Chairperson
DIN: 00061903

ANNEXURE A

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Torrent Power Limited,
“Samanvay”,
600, Tapovan, Ambawadi,
Ahmedabad – 380015

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Torrent Power Limited (CIN: L31200GJ2004PLC044068) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Torrent Power Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(Not applicable to the Company during the Audit Period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**.
- vi. The Company has complied with following other laws specifically applicable to the Company:
- (a) Electricity Act, 2003
 - (b) Gujarat Electricity Duty Act, 1958
 - (c) Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003
 - (d) Gujarat Electricity Grid Code, 2013
 - (e) Energy Conservation Act, 2001

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. There were no dissenting views on any matter.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. The Company has issued Listed Rated Non-Convertible Debentures aggregating to ₹370 Crore through Private Placement and Commercial Papers aggregating to ₹250 Crore.
2. The Company has acquired entire paid up share capital of TCL Cables Private Limited, the step down subsidiary and the same has become direct Wholly-owned Subsidiary (WOS) of the Company.
3. The Board of Directors of the Company had approved a draft Scheme of Arrangement with TCL Cables Private Limited and the respective shareholders and creditors for transfer and vesting of cable business undertaking of the Company as a going concern by way of slump sale.

For **M. C. Gupta & Co.**
Company Secretaries
UCN: S1986GJ003400

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)
UDIN: F002047B000249228

Place : Ahmedabad
Date : May 18, 2020

Note: This Report is to be read with our Letter of even date which is annexed as Annexure "A" and forms an integral part of this Report.

Annexure: “A”

To,
The Members,
Torrent Power Limited,
“Samanvay”,
600, Tapovan,
Ambawadi, Ahmedabad – 380015

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. The spread of COVID-19 disease has severely impacted economies, business and social setups across globe. India is no exception. The spread of COVID-19 and consequent lockdowns, disruption in transportation, supply-chain, travel bans, quarantines, social distancing and other such emergency measures have carried wide spread disruption in the economy and business. The resultant situation is both complex and continuous evolving with no clear viability near to medium term future outlook. In above backdrop and with a view to meet the statutory timelines, we have relied upon the information and online data provided by the Company, required to conduct the Secretarial Audit and also the clarifications given by the Management. We have conducted the Secretarial Audit based upon the online information so provided with limitation to access to all the records maintained by the Company, due to inability to have personal visit to Company's office(s).
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the Management. Our examination was limited to the verification of the procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M. C. Gupta & Co.**
Company Secretaries
UCN: S1986GJ003400

Mahesh C. Gupta
Propriety
FCS: 2047 (CP: 1028)
UDIN: F002047B000249228

Place : Ahmedabad
Date : May 18, 2020

ANNEXURE B**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE****TO THE MEMBERS OF
TORRENT POWER LIMITED**

We have examined the compliance of conditions of Corporate Governance by Torrent Power Limited (the "Company"), for the year ended March 31, 2020 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Pradip Kanakia
Partner
Membership No.: 039985
UDIN: 20039985AAAACD7301

Place: Bengaluru
Date: May 18, 2020

ANNEXURE C

REPORT ON CSR ACTIVITIES FOR FY 20

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs

Inspired by noble ideas of the founder Chairman late U N Mehta, Torrent Group underscores its responsibilities as a corporate citizen and believes in carrying out its industrial and business activities in a socially and environmentally responsible manner, balancing the needs of all stakeholders and contributing to the upliftment and well being of the disadvantaged sections of the society.

The Company, as a part of its CSR programmes / activities, made dedicated efforts in the fields of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. It is in this backdrop that the Company has drawn up its CSR policy and conducted its programmes and activities for FY 20.

Overview of projects or programs undertaken

Major CSR initiatives undertaken by the Company during FY 20, are enumerated hereunder:

➤ **REACH:** Driven by the belief of Chairman Emeritus, Sudhir Mehta '**Children are the future of our nation and this future must be well preserved**', the flagship CSR program of the Group "**REACH**" – **Reach EAch CHild** was initiated in the year 2016 under the aegis of Tornascent Care Institute, a section 8 company. REACH has three major pillars: **(a) SHAISHAV (b) JATAN and (c) MUSKAN**. Salient achievements are:

- **"Shaishav"**, the first pillar of the programme, targets to establish baseline health status of children in age group of 6 months to 6 years, through medical camps in 372 villages surrounding the industrial establishments of the Group. This year, 277 supplementary camps spanning 351 villages were conducted to screen 12,619 new children subsequent to previous camps. Children identified as anemic and malnourished were provided appropriate treatment with very encouraging outcomes. Additionally, children identified with chronic illnesses were provided long term treatment with complete handholding. Aggregate 1,471 such children having chronic illnesses have benefitted from the programme since initiation.
- **"Jatan"**, the second pillar of the programme, encompasses provision of healthcare services to children upto 18 years. Initiated with establishment of 4 state-of-art paediatric primary healthcare facilities, supported by mobile OPD vans, in areas where Group's industrial facilities are located, primarily rural areas. The programme was extended during the year by building a state-of-the-art 150 bed paediatric hospital "Balsangam", near SUGEN Power Plant at an aggregate capital cost of ₹135 Crore. The hospital, inaugurated in February 2020, will provide free-of-cost OPD and in-patient services and is eventually planned to be established as a center of excellence in secondary and tertiary paediatric care in multiple super specialties. "Balsangam" is expected to benefit children residing in about 500 villages in a radius of 40 kms. In addition, "Sumangal" (the erstwhile "Swadhar") community healthcare facility was integrated into the "Rangtarang" hospital complex and expanded from a community healthcare center to multidisciplinary clinic for patients of all ages. "Sumangal" provides general and specialised healthcare services at a nominal charge of ₹10 per visit.

The well-equipped paediatric hospital at SUGEN and primary paediatric health centers at other 3 locations, namely, Dahej, Balasinor and Indrad progressed well during the year. The SUGEN center added diagnostic capabilities during the year. For FY 20, 1,37,297 children benefited from the services of these pediatric centers and associated mobile OPD vans.

- **Under "Muskaan"**, the third pillar of the program, counselling and support was provided to rural adolescent girls around SUGEN, Dahej & Indrad centers covering menstrual hygiene and sanitation, by providing free health and hygiene kits. About 6,000 adolescent girls from 125 villages, between 11-18 years of age

were provided kits on monthly basis during the year. This programme has helped gradual eradication of physiological and social taboos and increased confidence and self-esteem of the beneficiaries. It is planned to expand the coverage under this programme.

With the objective to build awareness amongst the rural under privileged class that prevention is better than cure for long term benefits in healthcare, an initiative “જાગરણ એ જ નિવારણ” was launched in FY 20. This initiative was implemented with large scale employee participation “Shaishav Mitrs”. Shaishav Mitrs reach out and conduct sessions amongst community and provide insight into the curative facilities available at the Bal Aarogya Kendras. The target population includes patients waiting for consultation at Jatan, mothers hailing from villages where camps are conducted, others who come in contact during follow up interventions as well as school children in the age group of 6 to 13 years. 41,230 villagers from 351 supplementary camp villages and 65,737 children from 493 primary schools have benefited from the sessions.

During the year, a healthcare awareness drive through daily SMS containing a topical health message in Gujarati language was started, covering more than 80,000 villagers, mainly beneficiaries under our various programmes across all the four locations.

- **Shiksha Setu :** The Teaching and Learning Programme, conducted through UNM Foundation completed fourth year of Phase II. This programme covers 13 government primary schools located near SUGEN, Chhatral, Chhapi, Memadpur and Ahmedabad locations having 4,600+ students and 150+ teachers of 1-8 standards. Focus in FY 20 continued to be on enhancing learning levels of students through academic workshops and technology based education tools provided in the schools. About 4,200 students from 3rd to 8th standard (from 13 program schools and 7 control schools) participated in technology based learning assessment and achieved 20.26% YOY improvement in learning levels as compared to previous year's result.

Based on the analysis of the outcomes, remedial sessions for enhancing foundation skills of academically weak students were carried out. Continuous inputs were provided to teachers and students on enhancing academic skills, positive wellbeing and life skills through various workshops. About 600+ parents have been contacted through sensitization meetings and individual home visits. Family meetings were also conducted for academically weak and irregular students.

- **Development and Maintenance of Public Parks:** The Company along with one of India's best known landscape design firm developed an approach for development of urban public parks, particularly small sized parks (as large plots of land are not easily available in cities). Six such parks measuring approx. 33,000 sq mt have been fully developed and opened for public use since FY 19. Another six parks measuring approx. 75,000 sq mt are under various stages of development and will be opened to public in FY 21. The park maintenance is also funded from CSR funds of the Company.

The CSR Policy and approved CSR budget for FY 20 are available for reference on the website of the Company at:

https://www.torrentpower.com/pdf/investors/02-06-2016_rautx_csrpolicy.pdf &

https://www.torrentpower.com/pdf/investors/20190516_CSR_BUDGET_FY201920.pdf respectively.

A brief outline of the CSR Policy is given below:

- Three thrust areas in which CSR activities are planned - (a) Community Healthcare, Sanitation & Hygiene (b) Education & Knowledge Enhancement (c) Social Care & Concern.
- The CSR projects are conducted, preferably in areas where the Company has industrial or business presence, after approval of CSR Committee and Board. Half-yearly review of the implementation of the CSR Policy and Plan is done by the CSR Committee.
- CSR Projects may be implemented directly by the Company wherein Company implements the CSR projects on its own or through dedicated CSR vehicles (section 8 companies) promoted by it and/or indirectly wherein the Company implements the CSR projects through an external entity engaged in charitable activities.

2. The Composition of CSR Committee:

Name of Director	Category of Directorship
Bhavna Doshi, Chairperson	Independent Director
Samir Barua	Independent Director
Jinal Mehta	Managing Director

3. Average net profit of the Company for last three Financial Years: ₹1,017 Crore.

4. Prescribed CSR Expenditure (2% of the above amount): ₹20.35 Crore.

5. Details of CSR spent during the Financial Year.

- a) Total amount spent for the FY 20: ₹20.36 Crore.
- b) Amount unspent, if any: Nil

c) Manner in which the CSR amount was spent during FY 20 is detailed below:-

1 Sr. No.	2 CSR Project or Activity Identified	3 Sector in which the Project is covered	4 Projects or Programs: (1) Local area or other; (2) Specify the State and District where Projects or Programs were undertaken during FY 20	5 Amount Outlay (Budget) Program wise for FY 20	6 Amount spent on the Projects or Programs subheads: (1) Direct expenditure on Projects or Programs, (2) Overheads for FY 20	7 Cumulative expenditure upto the reporting period*	8 Amount Spent : Direct or through implementing agency
1	REACH - Paediatric Healthcare Programme	Community Healthcare, Sanitation & Hygiene (promoting healthcare including preventive healthcare)	Various districts in the state of Gujarat like Kamrej, Mandvi, Mangrol, Olpad in Surat, Vagra, Amod in Bharuch, Balasinor in Mahisagar, Jotana, Kadi in Mehsana, Galteshwar, Kapadvanj, Kathlal, Thasra, Nadiad in Kheda, Kalol in Gandhinagar	18.53	18.54	53.15	Directly: (1) Through Tornascent Care Institute (Section 8 company of the Group) (2) By Company
2	Development of Public Parks	Social Care & Concern (ensuring environmental sustainability, ecological balance and protection of flora and fauna)	Ahmedabad, Gujarat	1.35	1.35	7.85	Directly: Through UNM Foundation (Section 8 company of the Group)
3	Shiksha Setu (Quality education programme) (Rural and Urban Slum area) \$	Education and Knowledge Enhancement (promoting education)	Sabarmati in Ahmedabad, Kamrej in Surat, Vadgam in Banaskantha Kadi in Mehsana, in the state of Gujarat	0.36	0.36	5.01	Directly: Through UNM Foundation (Section 8 company of the Group)
4	Supporting Primary & Secondary School (for urban slum children)	Education and Knowledge Enhancement (promoting education)	Sabarmati, Ahmedabad, Gujarat	0.11	0.11	1.02	Directly: Through Amdavad Vidhyut Kelavani Samaj Trust
5	Supporting village development	Social Care & Concern (Rural Development)	Nadiad, Kheda, Gujarat	0.0012	0.0012	0.18	Directly by Company
6	Others						
	CSR capacity building cost including Administrative overhead			0.00	0.00	2.60	Directly by Company
	Miscellaneous			0.00	0.00	0.04	
	Total			20.35	20.36	-	

* Starting from April 01, 2014.

\$ Amount of ₹2.70 Crore was contributed till March 31, 2014.

Note: Cumulative expenditure upto the reporting period does not include the projects / programs previously completed.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report.

Not Applicable

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Ahmedabad
May 18, 2020

Samir Barua
Director
DIN: 00211077

Bhavna Doshi
Chairperson, CSR Committee
DIN: 00400508

ANNEXURE D

FORM AOC-2								
(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)								
Form for disclosure of particulars of Contracts / Arrangements entered into by the Company with Related Parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto								
1. Details of contracts or arrangements or transactions not at arm's length basis								
Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/arrangements/ transactions including value, if any	Justification for entering into such contracts/ arrangements/ transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1.	TCL Cables Private Limited (Subsidiary Company)	Permission for use of premises as Registered Office	Effective from November 05, 2019 until such time it remains wholly owned subsidiary of the Company	- Permission to use premises located at Cables Unit, Nadiad, as Registered Office - Free of cost basis	Being Company's wholly-owned subsidiary	November 05, 2019	Nil	Not Applicable
2.	UNM Foundation (Associate Company)	Free of cost License of land	Effective from execution of requisite leave and license agreement until land is used for the purpose of Urja Vidhyalay School	- License of 8200 sq. mt. area of land for the purpose of construction of new school building of Urja Vidhyalay - Free of cost basis	The transaction was entered for a good cause and for betterment of society as the children from the slum areas in and around the AMGEN power plant are benefited from the school	February 12, 2020	Nil	Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis								
Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/arrangements/ transactions including value, if any	Date(s) of approval by the Board and Audit Committee, if any	Amount paid as advances, if any	Date on which shareholders resolution was passed in general meeting u/s 188(1)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(g)	
				NIL				

Ahmedabad
May 18, 2020

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN: 00061903

Board's Report

ANNEXURE E**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1), 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 20 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 20 are as under:

Sr. No.	Name	Designation	Ratio of Remuneration of Director to Median Remuneration of employees	% increase in Remuneration in FY 20
			(Sub-clause (i) of Rule 5(1))	(Sub-clause (ii) of Rule 5(1))
1.	Sudhir Mehta	Chairman Emeritus	111.17	0%
2.	Samir Mehta	Chairperson	222.34	0%
3.	Pankaj Patel	Independent Director	5.00	18.42%
4.	Samir Barua	Independent Director	9.56	53.57%
5.	Keki Mistry	Independent Director	5.56	38.89%
6.	Bhavna Doshi	Independent Director	9.00	44.64%
7.	Dharmishta Raval	Independent Director	7.23	16.07%
8.	Pankaj Joshi, IAS	Non-Executive Director	2.45	37.50%*
9.	Jinal Mehta	Managing Director	249.71	14.91%
10.	Sanjay Dalal	Chief Financial Officer	Not Applicable	9.45%
11.	Rahul Shah	Company Secretary	Not Applicable	Not Applicable**

Notes:

* Resigned as Director wef December 17, 2019. Sunaina Tomar, IAS was appointed in his place wef February 13, 2020 not included in the above table, as no remuneration has been paid to her for FY 20.

** Appointed as Company Secretary wef May 16, 2019. Samir Shah was Company Secretary until May 15, 2019, not included in the above table.

2. Sub-clause (iii) of Rule 5(1): The median remuneration of the employees (excluding employees covered under wage settlement and employees who were employed for part of the year) in FY 20 increased by 9.02%.
3. Sub-clause (iv) of Rule 5(1): The number of permanent employees on the rolls of Company as on March 31, 2020 was 7,874.
4. Sub-clause (viii) of Rule 5(1): The average percentage increase made in the remuneration:
- of employees (excluding Directors, Managerial Personnel, employees covered under wage settlement and employees who were employed for part of the year) is 11.37%;
 - of managerial personnel is 7.37%.
5. Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

6. Rules 5(2) and 5(3): The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Annual Report. Having reference to the provisions of section 134 and section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the Registered Office of the Company during its working hours up to the date of ensuing Annual General Meeting. Further, any Member interested in obtaining such information may obtain it by writing to the Company Secretary at cs@torrentpower.com.

For and on behalf of the Board of Directors

Ahmedabad
May 18, 2020

Samir Mehta
Chairperson
DIN: 00061903

ANNEXURE F

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN:	L31200GJ2004PLC044068
ii) Registration Date:	April 29, 2004
iii) Name of the Company:	Torrent Power Limited
iv) Category / Sub-Category of the Company:	Limited by Shares / Indian Non-Government Company
v) Address of the Registered Office and contact details:	“Samanvay,” 600 Tapovan, Ambawadi, Ahmedabad - 380015 (Gujarat) Phone: +91 79 26628300 Fax: +91 79 26764159 Email: cs@torrentpower.com Website: www.torrentpower.com
vi) Whether listed company Yes / No :	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent:	Link Intime India Private Limited 5 th floor, 506 to 508, Amarnath Business Centre - 1 (ABC - 1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006 (Gujarat) Phone: +91 79 26465179 / 86 / 87 Email: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below:

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Electric power generation and distribution	351	97.21%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Torrent Investments Private Limited [#]	Torrent House, Off Ashram Road, Ahmedabad-380009	U67120GJ1985PTC007573	Holding	53.56%	2(46)
2	Torrent Power Grid Limited	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U40104GJ2005PLC046660	Subsidiary	74.00%	2(87)
3	Torrent Pipavav Generation Limited	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U40108GJ2007PLC051822	Subsidiary	95.00%	2(87)
4	Torrent Solargen Limited	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U40102GJ2008PLC055000	Subsidiary	100.00%	2(87)
5	Jodhpur Wind Farms Private Limited	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U31909GJ2017PTC106919	Subsidiary	100.00%	2(87)
6	Latur Renewable Private Limited	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U31906GJ2017PTC106736	Subsidiary	100.00%	2(87)
7	AEC Cements and Constructions Limited	AEC Tower, Fifth Floor, Shahpur, Ahmedabad-380001	U45201GJ1988PLC010752	Subsidiary	69.00%	2(87)
8	TCL Cables Private Limited*	Torrent Power Ltd - Cables, Unit Yoginagar Mission Road Nadiad-387002	U31904GJ2019PTC110468	Subsidiary	100.00%	2(87)
9	Tidong Hydro Power Limited	Ground Floor, Room No. 1, Building Khasra No. 6849 Ward No. 1, Nirmand Road, Near Army Area, Kulu, Himachal Pradesh-172022	U40101HP2007PLC030774	Associate	49.00%	2(6)
10	UNM Foundation (Section 8 Company)	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U85110GJ2015NPL083340	Associate	50.00%	2(6)
11	Tornascent Care Institute (Section 8 Company)	"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	U85100GJ2015NPL082291	Associate	50.00%	2(6)
12	Wind Two Renergy Private Limited	Survey No. 1837 & 1834, At Moje Jetalpur ABS Tower, Second Floor, Old Padra Road, Vadodara-390007	U40300GJ2017PTC096960	Associate	NIL	2(6)

[#] earlier known as Torrent Private Limited

* wef November 05, 2019

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year 01/04/2019				No. of Shares held at the end of the year 31/03/2020				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. PROMOTER AND PROMOTER GROUP									
(1) INDIAN									
(a) Individual / HUF	21007	-	21007	-	21007	-	21007	-	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	257422311	-	257422311	53.56	257422311	-	257422311	53.56	-
(e) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub -Total A(1)	257443318	-	257443318	53.57	257443318	-	257443318	53.57	-
(2) FOREIGN									
(a) Individuals (NRIs / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FIs	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=A(1)+A(2)	257443318	-	257443318	53.57	257443318	-	257443318	53.57	-
B. PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
(a) Mutual Funds / UTI	53161122	-	53161122	11.06	73044049	-	73044049	15.20	4.14
(b) Banks / Financial Institutions	23384345	83165	23467510	4.88	2430251	63801	2494052	0.52	-4.36
(c) Central Government	-	-	-	-	-	-	-	-	-
(d) State Government(s)	900	7057896	7058796	1.47	901	7057050	7057951	1.47	0.00
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	11309490	-	11309490	2.35	2.35
(g) Foreign Portfolio Investors / Foreign Institutional Investors	37533395	-	37533395	7.81	42076508	-	42076508	8.75	0.94

Category of Shareholder	No. of Shares held at the beginning of the year 01/04/2019				No. of Shares held at the end of the year 31/03/2020				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i) Alternative Investment Funds	-	-	-	-	131309	-	131309	0.03	0.03
Sub-Total B(1)	114079762	7141061	121220823	25.22	128992508	7120851	136113359	28.32	3.10
(2) NON-INSTITUTIONS									
(a) Bodies Corporate	60643772	-	60643772	12.61	48851936	-	48851936	10.16	-2.45
(i) Indian	56783772	-	56783772	11.81	48851936	-	48851936	10.16	-1.65
(ii) Overseas	3860000	-	3860000	0.80	-	-	-	-	-0.80
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lac	20954521	4772863	25727384	5.35	19137121	4109114	23246235	4.84	-0.51
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lac	9297236	1746831	11044067	2.30	9325448	1291923	10617371	2.20	-0.10
(c) NBFC's registered with RBI	15913	-	15913	0.00	1975	-	1975	0.00	0.00
(d) Others									
- NRI	931177	92513	1023690	0.21	1021103	76542	1097645	0.23	0.02
- Trusts	156644	-	156644	0.03	148571	-	148571	0.03	0.00
- HUF	939429	-	939429	0.20	813642	-	813642	0.17	-0.03
- Office Bearers	-	25	25	0.00	-	-	-	0.00	0.00
- Foreign Portfolio Investor Individual	750	-	750	-	-	-	-	-	0.00
- Clearing Member	628648	-	628648	0.13	361998	-	361998	0.07	-0.06
- IEPF	1772321	-	1772321	0.37	1913948	-	1913948	0.40	0.03
- Trustee Employee	-	-	-	-	6786	-	6786	0.00	0.00
Sub-Total B(2)	95340411	6612232	101952643	21.21	81582528	5477579	87060107	18.11	-3.10
Total Public Shareholding (B)=B(1)+B(2)	209420173	13753293	223173466	46.43	210575036	12598430	223173466	46.43	0.00
C. SHARES HELD BY CUSTODIANS FOR GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	466863491	13753293	480616784	100.00	468018354	12598430	480616784	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% Change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total Shares	
1	Torrent Investments Private Limited [#]	257422311	53.56	0.00	257422311	53.56	48.54*	0.00
2	Sudhir Mehta	6882	0.00	0.00	6882	0.00	0.00	0.00
3	Samir Mehta	6125	0.00	0.00	6125	0.00	0.00	0.00
4	Jinal Mehta	8000	0.00	0.00	8000	0.00	0.00	0.00

[#] earlier known as Torrent Private Limited

* SEBI vide notification dated July 29, 2019 expanded the definition of “Encumbrance” under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 which includes the following-

- any restriction on the free and marketable title to shares, by whatever name called, whether executed directly or indirectly;
- pledge, lien, negative lien, non-disposal undertaking; or
- any covenant, transaction, condition or arrangement in the nature of encumbrance, by whatever name called, whether executed directly or indirectly.

Promoter has executed Non-Disposal Undertakings (“NDUs”) / accepted covenants in respect of 12,49,60,364 equity shares held by it in the Company, for the benefit of specified lenders /NCD holders, for loans granted/ NCDs subscribed by them to the Company. Such NDUs / covenants fall under the above expanded definition of Encumbrance. The primary obligation undertaken by the Promoter in such NDUs / covenants is to hold and continue to hold atleast 26% of equity share capital of the Company during the period such loans / debentures are outstanding. The NDUs / covenants do not create pledge or similar security charge on equity shares and the sole purpose of executing NDUs / accepting covenants is to provide management comfort to such lenders / debenture holders. Cumulatively these NDUs / covenants oblige the Promoter for 26% of the equity shares of the Company.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There was no change in promoters' shareholding during the reporting period.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
1	Gujarat State Financial Services Limited	46871621	9.7524	01-04-19	Nil			
		46871621	9.7524	31-03-20			46871621	9.7524
2	Axis Mutual Fund	30744585	6.3969	01-04-19				
	Trustee Limited A/C			05-04-19	-51000	Transfer	30693585	6.3863
	Axis Mutual Fund A/C			26-04-19	200000	Transfer	30893585	6.4279
	Axis Long Term			03-05-19	41664	Transfer	30935249	6.4366

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
	Equity Fund			10-05-19	48291	Transfer	30983540	6.4466
				31-05-19	695598	Transfer	31679138	6.5914
				07-06-19	-387000	Transfer	31292138	6.5108
				14-06-19	-2052000	Transfer	29240138	6.0839
				29-06-19	36820	Transfer	29276958	6.0915
				12-07-19	-3243000	Transfer	26033958	5.4168
				26-07-19	297050	Transfer	26331008	5.4786
				02-08-19	167950	Transfer	26498958	5.5135
				09-08-19	500000	Transfer	26998958	5.6176
				16-08-19	463458	Transfer	27462416	5.7140
				08-11-19	174000	Transfer	27636416	5.7502
				15-11-19	633138	Transfer	28269554	5.8819
				29-11-19	132245	Transfer	28401799	5.9094
				10-01-20	-36821	Transfer	28364978	5.9018
				21-02-20	212788	Transfer	28577766	5.9461
				28-02-20	161603	Transfer	28739369	5.9797
				06-03-20	590183	Transfer	29329552	6.1025
				13-03-20	-57000	Transfer	29272552	6.0906
				20-03-20	300000	Transfer	29572552	6.1530
		29572552	6.1530	31-03-20			29572552	6.1530
3	SBI Focused Equity Fund	1	0.0000	01-04-19				
				29-06-19	317729	Transfer	317730	0.0661
				05-07-19	168000	Transfer	485730	0.1011
				19-07-19	9176129	Transfer	9661859	2.0103
				26-07-19	203871	Transfer	9865730	2.0527
				02-08-19	672952	Transfer	10538682	2.1927
				09-08-19	27332	Transfer	10566014	2.1984
				23-08-19	50000	Transfer	10616014	2.2088
				30-08-19	170000	Transfer	10786014	2.2442
				13-09-19	180000	Transfer	10966014	2.2817
				27-09-19	183870	Transfer	11149884	2.3199
				30-09-19	1030314	Transfer	12180198	2.5343
				04-10-19	1036522	Transfer	13216720	2.7499
				11-10-19	791294	Transfer	14008014	2.9146
				18-10-19	-42000	Transfer	13966014	2.9059
				01-11-19	888650	Transfer	14854664	3.0908
				08-11-19	93559	Transfer	14948223	3.1102
				29-11-19	18153	Transfer	14966376	3.1140

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
				06-12-19	299638	Transfer	15266014	3.1763
				27-12-19	18311	Transfer	15284325	3.1801
				14-02-20	166107	Transfer	15450432	3.2147
				28-02-20	105000	Transfer	15555432	3.2366
				06-03-20	112630	Transfer	15668062	3.2600
				13-03-20	-951310	Transfer	14716752	3.0621
				20-03-20	-90000	Transfer	14626752	3.0433
				31-03-20	26200	Transfer	14652952	3.0488
		14652952	3.0488	31-03-20			14652952	3.0488
4	UTI – Value Opportunities Fund	11743690	2.4435	01-04-19				
				05-07-19	-44000	Transfer	11699690	2.4343
				12-07-19	-1612689	Transfer	10087001	2.0988
				02-08-19	-36887	Transfer	10050114	2.0911
				09-08-19	-60000	Transfer	9990114	2.0786
				13-09-19	-100000	Transfer	9890114	2.0578
				20-09-19	-500000	Transfer	9390114	1.9538
				27-09-19	-774000	Transfer	8616114	1.7927
				04-10-19	-149918	Transfer	8466196	1.7615
				18-10-19	-20355	Transfer	8445841	1.7573
				01-11-19	30000	Transfer	8475841	1.7635
				08-11-19	435585	Transfer	8911426	1.8542
				15-11-19	130000	Transfer	9041426	1.8812
				29-11-19	-26370	Transfer	9015056	1.8757
				06-12-19	-3000	Transfer	9012056	1.8751
				20-12-19	-9000	Transfer	9003056	1.8732
				03-01-20	-16589	Transfer	8986467	1.8698
				10-01-20	-240741	Transfer	8745726	1.8197
				17-01-20	-15000	Transfer	8730726	1.8166
				24-01-20	-110000	Transfer	8620726	1.7937
				31-01-20	-107822	Transfer	8512904	1.7712
				07-02-20	20960	Transfer	8533864	1.7756
				21-02-20	-6000	Transfer	8527864	1.7744
				06-03-20	27402	Transfer	8555266	1.7801
				13-03-20	139983	Transfer	8695249	1.8092
				20-03-20	170707	Transfer	8865956	1.8447
				27-03-20	-6000	Transfer	8859956	1.8435
		8859956	1.8435	31-03-20			8859956	1.8435

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
5	HDFC Life Insurance Company Limited	6458909	1.3439	01-04-19				
				05-04-19	389139	Transfer	6848048	1.4248
				26-04-19	221	Transfer	6848269	1.4249
				03-05-19	283	Transfer	6848552	1.4250
				17-05-19	50390	Transfer	6898942	1.4354
				24-05-19	136881	Transfer	7035823	1.4639
				31-05-19	162263	Transfer	7198086	1.4977
				07-06-19	41211	Transfer	7239297	1.5063
				14-06-19	448	Transfer	7239745	1.5063
				21-06-19	-75000	Transfer	7164745	1.4907
				29-06-19	-285096	Transfer	6879649	1.4314
				05-07-19	74342	Transfer	6953991	1.4469
				19-07-19	-10395	Transfer	6943596	1.4447
				02-08-19	170944	Transfer	7114540	1.4803
				09-08-19	149772	Transfer	7264312	1.5115
				16-08-19	-70	Transfer	7264242	1.5114
				23-08-19	179	Transfer	7264421	1.5115
				30-08-19	-28999	Transfer	7235422	1.5054
				06-09-19	51708	Transfer	7287130	1.5162
				20-09-19	-2090	Transfer	7285040	1.5158
				27-09-19	298222	Transfer	7583262	1.5778
				04-10-19	-196	Transfer	7583066	1.5778
				11-10-19	-728	Transfer	7582338	1.5776
				18-10-19	-97	Transfer	7582241	1.5776
				25-10-19	-238	Transfer	7582003	1.5776
				01-11-19	-456	Transfer	7581547	1.5775
				08-11-19	-3242	Transfer	7578305	1.5768
				15-11-19	-573	Transfer	7577732	1.5767
				22-11-19	-6375	Transfer	7571357	1.5753
				29-11-19	302133	Transfer	7873490	1.6382
				06-12-19	453061	Transfer	8326551	1.7325
				13-12-19	21581	Transfer	8348132	1.7370
				20-12-19	73431	Transfer	8421563	1.7522
				27-12-19	-735	Transfer	8420828	1.7521
				31-12-19	-935	Transfer	8419893	1.7519
				03-01-20	-3168	Transfer	8416725	1.7512
				10-01-20	-2430	Transfer	8414295	1.7507
				17-01-20	-25552	Transfer	8388743	1.7454

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
				24-01-20	-11863	Transfer	8376880	1.7429
				31-01-20	-13086	Transfer	8363794	1.7402
				07-02-20	1977	Transfer	8365771	1.7406
				14-02-20	600	Transfer	8366371	1.7408
				28-02-20	800	Transfer	8367171	1.7409
				06-03-20	130	Transfer	8367301	1.7410
				20-03-20	202800	Transfer	8570101	1.7831
				27-03-20	100000	Transfer	8670101	1.8040
				31-03-20	700	Transfer	8670801	1.8041
		8670801	1.8041	31-03-20			8670801	1.8041
6	The Governor of Gujarat	7057050	1.4683	01-04-19				
		7057050	1.4683	31-03-20			7057050	1.4683
7	Franklin India Prima Fund	Nil	Nil	01-04-19				
				26-04-19	1373370	Transfer	1373370	0.2858
				03-05-19	588266	Transfer	1961636	0.4081
				10-05-19	411734	Transfer	2373370	0.4938
				17-05-19	440901	Transfer	2814271	0.5856
				24-05-19	584099	Transfer	3398370	0.7071
				31-05-19	576843	Transfer	3975213	0.8271
				07-06-19	215610	Transfer	4190823	0.8720
				14-06-19	347708	Transfer	4538531	0.9443
				12-07-19	-250000	Transfer	4288531	0.8923
				19-07-19	-100000	Transfer	4188531	0.8715
				13-09-19	226036	Transfer	4414567	0.9185
				20-09-19	296264	Transfer	4710831	0.9802
				27-09-19	337700	Transfer	5048531	1.0504
				11-10-19	292214	Transfer	5340745	1.1112
				18-10-19	143706	Transfer	5484451	1.1411
				25-10-19	4080	Transfer	5488531	1.1420
				13-12-19	50000	Transfer	5538531	1.1524
				24-01-20	-200000	Transfer	5338531	1.1108
				06-03-20	100000	Transfer	5438531	1.1316
				20-03-20	228663	Transfer	5667194	1.1792
		5667194	1.1792	31-03-20			5667194	1.1792
8	ITPL - Invesco India Contra Fund	Nil	Nil	01-04-19				
				20-09-19	1022786	Transfer	1022786	0.2128
				27-09-19	708323	Transfer	1731109	0.3602
				30-09-19	233596	Transfer	1964705	0.4088

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
				11-10-19	75028	Transfer	2039733	0.4244
				25-10-19	157092	Transfer	2196825	0.4571
				01-11-19	150000	Transfer	2346825	0.4883
				15-11-19	315155	Transfer	2661980	0.5539
				06-12-19	10522	Transfer	2672502	0.5561
				13-12-19	70156	Transfer	2742658	0.5707
				20-12-19	3683	Transfer	2746341	0.5714
				27-12-19	2133	Transfer	2748474	0.5719
				31-12-19	71300	Transfer	2819774	0.5867
				03-01-20	67668	Transfer	2887442	0.6008
				14-02-20	-207036	Transfer	2680406	0.5577
				28-02-20	76856	Transfer	2757262	0.5737
				13-03-20	258410	Transfer	3015672	0.6275
				20-03-20	303120	Transfer	3318792	0.6905
				27-03-20	936296	Transfer	4255088	0.8853
				31-03-20	315251	Transfer	4570339	0.9509
		4570339	0.9509	31-03-20			4570339	0.9509
9	Utilico Emerging Markets Trust PLC	Nil	Nil	01-04-19				
				14-06-19	2160000	Transfer	2160000	0.4494
				21-06-19	840000	Transfer	3000000	0.6242
				29-06-19	218611	Transfer	3218611	0.6697
				09-08-19	8634	Transfer	3227245	0.6715
				30-08-19	72755	Transfer	3300000	0.6866
				29-11-19	300000	Transfer	3600000	0.7490
				13-03-20	282237	Transfer	3882237	0.8078
				20-03-20	18763	Transfer	3901000	0.8117
				27-03-20	-399000	Transfer	3502000	0.7286
				31-03-20	-224615	Transfer	3277385	0.6819
		3277385	0.6819	31-03-20			3277385	0.6819
10	Abu Dhabi Investment Authority – Behave	Nil	Nil	01-04-19				
				29-06-19	414955	Transfer	414955	0.0863
				05-07-19	238905	Transfer	653860	0.1360
				12-07-19	346140	Transfer	1000000	0.2081
				09-08-19	270000	Transfer	1270000	0.2642
				23-08-19	530000	Transfer	1800000	0.3745
				11-10-19	117000	Transfer	1917000	0.3989
				18-10-19	283000	Transfer	2200000	0.4577
				06-12-19	59065	Transfer	2259065	0.4700

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
				13-12-19	588120	Transfer	2847185	0.5924
				07-02-20	-197185	Transfer	2650000	0.5514
				13-03-20	682605	Transfer	3332605	0.6934
				27-03-20	-132605	Transfer	3200000	0.6658
		3200000	0.6658	31-03-20			3200000	0.6658
11	General Insurance Corporation of India*	3391315	0.7056	01-04-19				
				05-04-19	-24925	Transfer	3366390	0.7004
				03-05-19	-80000	Transfer	3286390	0.6838
				10-05-19	-36566	Transfer	3249824	0.6762
				24-05-19	-249824	Transfer	3000000	0.6242
				05-07-19	-188100	Transfer	2811900	0.5851
				12-07-19	-11900	Transfer	2800000	0.5826
				09-08-19	-132569	Transfer	2667431	0.5550
				16-08-19	-67431	Transfer	2600000	0.5410
				13-09-19	-45000	Transfer	2555000	0.5316
				20-09-19	-155000	Transfer	2400000	0.4994
				17-01-20	-150000	Transfer	2250000	0.4681
				24-01-20	-50000	Transfer	2200000	0.4577
				31-01-20	-25000	Transfer	2175000	0.4525
				21-02-20	-6358	Transfer	2168642	0.4512
				28-02-20	-205501	Transfer	1963141	0.4085
				06-03-20	-188141	Transfer	1775000	0.3693
		1775000	0.3693	31-03-20			1775000	0.3693
12	Reliance Capital Trustee Co Ltd - A/C Nippon India Growth Fund*	7989229	1.6623	01-04-19				
				05-04-19	-349451	Transfer	7639778	1.5896
				12-04-19	3024	Transfer	7642802	1.5902
				19-04-19	1176	Transfer	7643978	1.5905
				26-04-19	3705	Transfer	7647683	1.5912
				03-05-19	450303	Transfer	8097986	1.6849
				10-05-19	-11616	Transfer	8086370	1.6825
				17-05-19	-149160	Transfer	7937210	1.6515
				24-05-19	-49617	Transfer	7887593	1.6411
				31-05-19	-42426	Transfer	7845167	1.6323
				07-06-19	-1904	Transfer	7843263	1.6319
				14-06-19	-210	Transfer	7843053	1.6319
				21-06-19	462	Transfer	7843515	1.6320
				29-06-19	-63568	Transfer	7779947	1.6187
				05-07-19	434244	Transfer	8214191	1.7091
				12-07-19	-437858	Transfer	7776333	1.6180

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
				19-07-19	-48811	Transfer	7727522	1.6078
				26-07-19	-99496	Transfer	7628026	1.5871
				02-08-19	168022	Transfer	7796048	1.6221
				09-08-19	-1097908	Transfer	6698140	1.3937
				16-08-19	-994790	Transfer	5703350	1.1867
				23-08-19	-174651	Transfer	5528699	1.1503
				30-08-19	586	Transfer	5529285	1.1505
				06-09-19	126	Transfer	5529411	1.1505
				13-09-19	294	Transfer	5529705	1.1505
				20-09-19	-17706	Transfer	5511999	1.1469
				27-09-19	-186239	Transfer	5325760	1.1081
				04-10-19	-702232	Transfer	4623528	0.9620
				11-10-19	-145992	Transfer	4477536	0.9316
				18-10-19	526555	Transfer	5004091	1.0412
				01-11-19	378	Transfer	5004469	1.0413
				08-11-19	504126	Transfer	5508595	1.1462
				15-11-19	342461	Transfer	5851056	1.2174
				22-11-19	-514	Transfer	5850542	1.2173
				29-11-19	172231	Transfer	6022773	1.2531
				06-12-19	37986	Transfer	6060759	1.2610
				13-12-19	-704765	Transfer	5355994	1.1144
				20-12-19	27	Transfer	5356021	1.1144
				27-12-19	-94139	Transfer	5261882	1.0948
				31-12-19	41	Transfer	5261923	1.0948
				03-01-20	1230	Transfer	5263153	1.0951
				10-01-20	-329836	Transfer	4933317	1.0265
				17-01-20	-51909	Transfer	4881408	1.0157
				24-01-20	-289953	Transfer	4591455	0.9553
				31-01-20	-133337	Transfer	4458118	0.9276
				07-02-20	-878687	Transfer	3579431	0.7448
				14-02-20	-277459	Transfer	3301972	0.6870
				21-02-20	-650280	Transfer	2651692	0.5517
				28-02-20	-97204	Transfer	2554488	0.5315
				06-03-20	-66637	Transfer	2487851	0.5176
				13-03-20	-965030	Transfer	1522821	0.3168
				20-03-20	-500975	Transfer	1021846	0.2126
				27-03-20	191673	Transfer	1213519	0.2525
				31-03-20	2213	Transfer	1215732	0.2530
		1215732	0.2530	31-03-20			1215732	0.2530

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019)	% of Shares of the Company				No. of Shares	% of total Shares of the Company
13	LIC of India Profit Plus Non Unit Fund*	14968387	3.1144	01-04-19				
				09-08-19	-92882	Transfer	14875505	3.0951
				16-08-19	-161859	Transfer	14713646	3.0614
				23-08-19	-367979	Transfer	14345667	2.9848
				30-08-19	-640551	Transfer	13705116	2.8516
				06-09-19	-714795	Transfer	12990321	2.7028
				13-09-19	-340312	Transfer	12650009	2.6320
				20-09-19	-1074086	Transfer	11575923	2.4086
				27-09-19	-1191833	Transfer	10384090	2.1606
				04-10-19	-666037	Transfer	9718053	2.0220
				11-10-19	-415345	Transfer	9302708	1.9356
				18-10-19	-1457657	Transfer	7845051	1.6323
				25-10-19	-722710	Transfer	7122341	1.4819
				01-11-19	-1257114	Transfer	5865227	1.2204
				08-11-19	-1070748	Transfer	4794479	0.9976
				15-11-19	-878979	Transfer	3915500	0.8147
				22-11-19	-464221	Transfer	3451279	0.7181
				29-11-19	-1602010	Transfer	1849269	0.3848
				06-12-19	-1077414	Transfer	771855	0.1606
				13-12-19	-591804	Transfer	180051	0.0375
				20-12-19	-124976	Transfer	55075	0.0115
		55075	0.0115	31-03-20			55075	0.0115
14	GPC Mauritius II LLC*	3860000	0.8031	01-04-19				
				12-04-19	-630980	Transfer	3229020	0.6718
				19-04-19	-960874	Transfer	2268146	0.4719
				03-05-19	-338146	Transfer	1930000	0.4016
				24-05-19	-1086101	Transfer	843899	0.1756
				31-05-19	-195000	Transfer	648899	0.1350
				07-06-19	-150000	Transfer	498899	0.1038
				14-06-19	-112899	Transfer	386000	0.0803
				21-06-19	-80000	Transfer	306000	0.0637
				28-06-19	-306000	Transfer	Nil	Nil
		Nil	Nil	31-03-20			Nil	Nil
15	National Westminster Bank PLC as Trustee of the Jupiter India Fund*	2958742	0.6156	01-04-19				
				19-07-19	-2958742	Transfer	Nil	Nil
		Nil	Nil	31-03-20			Nil	Nil

Note: The details of shareholding have been clubbed based on PAN.

* Ceased to be in the list of Top 10 shareholders as on 31-03-2020. The same are reflected above since the Members were one of the Top 10 shareholders as on 01-04-2019.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year - 01/04/2019		Shareholding at the end of the year - 31/03/2020	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Sudhir Mehta	6882	0.00	6882	0.00
2	Samir Mehta	6125	0.00	6125	0.00
3	Jinal Mehta	8000	0.00	8000	0.00
4	Bhavna Doshi [#]	1900	0.00	1900	0.00

[#] Holding jointly.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Crore)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as on 01/04/2019				
(i) Principal Amount [@]	9,126.38	24.46	-	9,150.84
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	24.63	-	-	24.63
Total (i+ii+iii)	9,151.01	24.46	-	9,175.47
Change in Indebtedness during FY 20				
Addition	1,500.00	520.00	-	2,020.00
Reduction	(2,588.58) [#]	(253.82)	-	(2,842.40)
Net Change	(1,088.58)	266.18	-	(822.40)
Indebtedness as on 31/03/2020				
(i) Principal Amount ^{@#}	8,037.80	290.64	-	8,328.44
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	75.65	24.42	-	100.07
Total (i+ii+iii)	8,113.45	315.06	-	8,428.51

[@] Including unamortised expenses of ₹34.81 Crore as at April 01, 2019 and ₹26.39 Crore as at March 31, 2020

[#] Including prepayment of ₹1,970.64 Crore and Cash credit of ₹300.05 Crore.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and / or Manager

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of MD / WTD		Total Amount
		Samir Mehta	Jinal Mehta	
1	Gross salary			
(a)	Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961	-	8.73	8.73
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	*	*
(c)	Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
-	as % of profit	-	-	-
-	others specify	10.00	2.50	12.50
5	Others, please specify	-	-	-
	Total (A)	10.00	11.23	21.23
	Ceiling as per the Act	10% of the Net Profit of the Company		

* below ₹50,000/-

B. Remuneration to other Directors

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Sudhir Mehta	Pankaj Patel	Samir Barua	Keki Mistry	Bhavna Doshi	Dharmishta Raval	Pankaj Joshi, IAS	
1.	Independent Directors								
	Fee for attending Board / Committee meetings	-	0.06	0.13	0.07	0.12	0.10	-	0.48
	Commission	-	0.17	0.30	0.18	0.29	0.23	-	1.17
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	-	0.23	0.43	0.25	0.41	0.33	-	1.65
2.	Other Non-Executive Directors								
	Fee for attending Board / Committee meetings	-	-	-	-	-	-	0.02	0.02
	Commission	5.00	-	-	-	-	-	0.09	5.09
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	5.00	-	-	-	-	-	0.11	5.11
	Total (B)=(1+2)	5.00	0.23	0.43	0.25	0.41	0.33	0.11	6.76
	Total Managerial Remuneration	-	-	-	-	-	-	-	27.99
	Overall Ceiling as per the Act	11% of the Net Profit of the Company							

Note: Excluding Goods and Service Tax

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Sanjay Dalal (CFO)	Samir Shah (CS) [@]	Rahul Shah (CS) ^{\$}	
1	Gross salary				
(a)	Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961	5.92	0.13	0.43	6.48
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	*	*	*	*
(c)	Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
-	as % of profit	-	-	-	-
-	others specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total Amount	5.92	0.13	0.43	6.48

*below ₹50,000/-

@ CS upto May 15, 2019

\$ CS wef May 16, 2019.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any give details
A. COMPANY					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
B. DIRECTORS					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

For and on behalf of the Board of Directors

Ahmedabad
May 18, 2020Samir Mehta
Chairperson
DIN: 00061903

ANNEXURE G

A. CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy:

A. SUGEN AND UNOSUGEN Power Plants:

- Energy conservation initiatives implemented have resulted in annual energy savings to the tune of 73,15,233 kWh in FY 20.
- PVC tubing has been replaced with Copper tubing in Water Treatment and Demineralisation Plants which has resulted in checking air leaks thereby reduced air and energy consumption.
- All conventional lightings have been replaced with LED in Machine Hall of unit 40, HRSGs of all four units and BOP area of unit 40, having potential to save 3 lakh kWh per annum.
- VFD operated service water supply skid was installed with in-house resources and commissioned at SUGEN, having potential of saving 1 lakh kWh per annum.

B. DGEN Power Plant:

- Energy conservation measures have resulted in annual energy savings to the tune of 23,02,358 kWh.
- Replacement to LED lighting being done progressively.

C. AMGEN Power Plant:

- Primary air preheater replacement, Secondary air heater internals replacement and Computational Flow Dynamics (CFD) and Cold Air Velocity Test (CAVT) based rectification carried out in boiler second pass and ESP inlet & outlet ducts at F Unit; saving 7000 kWh per day in power consumption.
- Selective main steam and HRH pipelines insulation replaced from Boiler to Turbine for minimizing heat loss in D & F unit.
- At D & E station drum & super heater passing safety valve replaced.
- F unit control room AC plant chillers replaced with energy efficient one.
- Replacement of old conventional lights with energy efficient LED lamps at D/E/F unit turbine building, Ash pump house, CW pump house, CHP area, Administration building, SAP building, Control rooms, Maintenance building.

D. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA AND SHIL-MUMBRA-KALWA Distribution Units:

- Installation of additional 33/11kV sub-stations and bifurcation of overloaded 11kV (LT&HT) feeders resulting in reduction in technical losses.
- Installation of APFCs to improve PF at LT side of DTCs.
- Installation of additional Distribution sub-stations to optimize LV networks and thereby technical losses.
- Revamping and undergrounding of LT networks of 406 Distribution Transformers at Bhiwandi and Agra Distribution areas to improve the reliability and reduce the losses.
- Installation of energy efficient air conditioning system and lighting system for all new and renovated premises.
- Re-conductoring of 33 kV lines (from ACSR Dog to ACSR Panther) 11 kV lines (from low size conductor to ACSR Dog). Laying 630 sq mm cable in 33 kV (20.57 KM in FY 20) and 240 sq mm cable in 11 kV (55.77 KM in FY 20). Bifurcation of overloaded 11kV and LT feeders, resulting in reduction in technical losses and improvement in reliability at Agra distribution.

- Procurement of star rated energy efficient distribution transformers having lower losses.
- Undergrounding of 44.33 KM of 22 kV lines and 84.11 KM of LT lines at Bhiwandi Distribution.
- Facilitated distribution of LED bulbs under Ujala Scheme of the Ministry of Power, Government of India.
- Energy conservation campaign for awareness of consumers through leaflets, energy bills, display at the Company's customer care centres and through customer meet.
- A comprehensive third party Energy Audit was carried out through M/s SGS at Ahmedabad and Surat Distributions.
- Celebration of National Energy Conservation Day through various activities viz. energy conservation oath, displayed banners, email / SMS to customers, energy conservation programs for customers, schools etc.

E. CABLES UNIT:

- Replaced 120 250W HPMV lamps & twin tube lights of low wattage LED lamps in and outside plant.
- Replaced 2 DC motors of various ratings with new high efficiency AC motors with Variable Frequency Drive.

ii) The steps taken by the Company for utilising alternate sources of energy:

A. SUGEN, UNOSUGEN & DGEN Power Plants:

- 50 kW roof top installed on the common buildings at Shardashish township generated 69,818 kWh in FY 20.
- 6.30 kW floating solar installed inside water reservoirs, generated 7,312 kWh in FY 20.
- 42.70 kW roof top installed on roof of the office administration building, generated 49,635 kWh in FY 20.
- Solar operated water cooler was designed, implemented in-house and installed for operation at SUGEN for Horticulture workers.
- Solar power to the tune of 22,133 kWh generated and utilized at the Meghdhanush housing colony at DGEN.

B. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA AND SHIL-MUMBRA-KALWA Distribution Units:

- Facilitated installation of 4037 rooftop solar projects totalling 25.05 MW during FY 20 at Ahmedabad Distribution (since inception of rooftop policy till March 31, 2020, 11,461 nos. rooftop solar with 69.977 MW for residential and non-residential).
- 90 kW roof top installed at Central store and F receiving station generated 1,00,000 kWh in FY 20. One more 45 kW solar roof top system installed at Bhatar station to promote use of renewable source of energy at Surat Distribution.
- Since the launch of the rooftop solar policy, Company has facilitated installation of over 10.30 MW of solar power across numerous residential, commercial, industrial premises and HT consumers. In FY 20, Company has facilitated installation of 288 rooftop solar projects totalling over 4.48 MW at Bhiwandi and Agra Distributions.

iii) The capital investment on energy conservation equipment:

A. SUGEN AND DGEN Power Plants:

- ₹23,45,100 spent on LED Lighting conversion and ₹13,30,100 spent on VFD based Service Water Supply Skid at SUGEN.
- ₹2,36,250 spent on LED Lighting conversion at DGEN.

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption:

A. SUGEN AND UNOSUGEN Power Plants:

- Unit 10, 20 and 30 at SUGEN start-up reliability improved by providing constant speed ignition logics in Static Frequency Converters (SFC) with in-house resources and remote support of OEM.
- Unit 40 Gas station at UNOSUGEN: Stack height of Dew Point Water Heaters increased from 6m to 11m to comply with statutory norms.
- Gas Turbine Air Intake : Installation of new design G4 washable coalescer filters upstream of F-9 pulse air filter resulted in enhanced life of F-9 Pulse filter by 15 to 20% compared to the earlier configuration. Unit 10 GT 75K eHGPI inspection also revealed relatively cleaner compressor blades, compared to that observed during 50K Major Outage. New design G4 washable coalescer filters were also installed in Unit 20 and Unit 30.
- During Unit 10, 75K GT eHGPI inspection, Dry Ice (Co2) cleaning of CPH module of HRSG carried out as part of performance improvement initiatives.
- Applied silicone spray coating on 400 kV insulators in Generator Transformer bay of Unit 10 which would reduce corona loss and enhance the life of insulators.
- Service Water Supply skid with VFD were installed and commissioned with in-house resources in SUGEN.
- Clarifier Mixer/ Scraper units were provided with in-house developed shear key arrangement to prevent failure of gearbox and found working satisfactorily in SUGEN.
- DM Clarifier pumps were provided with in-house developed suction strainers in SUGEN.
- Intake Well Raw Water Supply system SCADA upgraded for Windows 10 compatibility and for better reliability in SUGEN.
- Air Washer Units – Pump selection provided for pump changeover in SUGEN.
- Monitoring provision for Natural Gas Pressure at GSPL Terminal entry point at CCR was made by installing pressure transmitter and hooking up with T3000 DCS system.
- Outdoor Units of Excitation (CJT) cubicle air conditioners shifted outside the turbine hall for better cooling and reducing heat load inside building at UNOSUGEN.
- For reliability improvement/ avoid single point failure, redundant suction pressure transmitters provided for closed cooling water pumps and necessary logic modifications carried out.

B. GENSU Solar Plant:

- DWC HDPE conduit pipe installed in place of existing PVC armoured pipes to minimize string faults.
- Acrylic touch protection covers provided in place of existing metallic cover for DC cable section of all TMEIC Inverters.
- Installation of fuses on negative (polarity) side of all SMBs for inverters 1 to 15 to prevent fire in SMBs and tripping of inverters.
- To minimize IGBT failures, ITC Inverters IGBT stack cleaning initiated in-house.

C. DGEN Power Plant:

- HP Bypass and GT Pneumatic Compressor alarm and warning configured for extensive running of the drives. This will prevent losses and major damage of the system and proactive actions can be taken by O&M persons.

- Suction pipe size increased and backup power monitor relay installed for protection of sulphuric acid unloading pump.
- Explosion proof light fittings were installed in 03UEN gas receiving station battery room to remove the explosion hazard due to presence of hydrogen.
- Nitrogen blanketing system was provided in unit 53 for HP bypass Hydraulic station and ST Hydraulic system to improve quality of ST Hydraulic oil.

D. AMGEN Power Plant:

- D/E/F Units emgency DG sets governing system replaced with electronic governing system.
- Implementation of fast bus transfer scheme in all 3 units 6.6 kV switch gear.
- Maintenance tag provided in operating working station at unit F for safety.

E. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA AND SHIL-MUMBRA-KALWA Distribution Units:

- Implementation of Geographic Information System (GIS) for Ahmedabad, Surat, Dahej and Dholera distribution areas.
- Implementation of Very Early Smoke Detection System (VESDA) at Central Pirana Stores- Ahmedabad Distribution and at Central Stores at Surat Distribution.
- 11 kV Distribution Automation at Ahmedabad and Surat Distribution.
- Use of condition monitoring system including thermal imaging camera, partial discharge detectors etc. to distribution assets.
- Implementation of field force mobile application for quality supervision during field visits, HT/LT network cable patrolling and Meter (O&M) activities.
- Quick identification of locations for emergency complaint on Google Earth application and SAP.
- Introduction of Thermoplastic Fuse Base instead of Porcelain Fuse Base in Distribution Network Assets to enhance reliability and safety.
- Safety ladder with fall arresters installed on 50 nos. of 220 kV transmission towers to enhance safety.
- Launched following infrastructure projects at Surat Distribution:
 - i. Document storage building at Puna sub-station Premises to facilitate state of the art storage facilities for all customer related documents and other important documents of various departments.
 - ii. Power Supply Centers at B and E Station Premises and Customer Service Building at B Station Premises will have modern architecture, all latest facilities for the employees, visitors and customers, energy efficient systems and fire detection and prevention systems.
- Replacement of all conventional LTFP with disconnector switch type LTFP to enhance safety of the working personnel at Dahej Distribution.
- High Velocity Water spray (HVWS) system for all power Transformers, GIS & Control room buildings .
- Linear Heat Sensing Cable (LHSC) for cable tray / trench.
- Installation and extension of SCADA and addition of automated RMUs at 22kV and 11kV feeders at Agra and Bhiwandi Distributions.
- Relay coordination of all 22kV feeders starting from EHV sub-station to last end protection element.
- Automation of 248 nos. of various switchgear such as Autorecloser, RMU and SAB at Bhiwandi Distribution.
- Installation of theft proof joints at around 1174 locations in replacement of busbar distribution box at Bhiwandi Distribution.

- Use of Thermography camera for finding hot spot at Agra and Bhiwandi distribution.
- Installation of COVID-19 safety signages across all the offices, stores and switching stations. Started installation of safety signages at DT centres.
- Completed hydraulic pressure testing of all ABC type fire extinguishers at Bhiwandi Distribution.
- Press fit transparent meter box installed at 182 locations to prevent theft and meter tampering at Bhiwandi distribution.
- Use of CYMDIST software for network designing. All HT network modeling has been completed and LT modelling is under progress at Agra distribution.
- Smart Group Meter Box installed - 50 nos. at Agra distribution.

ii) The benefits derived:

A. GENERATION:

- Cost reduction
- Better availability, reliability and safety
- Improved efficiency

B. DISTRIBUTION:

- Better availability, reliability and safety
- Reduced power interruptions & enhanced customer satisfaction
- Reduction of energy losses and theft
- Increase of evacuation capacity utilizing same corridor
- Reduction in power restoration time
- Creating awareness on safety with respect to network assets

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

- the details of technology imported;
- the year of import;
- whether the technology been fully absorbed;
- if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

iv) The expenditure incurred on Research and Development: No expenditure has been incurred on R&D.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Description	₹ in Crore
Foreign Exchange Earned (Actual Inflow)	1.88
Foreign Exchange Used (Actual Outflow)	2163.65

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN: 00061903

Ahmedabad
May 18, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

POWER SECTOR – STRUCTURE AND DEVELOPMENTS

Financial year 2019-20 (FY 20) remained a subdued year for India's power sector. Power demand grew at a rate of just about 1% year on year, largely reflecting slowdown in the economy. From September 2019 onwards, the electricity prices in short term market declined sharply, with overall average yearly decline in spot prices of about 20% in FY 20.

The thermal generation sector experienced sub-optimal utilization of installed capacity with aggregate Plant Load Factor (PLF) languishing at about 54%, and a large capacity stranded for want of Power Purchase Agreements (PPAs) or non-availability of fuel. Additions to renewable generation capacity supplying electricity at lower prices continued to hurt the prospects of thermal generation. This situation was further exacerbated by Discoms unwilling to commit to long term capacity based contracts.

While the government continued its emphasis on increasing the share of renewable power through policy support and incentives, the sector lagged behind government expectation in terms of target capacity installations. Solar power missed the target by about 24% while wind power missed it by about 30%. Competitively bid renewable projects saw several execution challenges in addition to difficulties in land acquisition.

After a lull in last couple of years, new transmission projects were offered under Tariff Based Competitive Bidding process. During the year, fourteen projects were bidded out involving an estimated investment of ₹14,500 Crore. Transmission segment remains a robust part of country's power sector due to strong regulatory framework which ensures rational distribution of risks and offers acceptable investment opportunities.

Several reforms have been announced over the years for improving the position of State Discoms. These reforms, after some initial success, have not been able to sustain for various reasons; the financial and operating performance at State Discoms did not show any significant improvement during the year and in fact deteriorated in some of the weak State Discoms. They continue to be plagued with excessive Aggregate Technical & Commercial (AT&C) losses, distorted tariff structures not reflective of cost of supply, poor payment records and disputes with generation companies, under investment in infrastructure and poor customer service. Many of the struggling State Discoms regularly resort to load shedding which in turn hurts not only the consumer but also other stakeholders in the value chain. The Central Government has recently announced privatisation of electricity distribution in Union Territories and penalising inefficient operations and non-availability of power. These reforms, if implemented with zeal, will go a long way in improving the distribution segment which in turn will also enure to the benefit of generation and transmission segments.

The year ended with all round massive disruptions caused by COVID-19 pandemic. While the impact in FY 20 was limited to a catastrophic immediate fall in demand in the last week of March 2020, the pandemic is expected to have deep and lasting impact on the economy, businesses and social setup generally. As of the date of this report, the situation is evolving with no clear visibility on the extent and timing of impact on power sector. This will muddy the already poor investment climate in the sector and further slow down the flow of new investments in the sector. The sector already grappling with several impediments faces the most challenging FY 21 ahead.

BUSINESS MODEL

The Company is an integrated power utility engaged in the businesses of electricity generation, transmission and distribution with operations spread across the states of Gujarat, Maharashtra, Uttar Pradesh and Karnataka.

1. Generation

The Company has total generation capacity of 3,879 MW spread across thermal and renewable generating assets.

A. 3,092 MW Thermal Generation

i. 362 MW coal-fired thermal generation

The 362 MW AMGEN Power Plant at Ahmedabad in Gujarat is an embedded generation unit for the licensed distribution area of Ahmedabad. It is regulated by Gujarat Electricity Regulatory Commission (GERC) which allows cost plus post-tax Return on Equity (ROE) of 14% as part of the regulated tariff.

ii. 2,730 MW gas-fired thermal generation

The Company has three gas based plants namely 1,147.5 MW SUGEN Mega Power Plant, 382.5 MW UNOSUGEN Power Plant and 1,200 MW DGEN Mega Power Plant. All three are regulated by Central Electricity Regulatory Commission which allows cost plus post-tax ROE of 15.5% as part of the regulated tariff. Of the above gas-fired thermal generation, 1,200 MW capacity of DGEN is stranded for want of demand.

B. Renewable Generation

i. 787 MW operational projects

The operational renewable generation capacity of 787 MW (138 MW Solar and 649 MW Wind) is tied up under long-term PPAs. 491 MWs or 62% of operational capacities have attractive preferential feed-in-tariffs based PPAs with Company operated distribution utilities. During the year, wind power capacities of 176 MW were commissioned at locations in Maharashtra and Gujarat.

ii. 615 MW projects under development, likely to be abandoned

The Company faced several unforeseen events and circumstances in land acquisition during execution of these projects. The force majeure like circumstances, which were beyond the control of the Company, subsisted for a long time. Despite best efforts, the Company could not mitigate such events and circumstances, and hence decided not to proceed with the projects. A provision for loss of ₹213 Crore has been made in the profit and loss statement of FY 20, representing the damages expected to be incurred under various project related contracts and other losses from pre-operative costs incurred.

2. Distribution

The Company is the licensed operator for electricity distribution in the cities of Ahmedabad, Gandhinagar, Surat and Dahej SEZ, aggregating to 425 sq kms of area. It is also developing a state-of-the-art distribution network as a licensee in Dholera Special Investment Region (DSIR) spanning 920 sq kms area. DSIR is part of the prestigious Delhi Mumbai Industrial Corridor project and is being developed in phases as a manufacturing hub on the concept of plug-and-play. DSIR will have infrastructure facilities comparable to any smart industrial city in the world. DSIR represents a long term growth opportunity for the Company. The licensed distribution businesses of the Company are regulated by GERC, which allows costs plus 14% post-tax ROE as part of a regulated tariff structure.

The Company operates as a franchisee (of the license holder) for electricity distribution in the cities of Bhiwandi, Agra and Shil-Mumbra-Kalwa (SMK), aggregating to 1,007 sq kms of area. Operations of SMK were taken over wef March 1, 2020 for a period of 20 years. The franchise agreement period for Bhiwandi is upto 2027, for Agra is upto 2030 and for SMK is upto 2040. These may be renewed on expiry. The franchised distribution businesses of the Company are governed by the respective Distribution Franchise Agreements executed between the Company and State Discoms as license holders. The main thrust of the Company is to reduce AT&C losses in the franchised areas, improve electricity supply and customer services.

In addition to above, the Company has non-material transmission and electrical cables manufacturing businesses. The electrical cables manufacturing business will be transferred to a wholly owned subsidiary by way of slump sale on approval of Scheme of Arrangement submitted to National Company Law Tribunal. The effective date of transfer will be April 1, 2020.

OPERATIONAL AND FINANCIAL PERFORMANCE

1. Operating Performance

The following tables set forth the key operational parameters:

A. Thermal Generation

Particulars	AMGEN [#]		SUGEN [^]		UNOSUGEN ^{^*}		DGEN [^]	
	FY 20	FY 19	FY 20	FY 19	FY 20	FY 19	FY 20	FY 19
PAF (%)	92.77	93.13	96.75	98.46	98.04	97.49	100	100
PLF (%)	72.90	87.84	59.89	62.29	60.13	-	6.52	-
Generation (MUs)	2,112	2,550	5,870	6,105	1,964	-	668	-

Coal based

[^] Gas based

* Long term power procurement arrangement for 278 MW of UNOSUGEN was operationalised wef July 1, 2019.

PLF at AMGEN and SUGEN was lower mainly due to lower off take by long term beneficiaries in view of subdued demand. PAF at SUGEN was lower mainly due to overhauling of one unit in FY 20. UNOSUGEN achieved PLF of 60.13% during the year mainly on account of operationalisation of 278 MW long term power procurement arrangement wef July 1, 2019 and utilisation of uncontracted capacity in merchant power market. During the year, DGEN also operated on back of short term power supply contracts. In spite of continuing unavailability of domestic gas at affordable prices and relatively higher cost of imported LNG, Company's gas-based power capacities operated at decent PLFs compared to other gas-based plants in the country mainly on account of highly efficient plant operations, capability to directly import LNG at affordable prices and selling of power through long-term and short-term contracts.

B. Renewables

Operational Projects	Solar		Wind*	
	FY 20	FY 19	FY 20	FY 19
Capacity (MW)	138	138	648.5	472.5
PLF (%)	17.14	17.57	29.04	30.08
Net Generation (MUs)	208	212	1,350	1,140

* Additional 176 MW capacity was operational for part of the year; average operational capacities in both periods were 529.4 MW and 432.8 MW respectively.

Solar PLF was lower than previous year on account of normal module degradation and lower irradiation. Wind PLF was lower on account of stabilisation of generation of new capacities commissioned during the year.

C. Licensed Distribution

Particulars	Ahmedabad & Gandhinagar		Surat		Dahej	
	FY 20	FY 19	FY 20	FY 19	FY 20	FY 19
Area (sq. km.)	~356	~356	~52	~52	~17	~17
Sales (MUs)	7,822	7,835	3,286	3,276	481	426
Growth (%) over PY	(0.17)		0.30		12.91	
T&D Loss (%) – Actual	4.98	5.61	3.43	3.43	0.31	0.35
T&D Loss (%) – Normative	6.7	6.85	3.64	3.69	2.00	2.00
Open Access (MUs)	99	27	-	-	-	-
Consumer Base (lakhs, except Dahej)	19.79	19.41	6.20	6.11	111 *	106 *
Peak Demand (MW)	2,018	1,906	695	687	72	66

* Represents number of industrial consumers; Dahej licensed area comprises the Dahej SEZ area, which is made up of export oriented manufacturing units.

The sales in Ahmedabad reduced marginally, primarily affected by an economic slowdown, pandemic induced lockdown in the last week of March 2020 and increase in open access. The sales in Surat were marginally higher due to some pick up in industrial demand in H2. The sales in Dahej were higher mainly due to increase in base load and consumption of existing customers. The lockdown of population to control the spread of COVID-19 implemented wef March 25, 2020 caused a drastic immediate reduction in demand. The drop in electricity demand during the period March 25, 2020 to March 31, 2020 was about 52% in Ahmedabad, 65% in Surat and 76% in Dahej SEZ. It is expected that the demand will gradually pick up from the lows of March 2020 lockdown period. Based on an assessment of the widespread and deep economic & social fallouts from the pandemic, the Company expects that the overall electricity demand in its licensed areas in FY 21 is likely to be lower than FY 20.

The Company was able to further reduce Transmission and Distribution (T&D) losses as compared to previous year and they continue to remain lower than the normative levels.

GERC passed Tariff Order dated March 31, 2020 for Ahmedabad and Surat license area, truing-up the Aggregate Revenue Requirement (ARR) of FY 19 and fixing tariff for FY 21. For the fourth year in succession, the Commission has kept the tariff at the same level. The Company's profits are not negatively impacted by the tariff order, as its returns in licensed distribution business are determined by 14% post-tax ROE prescribed in the tariff regulations.

During the year, a favourable judgement was received from the Appellate Tribunal for Electricity in respect of entitlement of carrying cost on regulatory gap, pertaining to earlier years, pursuant to which Company accrued income of ₹165 Crore (net of tax) in the financial statements.

The aggregate amount of regulatory gap of past periods approved and expected to be approved by GERC as on March 31, 2020 is ₹1,030 Crore and the same is appropriately accrued in the financial statements. In addition, aggregate amount of regulatory gap of ₹632 Crore is under dispute at various forums (primarily comprising of claims on account of carrying costs) and not accrued in the financial statements; the same will be accrued in the financial statements of the period in which such disputes are determined by the appropriate statutory authorities in favour of the Company.

The operations at Dholera licensed area primarily comprised graded planning and development of an efficient distribution network involving setting up of basic infrastructure and provision of temporary construction power to new industries to be set up. Based on current development plans of the DSIR Authority, an investment of about ₹1,200 Crore is envisaged over next 10 years to cater to demand of about 425 MVA.

D. Franchised Distribution

Particulars	Bhiwandi		Agra		Shil-Mumbra-Kalwa *	
	FY 20	FY 19	FY 20	FY 19	FY 20	FY 19
Area (sq. km.)	~721	~721	~221	~221	~65	-
Sales (MUs)	3,243	3,074	1,801	1,731	27	-
Growth (%) over PY	5.50%		4.04%		-	
T&D Loss (%)	11.93%	15.13%	12.51%	14.18%	55.02%	-
Consumer Base (lakhs)	3.34	3.14	4.70	4.52	2.48	-
Peak Demand (MVA)	580	555	473	458	-	-

* Operations taken over from March 1, 2020.

Bhiwandi sales increased on account of affected base of previous year due to strike in power loom industry, increase in residential and commercial consumer sales due to normal load growth and theft deterrent activities. Agra sales growth was mainly driven by increase in consumer base and load growth due to various theft and leakage control activities. The lockdown of population to control the spread of COVID-19 implemented wef March 25, 2020 caused a drastic immediate reduction in demand. The drop in electricity demand during the period

March 25, 2020 to March 31, 2020 was 65% in Bhiwandi and 29% in Agra. It is expected that the demand will gradually pick up from the lows of March 2020 lockdown period. Based on an assessment of the widespread and deep economic & social fallouts from the pandemic, the Company expects that the overall electricity demand in its franchised areas in FY 21 is likely to be lower than FY 20.

The Company was able to reduce T&D losses in Bhiwandi and Agra due to a combination of several loss reduction efforts like focused surveillance and vigilance; theft deterrent systems, equipment and activities; undergrounding of network; distribution transformer cleaning; law enforcement against detected illegal connections; etc.

The lockdown in the last week of March 2020 affected the collection efficiency in Bhiwandi and Agra. During the period April 2019 to February 2020, Bhiwandi achieved a collection efficiency of nearly 100% and Agra achieved a collection efficiency of 97%. However, it dropped substantially in March 2020 due to fallouts from lockdown and general extension in due dates for payment of electricity bills by State Governments – Bhiwandi was about 59% (FY 20 - 96%) and Agra was about 55% (FY 20 - 95%). The Company has anticipated higher bad debt losses than normal and provided an additional amount of ₹48 Crore to cover such losses.

2. Consolidated Financial Performance

The key financial data from the Statement of Profit and Loss is set out below:

Particulars	(₹ in Crore)		
	FY 20	FY 19	Change in %
Revenue from Operations	13,641	13,151	-
Fuel/Power Purchase/Material Cost	8,266	8,605	-
Contribution	5,375	4,546	18%
Other Income	178	190	(6%)
Other Expenses	1,819	1,346	35%
PBDIT	3,734	3,390	10%
Finance Cost	955	899	6%
Depreciation and Amortization Exp.	1,304	1,227	6%
Other Comprehensive Income / (Expense)	(45)	(10)	350%
Profit Before Tax and Exceptional Items	1,430	1,254	14%
Exceptional Items	1,000	-	-
Profit Before Tax	430	1,254	(66%)
Tax Expense	(720)	356	-
Total Comprehensive Income	1,150	898	28%

Overall contribution from all businesses increased from ₹4,546 Crore to ₹5,375 Crore i.e. increase of ₹829 Crore (18%). The increase was driven by favourable performance of certain operating drivers viz. higher volumes, improved contribution rate, reduction in T&D losses and increased ROEs on new capital expenditure. Due to adverse changes in tariff regulations, SUGEN Power Plant experienced a reduction in contribution but the same was offset by operationalisation of 278 MW PPA for UNOSUGEN Power Plant and higher merchant sales of electricity. Favourable settlement of prior period regulatory matters / disputes resulted in entitlement for recovery of revenue gap of ₹218 Crore of earlier years.

The consolidated profit and loss statement took one-time charges on account of provision of losses due to failure to set up certain wind generation capacities ₹213 Crore, increased provisioning for bad debts due to COVID-19 impact ₹48 Crore and an impairment loss on carrying amount of DGEN Power Plant ₹1,000 Crore. It may be noted that DGEN impairment is a non-cash charge and will not impact the cashflows from that business. The impairment charge will reduce depreciation charge in balance years of useful life.

The Company benefitted from reduction in book profit tax rate from 21.55% to 17.47% during the year. This and some other factors caused a one-time tax gain. All these matters are elaborately explained in notes to the financial statements.

The impact of Covid-19 on the financial statements of the Company is explained in Note No. 57 to Consolidated Financial Statements.

Liquidity, Capex and Debt Positions

The Company's liquidity, including mutual fund investments and deposits with banks / financial institution, was ₹1,253 Crore at the start of the year. Liquidity as at the end of the year was ₹1,159 Crore, a decrease of ₹94 Crore. For the year:

- net cash generated from (a) operating activities was ₹2,863 Crore & (b) redemption of non-current investment was ₹190 Crore; and
- net cash utilised for (a) capital expenditure was ₹1,167 Crore; (b) dividend distribution was ₹968 Crore; (c) repayments net of new borrowing was ₹854 Crore; and (d) loans to associate was ₹158 Crore; leaving a closing liquidity balance of ₹1,159 Crore.

During the year, the Company incurred capital expenditure (i.e. capitalisation, capital work-in-progress and capital advances) of ₹1,354 Crore as under:

Particulars	Amount (₹ in Crore)
Licensed Distribution	812
Franchised Distribution	227
Thermal Generation	26
Renewable Generation	274
Others	15
Total	1,354

The long term debt of the Company at the year-end was ₹8,898 Crore, net decrease of ₹557 Crore over the previous year (new debt raised ₹1,078 Crore less repayment of debt ₹1,635 Crore). The weighted average rate of interest at the year-end was 8.52% with repayment profile as under:

Financial Year	Repayment Amount (₹ in Crore)
2020-21	1,075
2021-22 to 2024-25	3,238
2025-26 to 2028-29	2,656
2029-30 to 2032-33	1,885
2033-34 & 2034-35	44
Total	8,898

The Company's long term rating was upgraded and short-term rating was reaffirmed during the course of the year and was as follows at end of the year:

Long term rating : CRISIL AA / Stable (Upgraded from 'CRISIL AA-/Stable')

Short term rating : CRISIL A1+ / IND A1+*

*During the year, India Ratings assigned 'IND A1+' to TPL Commercial Papers of ₹850 Crore.

The following table sets forth key financial ratios based on consolidated financials:

Particulars	FY 20	FY 19
Debtors Turnover Ratio	10.68 (~34 days)	10.28 (~35 days)
Interest Coverage Ratio	4.01	3.89
Current Ratio	1.02	1.10
Long Term Debt to Equity Ratio	0.92	0.90
Net Debt to EBITDA	2.18	2.61
EBITDA Margin	25.99%	24.74%
Net Profit Margin	8.22%	7.41%
Return on Net Worth	11.05%	9.54%

Note:

1. The profitability ratios are calculated without considering the exceptional item pertaining to DGEN plant impairment in FY 20.
2. There is no significant change (i.e. variation of 25% or more) as compared to the previous year in any of the above ratios.

RISKS AND CONCERNS

Key risks and concerns in the businesses of the Company are briefly explained below:

- ❖ The Company has operational gas-based power generation capacity of 2,730 MW, out of which 1,188 MW is tied up under long term PPAs and balance 1,542 MW untied capacity is dependent on short term power contracts for their operation. During the year, some portion of such capacity remained unutilised for want of short term power contracts or unviability of prices in the short term power market.

The Company has built capabilities to import LNG from international markets at efficient prices to operate its power plants. However, such prices are subject to fluctuations and associated foreign exchange risks, consequent to which there would be periods during which power from these plants would be uncompetitive. During the year, spot LNG prices reduced sharply due to oversupply and subdued demand; given the new LNG capacities coming on stream, it is expected that the LNG prices are likely to remain in an affordable zone for the Company.

The Company is making efforts to get long term power purchase arrangements for its unutilised gas power capacity. However, large stranded coal based capacities, Government's thrust to increase renewable generation capacity in the country coupled with falling tariffs of renewable power poses a risk to the Company's uncontracted generation capacity.

- ❖ The Company's 362 MW AMGEN coal-based power plant is required to comply with stricter emission norms by December 2022. Such compliance is expected to involve significant capital expenditure, which will significantly increase the cost of electricity from this plant in view of limited remaining useful life of the plant. In absence of compliance, the Company may be required to phase out AMGEN on or before December 2022.
- ❖ The Company faced several unforeseen events and circumstances while executing 615 MW of wind generation capacities won in a bidding process conducted by the buyer of electricity. The Company has not been able to mitigate such events and circumstances, despite best efforts in relation to the same. The Company has initiated legal proceedings in respect of 500 MW of wind capacities and is in discussion with the buyer for the balance capacities, in order to minimise the impact of failure to execute the projects within committed time. Alongside, as a prudent financial measure, the Company has provided for expected financial losses on this count in the financial statements of FY 20.
- ❖ The Company's licensed distribution business faces the risk of delay in recovery of some part of cost of supply due to regulatory stipulations. The unrecovered & undisputed regulatory claim as at year end was ₹1,030 Crore, recognised in the financial statements for the year. While such recoveries are permitted with carrying costs for delayed recovery, the same may delay the cash flows of the Company.

In addition, regulatory disputes also cause delay in recovery of some part of the cost of supply. Such disputed regulatory claim as at the year end was ₹632 Crore, not recognised in the financial statements for the year.

- ❖ Increasing digitization and digital inter-connections in the power system of the country have made the stakeholders (generators, transmission entities, distribution entities and load dispatch centres) exposed to increased risks of cyberattacks and vulnerable to widespread and prolonged service disruptions and data leakage, fraud, etc. The Company has set in place multi-layered firewalls to restrict unauthorised access along with security controls. Periodic audit and risk assessment is carried out and vulnerabilities, if any, are addressed.
- ❖ The spread of Covid-19 and the resultant lockdowns imposed by the authorities will have impact on some of the businesses of the Company, more particularly the franchised distribution business. Foreseeable business impacts are: (a) reduction in demand for electricity; (b) reduced collection efficiency causing non-collection of outstanding dues; (c) incurrence of costs on labour and employees not fully utilised; and (d) regulatory response to the pandemic causing reduction in profits. There could be several other unforeseeable impacts, as the pandemic situation evolves. The management assessment on continuity of operations are explained in Note No. 57 to Consolidated Financial Statements.

BUSINESS OUTLOOK

1. Thermal Generation

SUGEN and UNOSUGEN plants are expected to operate at reasonable PLF levels on back of long term PPAs for 78% capacity and availability of reasonably priced LNG. They will continue to harvest opportunities in short term power market by operating uncontracted capacity; however due to reduction in demand and prices of electricity, the volumes and contribution will be lower than historical levels.

In the short term, DGEN plant is expected to operate intermittently for supplies in merchant power market, albeit at lower volume and contribution. In the medium to long term, several favourable developments are likely to improve the prospects for DGEN plant such as: (i) availability of gas at favourable price; (ii) expected growth in power demand, including peak demand due to several governmental initiatives; (iii) emphasis of Government on developing a gas market in India with all supportive infrastructure; (iv) need for balancing power to manage the intermittency of renewable power; (v) ability to service peak load and provide ancillary services in the power system; and (vi) expected increase in pollution tax / costs on coal based plants, thus creating a level playing field.

2. Renewables

The Company has taken a pause in bidding for new wind / solar power projects, due to low levels of bidded tariffs and existence of foreseen and unforeseen structural risks in project execution. However, Company may consider to invest in solar and wind projects to service Renewable Purchase Obligations of its distribution entities.

3. Distribution

In Licensed Distribution business, the Company will focus on developing the new licensed area of Dholera SIR and expanding and upgrading its network in existing areas of Ahmedabad, Gandhinagar, Surat and Dahej SEZ to cater to the growth in demand and further reduce T&D losses.

In Franchised Distribution business, the Company will focus on developing the new franchised area of SMK and expanding and upgrading its network in existing areas of Bhiwandi and Agra to cater to the growth in demand and further reduce AT&C losses.

The Company will continue to look out for new opportunities in distribution sector in the form of privatisation or franchise of existing areas. The recent announcements by the Central Government of India to promote privatisation of distribution will create greater opportunities for the Company. The stringent operational norms proposed for discoms will also lead to greater franchise opportunities for the Company in the near to medium term.

4. Transmission

Currently, the Company has limited investments in the Transmission segment; however, given the huge investment opportunity available in this segment, robust regulatory mechanisms, limited counter-party risks and the Company's strengths in financing and executing large projects, this is an area earmarked for future growth. The Company intends to selectively participate in tariff based competitive bidding for transmission projects (inter-state and intra-state) at attractive returns.

INTERNAL CONTROL SYSTEMS

The Company's Internal Control Systems are commensurate with the size and nature of its operations, aimed at achieving efficiency in operations, optimum utilisation of resources, reliable financial reporting and compliances with all applicable laws and regulations. Deloitte Haskins and Sells LLP is the Internal Auditor of the Company. It carries out extensive internal audit throughout the year across all functional areas and submits reports to Management and Audit Committee. The recommendations from such internal audit and follow up actions for improvements of the business processes and controls are also periodically reviewed and monitored by the Audit Committee.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis may be forward-looking. Actual outcomes may vary from those expressed or implied. The Company assumes no responsibility to publicly amend, modify, update or revise any such statements on the basis of subsequent developments, information or events.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L31200GJ2004PLC044068
2.	Name of the Company	Torrent Power Limited
3.	Registered Address	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380015.
4.	Website	www.torrentpower.com
5.	E-mail id	cs@torrentpower.com
6.	Financial Year reported	FY 20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 351 - Electric power generation, transmission and distribution. NIC code: 2732 - Manufacturing of wires and cables for electricity transmission.
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Generation, transmission & distribution of electricity and manufacturing & sale of electric cables.
9.	Total number of locations where business activity is undertaken by the Company	17
10.	Number of international locations	NA
11.	Number of national locations	17
12.	Markets served by the Company – Local /State / National /International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1.	Paid up Capital	₹480.62 Crore
2.	Total Turnover	₹13,442.04 Crore
3.	Total profit after taxes (TCI)	₹1,209.14 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.68% of Total Comprehensive Income (TCI) of FY 20.
5.	List of activities in which expenditure in 4 above has been incurred:-	The list of activities in which CSR expenditure in 4 above has been incurred is part of the Board's Report included in this Annual Report.

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has the following Subsidiary Companies: (a) Torrent Solargen Limited (b) Torrent Power Grid Limited (c) Torrent Pipavav Generation Limited (d) Latur Renewable Private Limited (e) Jodhpur Wind Farms Private Limited (f) TCL Cables Private Limited
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)	The BR Initiatives of the Company are driven at Group level. Hence, all Subsidiary Companies participate in BR Initiatives of the Company.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes, the Company's contractors and suppliers are required to participate in some of the BR initiatives of the Company.

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR****(a) Details of the Director responsible for implementation of the BR policy/policies**

Sr. No.	Particulars	Details
1.	DIN	02685284
2.	Name	Jinal Mehta
3.	Designation	Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	Same as above
2.	Name	Same as above
3.	Designation	Same as above
4.	Telephone number	079- 26628300
5.	E-mail Id	cs@torrentpower.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, all the policies have been approved by the Board, except the HR policies and IMS policies, which have been approved by Chairperson or MD.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online.	All policies can be accessed at www.torrentpower.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the Company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why:

Not applicable

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors/ its Committees / Chairman or any authorised officials of the Company, as the case may be, assess the BR Performance on annual or half yearly basis depending upon the type of BR activities.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company publishes Business Responsibility Report and the same can be accessed at www.torrentpower.com The same is published annually.

SECTION E: PRINCIPLE WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1.1 Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

No. Besides covering the Company, it also extends to various stakeholders including Group companies, Suppliers, Contractors, etc.

1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Shareholder Complaints:

The Company received 4 shareholder complaints during FY 20. 100% of such complaints were satisfactorily resolved.

Other Stakeholder Complaints:

The Company received 6 complaints from other stakeholders (i.e. customers and contractors) during FY 20 via the Whistle Blowing Mechanism. 100% of such complaints were satisfactorily resolved.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

2.1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company's business activities comprise of Generation, Transmission & Distribution of Electricity and Cables manufacturing. It has incorporated measures covering social as well as environmental concerns, risks and/or opportunities in each of these as under:

- Most of the units of the Company are Integrated Management System (IMS) certified covering ISO 9001 (Quality Management System), ISO 14001 (Environment Management System) and BS OHSAS 18001 (Occupational Health and Safety Assessment Series). Some of the units have also additionally obtained ISO 50001 (Energy Management System), ISO 55001 (Asset Management System) and ISO 27001:2013 (Information Security Management System).
- State-of-the-art technologies in its gas based plants, viz., installation of advanced class Gas Turbines with lower carbon footprint, dry low NOx burners (with emissions surpassing Indian standards and meeting European norms), Combined Cycle Power Plants (CCPP) in single shaft configuration thereby reducing the land and carbon footprint etc. have been resorted to, duly taking into consideration societal and environmental sustainability. Such CCPPs are also registered under Clean Development Mechanism (CDM).
- The effluent water generated from the generating plants is utilised in horticulture thus avoiding/ minimizing discharge of the same outside plant premises.
- Generation plants have also implemented Five-S (Workplace Management System) and have been certified by Quality Circle Forum of India (QCFI) and Union of Japanese Scientists and Engineers (JUSE).
- The Company has established systems and procedures through Standard Operating Procedures (SOPs) for safe and effective operation and maintenance of its plants as well as its transmission and distribution network duly mitigating risks and health hazards. Suppliers are also made participants in our systems and procedures. To enhance safety consciousness amongst all stakeholders and inculcate the safety culture, Behaviour Based Safety (BBS) has been implemented at Generation plants and Distribution units.
- The Company regularly undertakes network revamping and uprating including undergrounding of network, revamping of consumer end installations, Mini Section Pillars (MSPs), etc. with a primary objective of improving the reliability of the network and safety of employees and general public. The Company uses high efficiency energy meters and star rated distribution transformers. Accordingly, the Company's Transmission and Distribution (T&D) losses have been reduced to one of the lowest in the country in the Company's licensed areas thus saving on energy. The Company has undertaken implementation of smart grid technology including automatic meter reading and distribution automation to remotely monitor the assets and reading of meters, set up multiple customer convenience centers reducing travel and thereby reducing use of fossil fuel.
- The Company's Distribution units have installed more than 7,000 state-of-the-art technology SF6 gas insulated switchgears for protection and operation of 11KV distribution network. Such units undertake activity of earthing reactivation of DSS equipment and MSPs for safety of public and other stake holders. Distribution units also

undertake installation of dry type transformers and ester filled distribution transformers located in crowded and densely populated areas including pole mounted transformers for enhancement of public safety and environment protection. The Company has installed Very Early Smoke Detection and Alarm (VESDA) system for its major stores for asset securitization.

- Various other initiatives include introduction of spill management system to reduce spillage of mineral oil to minimize soil contamination, use of Horizontal Directional Drilling technology instead of soil excavation for cable laying, use of mobiles and handheld gadgets as substitute to paper for field data collection, use of nets around outdoor EHV substation to prevent intrusion of birds and animals, continuous improvement in safety standards, regular safety and environment audits, mock drills, Demand Side Management (DSM) and energy conservation awareness programmes amongst employees and customers in Distribution units.
- Products at cables unit include 132 KV cables with aluminium corrugation (in place of lead sheath); 66 KV cables with HDPE outer sheath in place of PVC outer sheath and wooden drum using reusable PE sheet in place of wooden planks.
- Safety of employees and general public is given high importance in the organization. Safety Committees are formed and headed by senior officers with participation from supervisors and experienced workers who effectively contribute to improving the safety performance of the organization.
- Occupational health of the employees is given equal priority. Various measures including installation of adequate number and appropriate type of fire extinguishers, besides Automated External Defibrillators, Self-contained Breathing Apparatus, Stretchers, First aid boxes and Ambubags (for artificial respiration) are made available. Organization has also trained suitable number of employees for first aid treatment and emergency response. Quarterly monitoring of environmental parameters including quality of air (workplace and ambient), noise (ambient and workplace), drinking water, food and DG stack emission etc. is carried out. New offices and substations are designed to ensure maximum use of natural lights and to the extent possible are equipped with waterless urinals, motion sensor based lighting systems and star rated air conditioners.
- Further, the Company is engaged with its neighbourhood by providing employment opportunities, skill development and health care facilities.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The following are some of the initiatives taken in respect of conservation of natural resources:

- Various procedures have been put in place to improve heat rate, reduce auxiliary power consumption and water consumption in its generating stations.
- Large scale replacement of conventional luminaires with LED devices, installation of rooftop solar panels and solar water heaters, recycling waste water, segregation of lighting circuits for reducing power consumption, rainwater harvesting, use of recycled paper and packaging material, etc. Even a self-sustaining township with biogas generation and solar power is fully functional at one of the generating units.
- As a part of DSM Schemes, Energy Audits as well as Peak Load shifting programs have been carried out for benefit of the consumers. In addition, the Company took all necessary steps to operationalize the Net Metering arrangement for Rooftop Solar PV system at the premises of the consumers.
- Better Balance of Plant management at renewable projects leads to reduction in transmission losses.

- Further, the Company has carried out energy audit of all offices & substations in all distribution license areas to identify the opportunities of energy conservation. As a part of its outcome, various energy conservation initiatives including replacement of air-conditioners by star-rated air conditioners, conventional lights by LED, etc. have been undertaken.

2.3 Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has procedures in place for sustainable sourcing (including transportation). Further, sustainability is extended to suppliers / vendors. All requirements on various aspects such as Health & Safety and Environment protection, Ethics and Compliance, Prevention of Bribery & Corruption are in place. Counselling and monitoring of suppliers / vendors is being done regularly.

The Company has also incorporated procedures e.g. TREM card, stringent pre-qualification criteria etc. in its IMS to ensure that transportation of chemicals and other materials are compliant with rules and regulations and Company's own procedures. Fuel gas lines are maintained as per Petroleum and Natural Gas Regulatory Board (PNGRB) guidelines and safety audits are carried out at regular intervals. Usage of water is optimized by optimizing the Cycle of Concentration in cooling water and recycling of waste water.

2.4 Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has taken several steps to procure goods and services from local and small vendors (specially focusing on weaker sections/women of the society, wherever possible) in order to promote entrepreneurship among them. Continuous engagement takes place with such suppliers to improve their capacity & capability. Some of these initiatives include:

- While sourcing its consumables and spares, priority is given to local vendors.
- Employment of differently abled people for jobs that are deemed safe for them.
- Engagement of destitute women for managing the canteen services at one of the units.
- Local people have been trained and employed as security guards at some of the plants.
- Local youths are also employed in healthcare facilities provided by the Company.
- All packing materials (steel & wooden drums & planks) and some of the raw materials such as PVC Fillers & GI Armour Strips for one of its unit are procured locally from small vendors.
- Direct and indirect employment opportunities are provided to local populace to the extent feasible. For fabrication, plumbing, carpentry, horticulture, housekeeping, gardening, transportation, etc., as far as possible, local skilled personnel are employed.
- Project affected personnel in gas based generation units during construction phase have been absorbed in employment and external technical training has been imparted to them at eminent institutes prior to or during employment.

2.5 Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being a responsible corporate citizen, the Company believes in "Reduce-Reuse-Recycle" principle. Some of the initiatives taken as part of this principle include:

- 100% utilization of fly ash generated as waste from the coal based plant.
- Re-use of treated effluent water.

- Use of waste water for gardening, sprinkling, etc.
- Zero liquid discharge since August 2017 at SUGEN plant and since April 2016 at DGEN plant.
- Use of vegetation and food waste in making compost which in turn is used as manure.
- Sludge recovered from raw water is compacted through Chamber Filter Press and is used for landfill.
- Waste generated is used for biogas generation which in turn is used for power generation and cooking in one of our self-sustaining township.
- PVC Scrap is fully recycled & reused in inner sheath, outer sheath & PVC fillers at Cables unit.
- Hazardous wastes e.g., used oils, batteries, e-wastes, bio-medical wastes, etc. are disposed off only to GPCB approved authorized Treatment, Storage and Disposal Facilities (TSDF) & recyclers.
- The distribution units undertake oil filtration activity of its power and distribution transformers for reutilization of oil and conservation of natural resources.
- Recycling of non-hazardous plastic waste through authorized recyclers.
- Use of steel cable drums and reusing them as substitute to wooden cable drums
- Use of recycled papers for energy bills and other stationeries.
- Procurement of environment friendly packaging material.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

3.1 Please indicate the Total number of employees.

Total number of permanent employees is 7,874 as on 31st March, 2020.

3.2 Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Total number of employees hired on temporary/contractual/casual basis is 7,990 as on 31st March, 2020.

3.3 Please indicate the Number of permanent women employees.

Total number of permanent women employees is 680 as on 31st March, 2020.

3.4 Please indicate the Number of permanent employees with disabilities.

Total number of permanent employees with disabilities is 28 as on 31st March, 2020.

3.5 Do you have an employee association that is recognized by management?

Yes.

3.6 What percentage of your permanent employees are members of this recognized employee association?

~32% of the total permanent employees of the Company are members of such recognized employee association.

3.7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in the last financial year and pending, as on the end of the financial year.

The Company does not engage any child labour, forced labour or involuntary labour.

There were no complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in FY 20.

3.8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees
- (b) Permanent Women Employees
- (c) Casual/Temporary/Contractual Employees
- (d) Employees with Disabilities

Percentage of employees who were given safety & skill up-gradation training in the last year is as under:

- (a) Permanent Employees – 77.47%
- (b) Permanent Women Employees – 73.97%
- (c) Casual/Temporary/Contractual Employees – 73.14%
- (d) Employees with Disabilities – 50.00%

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

4.1 Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its various key internal and external stakeholders.

4.2 Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

4.3 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Various initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders at locations in and around its operations in the areas of: (i) Community Health Care, Sanitation and Hygiene (ii) Education and Knowledge Enhancement and (iii) Social Care and Concern.

The details of various CSR initiatives of the Company are part of the Board's Report included in this Annual Report.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

5.1 Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs/ Others?

Various Company Policies as indicated below promote Human Rights:

- Policy on Protection of Women against Sexual Harassment at Workplace
- Conviction for Safety Policy
- Policy on Financial Support in the event of Demise
- Medclaim Policy for Employees
- Policy for Medically challenged employees
- Grievance Redressal Mechanism
- Equal pay for Equal work without discrimination on the basis of gender.

Besides covering the Company, the policies are also extended to various stakeholders including Group companies, Suppliers, Contractors, etc. as relevant.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints on breach of human rights were received during FY 20.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

6.1 Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Environment Policy of the Company covers the Company currently. The subsidiary companies of the Company also carry out their operations in accordance with principles laid down in the said Policy. The Company promotes the adoption of environmental protection goals and practices by contractors and suppliers of the Company and strongly encourages improvements in contractors' and suppliers' practices to make them consistent with those of the Company. Further, the IMS covering ISO 14001 for Environment Management at most of the units spells out dedication to maintain the ecological balance while carrying out operations.

6.2 Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company recognizes the value of the environment to the community and future generations and is committed to managing its business as a responsible Corporate Citizen. Some of the initiatives taken by the Company to address global environmental issues such as Climate Change, Global Warming, etc. include most of its generation capacity being natural gas based, which is a cleaner fuel and renewable based comprising solar and wind.

In its efforts to contribute towards sustainability, the Company has chosen state-of-the-art technology for its CCPPs with advanced class Gas Turbines using clean fuel technology of natural gas leading to lower carbon footprint and very low NOx emission. The Company's CCPPs are also registered under CDM.

Further, continuous investments in power distribution infrastructure are made to reduce technical losses. Power is also procured from power plants using environment friendly fuels and renewable power plants.

Further, various energy conservation initiatives taken by the Company which aid in environmental protection are part of the Board's Report included in this Annual Report and is available at the following link: www.torrentpower.com.

6.3 Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company has established systems and processes for assessing the environmental risk arising out of various activities being carried out and measures to minimize the environmental impact are in place and captured in onsite/offsite emergency plans and in risk registers more particularly under IMS.

6.4 Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, four projects of the Company are registered with United Nations Framework Convention on Climate Change (UNFCCC) under CDM. SUGEN Project was one of the largest and pioneering generation project approved under CDM globally in 2007. Environment compliance reports are being filed regularly.

Annual reduction of ~8.5 Million CO₂ can be achieved by generation of power through these Projects. The Company has already achieved ~17 Million of CO₂ emission reduction (approved by UNFCCC) as per the Compliance reports filed till date.

6.5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

In order to promote clean technology and renewable energy, besides what is stated above, the Company has sourced about 11.5% of its total power requirement of licensed distribution business from wind and solar plants. The Company has also installed Solar Rooftop system for its captive consumption. The Company strives for reduction in distribution losses by improving the network and reducing the theft of electricity. Unauthorized use of electricity has been curtailed which otherwise also invokes safety hazards.

The details of various energy conservation initiatives taken by the Company which aid in energy efficiency are part of the Board's Report included in this Annual Report and are available at the following link: www.torrentpower.com.

6.6 Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions generated from the Generation stations of the Company are within the permissible limits given by CPCB and SPCB for FY 20. The data of emissions, where required, is also being shared with the CPCB and SPCB through online servers. Waste generated by the Company during FY 20 was also within the permissible limits given by CPCB and SPCB.

6.7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause / legal notices have been received during FY 20 either from CPCB or SPCB.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

7.1 Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

Yes, the Company is a member of various trade associations and chambers. The major ones are as under:

- Confederation of India Industries (CII)
- Association of Power Producers (APP)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Council of Power Utilities
- Indian Electrical and Electronics Manufacturers' Association (IEEMA)
- Coal Consumers' Association of India (CCAI)
- Gujarat Safety Council
- National Safety Council
- Indian Smart Grid Forum

7.2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a principle, the Company does not engage in lobbying. The Company provides suggestions through the above associations for the advancement/improvement of power sector and cable industry majorly in the areas of Economic Reforms, Energy security and Sustainable Business Principles.

In the course of our regulated business, the submissions, representations, and the information provided to the concerned authorities are based on due-diligence and to the best of our knowledge true and fair; which is the policy of the Company.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

8.1 Does the Company have specified programmes/initiatives/projects in pursuit of the Policy related to Principle 8? If yes details thereof.

Yes, the Company has identified specified programmes / projects in pursuit of the Policy related to Principle 8. The details of such programmes /projects are part of the Board's Report included in this Annual Report.

8.2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The identified programmes/projects are carried out directly by the Company itself including through two of its Section 8 companies namely "Tornascent Care Institute" and "UNM Foundation" which have been promoted by the Company (together with one of its Group Company).

Besides the above, it is also supplementing the efforts of the local institutions/NGOs/local Governments/implementing agencies in the field of Education, Healthcare, Sanitation and Hygiene, etc. to meet priority needs of the underserved communities with the aim to help them become self-reliant.

The details of such programmes/projects undertaken either on its own or through external agencies are part of the Board's Report included in this Annual Report.

8.3 Have you done any impact assessment of your initiative?

Yes, the Company undertakes timely impact assessments of projects under implementation for ensuring their desired impact and continued sustenance. The impact assessment is also presented to the CSR committee.

8.4 What is your Company's direct contribution to community development projects? Amount in ₹ and the details of the projects undertaken.

During FY 20, the Company contributed ₹20.36 Crore to various community development programmes / projects as part of its CSR initiatives. The details of such programmes/projects are part of the Board's Report included in this Annual Report.

Besides this, the Company undertook various other CSR initiatives, details of which are part of Board's Report included in this Annual Report.

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Various steps taken to ensure that the community development initiatives are successfully adopted by the community are part of Board's Report included in this Annual Report.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

9.1 What percentage of customer complaints/consumer cases are pending as on the end of financial year.

In the generation and transmission business there were no complaints.

~100% of complaints in Distribution business were resolved within the turnaround time as prescribed by Hon'ble GERC/MERC/UPERC.

No complaints were pending as on 31st March, 2020 for the cables business.

9.2 Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

In the generation and cables business of the Company, this requirement of display of information is not applicable. However, in the case of transmission and distribution business of the Company, adequate signages and caution boards are being displayed at major assets and prominent locations. Various safety initiatives are being undertaken for the benefit of consumers.

9.3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years.

9.4 Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Distribution segment of the Company's business caters to around 3 million consumers as on 31st March, 2020. The Company has taken advantage of technological developments and captured over 40,000 feedbacks through SMS and mobile application. Also, through an internally developed platform named "Sampark", 4 calls per week are made to customers to record their first hand feedback. Every negative feedback is processed, resolved and closed with the customer.

At the Cables Unit, Customer Satisfaction Index (CSI) has been defined & is monitored on ongoing basis.

REPORT ON CORPORATE GOVERNANCE

This Report sets forth the disclosures for FY 20, pertaining to Corporate Governance of Torrent Power Limited (“the Company”), as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The Company’s Corporate Governance philosophy comprises three core principles of TRANSPARENCY, INTEGRITY and ACCOUNTABILITY in organising and managing all aspects of its activities. Based on this philosophy, the Company develops its practices on various aspects and elements of governance, ensuring that these at the minimum comply with the requirements of applicable laws and regulations. In matters not covered by applicable laws and regulations, the governance practices are developed in consonance with the core principles and keeping in balance the interests of all stakeholders.

For FY 20, the Company is in compliance with the Corporate Governance norms stipulated in Listing Regulations.

2. BOARD OF DIRECTORS

a) Composition and Category of the Board

As at the year end, the Board had an optimum combination of Executive and Non-Executive Directors with three woman Directors. More than 75% of the Board members are Non-Executive and more than 55% of the Board members are Independent Directors.

As at the year end, the Board composition consisted of 9 Directors with following composition:

Executive Director	2 (both Promoter Directors)
Independent Director	5 (includes 2 Woman Directors)
Non-Executive Non-Independent Director	2 (1 Promoter Director & 1 Woman Director)
Total	9

Composition of the Board is in conformity with the applicable law and regulations.

b) Details of memberships / chairpersonships of the Directors in other Boards and in Committees of the Board

The table below sets forth the above particulars for each Director as on March 31, 2020.

Name of the Director	Category	Other Directorships	Other Board Membership	Other Board Committees in which Chairperson	Name of Entity	Directorship in other listed entities	Category
Sudhir Mehta, Chairman Emeritus	Non-Executive Director (Promoter)	1	-	-	Torrent Pharmaceuticals Ltd	Non-Executive Director (Promoter)	Non-Executive Director (Promoter)
Samir Mehta	Chairperson & Managing Director (Promoter)	1	-	-	Torrent Pharmaceuticals Ltd	Chairperson & Managing Director (Promoter)	Chairperson & Managing Director (Promoter)
Pankaj Patel	Independent Director	3	1	-	Bayer Cropscience Ltd Cadila Healthcare Ltd	Independent Director, Chairperson Non-Executive Non- Independent, Chairperson	Independent Director, Chairperson Non-Executive Non- Independent, Chairperson
Samir Barua	Independent Director	4	3	2	-	-	-
Keki Mistry	Independent Director	6	7	3	Tata Consultancy Services Ltd HDFC Life Insurance Company Ltd HDFC Asset Management Company Ltd Housing Development Finance Corporation Ltd	Independent Director Non-Executive (Nominee Director) Non-Executive Non- Independent Director Chief Executive Officer & Managing Director	Independent Director Non-Executive (Nominee Director) Non-Executive Non- Independent Director Chief Executive Officer & Managing Director
Bhavna Doshi	Independent Director	7	6	4	Indusind Bank Ltd Sun Pharma Advanced Research Company Ltd Everest Industries Ltd	Independent Director Independent Director Independent Director	Independent Director Independent Director Independent Director
Dharmishta Raval	Independent Director	6	2	1	Zyklus Wellness Ltd Cadila Healthcare Ltd Nocil Ltd	Independent Director Independent Director Independent Director	Independent Director Independent Director Independent Director
Jinal Mehta	Managing Director (Promoter)	1	-	-	-	-	-

Name of the Director	Category	Other Directorships	Other Board Membership	Other Board Committees in which Chairperson	Directorship in other listed entities
Sunaina Tomar	Non-Executive Director, Nominated by Govt. of Gujarat (a shareholder) (appointed wef February 13, 2020)	9	-	-	<p>Gujarat State Petronet Ltd Non-Executive (Nominee Director)</p> <p>Gujarat Gas Ltd Non-Executive Non-Independent Director</p> <p>Gujarat State Fertilizers & Chemicals Ltd Non-Executive Non-Independent Director</p> <p>Gujarat Industries Power Company Ltd Non-Executive (Nominee Director), Chairperson</p>

Note: For the purpose of considering the above numbers : (a) all public companies excluding the Company, are considered and all other companies including private companies, foreign companies and companies registered under section 8 of the Companies Act, 2013 ('Act') are excluded. (b) Only Audit and Stakeholders' Relationship Committee memberships are reckoned.

Pankaj Joshi IAS, Non-Executive Director, Nominated by Govt. of Gujarat (a shareholder), ceased to be a Director w.e.f. December 17, 2019.

Sudhir Mehta and Samir Mehta are brothers. Jinal Mehta is son of Sudhir Mehta. All other Directors are not related inter-se.

All the Directors have periodically and regularly disclosed to the Company information on their directorship and membership on the Boards / Committees of other companies. Based on the disclosures received, none of the Directors of the Company hold directorships / memberships / chairpersonships more than the prescribed limits across all companies in which he / she is a Director.

c) Board Meetings

The Board of Directors met four times during FY 20 on May 15, 2019, August 05, 2019, November 05, 2019 and February 12, 2020.

The calendar of Board meetings of FY 20 was communicated to all the Directors well in advance. The Board meetings were held at the registered office in Ahmedabad. The Board met at least once in a quarter and time gap between two consecutive meetings did not exceed 120 days.

The agenda for the Board meeting was circulated to all the Directors at least 7 days prior to the date of the meeting, except for table agenda items which were placed before the Board with the approval of Independent Directors. The agenda for the Board meetings included detailed notes on the matters to be considered at the meeting to facilitate the Directors to take informed decisions. Minimum information to be placed before the Board under Regulation 17(7) read with Schedule II of the Listing Regulations was placed before the Board for its consideration. The requisite quorum was present in all the meetings.

The attendance of each of the Directors at the Board meetings and Annual General Meeting held during the year under review, are as under:

Name of the Director	Board Meetings held during the tenure	Board Meetings attended	Attendance at the last AGM
Sudhir Mehta	4	4	Yes
Samir Mehta	4	4	Yes
Pankaj Patel	4	3	Yes
Samir Barua	4	4	Yes
Keki Mistry	4	3	No
Bhavna Doshi	4	4	Yes
Dharmishta Raval	4	3	Yes
Pankaj Joshi, IAS (ceased wef December 17, 2019)	3	2	No
Jinal Mehta	4	3	Yes
Sunnaina Tomar, IAS (appointed wef February 13, 2020)	Nil	NA	NA

d) Independent Directors

Based on the declaration of independence and other disclosures made by Independent Directors, the Board has noted that they fulfil the conditions of independence specified in the Act and Listing Regulations.

Based on the disclosures made by them, no Independent Director served as an Independent Director in more than 7 listed companies and where the Independent Director was a Whole-time Director / Managing Director in any listed company, they were not Independent Director in more than 3 listed companies.

A separate meeting of Independent Directors was held on February 12, 2020 under the Chairpersonship of Pankaj Patel to review the matters as required by Schedule IV of the Act and Listing Regulations.

e) Criteria for selection of new Directors and Committee Membership

The Company has in place a policy which provides criteria as well as process for identification / appointment of Directors of the Company. The Policy on Directors' appointment forms part of Board's Report. The table below sets forth the core skills / expertise / competencies identified by the Board alongwith names of Directors who have such skills / expertise / competence for effective functioning of Board of Directors:

Skills, Expertise, Competencies	Sudhir Mehta	Samir Mehta	Pankaj Patel	Samir Barua	Keki Mistry	Bhavna Doshi	Dharmishta Raval	Jinal Mehta	Sunaina Tomar, IAS
Strategic Leadership	Significant leadership experience to think strategically and develop effective strategies to drive change and growth in context of the Company's overall objectives.								
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Experience	Experience and/or knowledge of the industry in which the Company operates.								
	Yes	Yes	-	-	-	-	-	Yes	Yes
Financial Expertise	Qualification and/or experience in accounting and/or finance coupled with ability to analyse key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.								
	-	Yes	-	Yes	Yes	Yes	-	Yes	Yes
Governance, Risk and Compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and compliance frameworks, identifying and monitoring key risks.								
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.								
	-	-	-	-	-	Yes	Yes	-	Yes

f) Familiarisation Programme

The Company and business familiarisation process for Independent Directors was an ongoing process during the Financial Year and largely carried out by way of special discussions and presentations at Board / Committee meetings on important matters such as key regulatory changes, material legal matters, changing industry trends, periodic operations review, annual budget review (including capex plan), strategy discussions and exceptional developments, if any, in the Company.

The details of such familiarization program have been disclosed on the Company's website at https://www.torrentpower.com/pdf/investors/20200512_familiarisation_programme.pdf

g) Shareholding of Non-Executive Directors as on March 31, 2020

- Sudhir Mehta, Chairman Emeritus 6,882 equity shares
- Bhavna Doshi, Independent Director 1,900 equity shares
(Jointly with spouse)

Apart from above, none of the Non-Executive Directors hold any shares of the Company.

3. AUDIT COMMITTEE

a) Terms of Reference

The Board at its meeting held on May 15, 2019 separated the Risk Management oversight from Audit and Risk Management Committee and renamed it as Audit Committee. The Risk Management oversight was vested in the Risk Management Committee.

Due to aforesaid revision, the Board revised the Terms of Reference of the Committee to remove items relating to Risk Management. The revised Terms of Reference were in full compliance with the provisions of the Act and Listing Regulations.

Major Terms of Reference of the Committee include:

- Overseeing the financial reporting process and review of the financial statements of the Company and its unlisted subsidiaries;
- Review functioning of the Whistle Blower mechanism;
- Review and approve related party transactions;
- Scrutiny of inter-corporate loans and investments, review of utilization of loans and/ or advances from/ investment by the Company in the subsidiary;
- Review of internal audit function and reports;
- Evaluation of internal financial control and risk management system;
- Recommending to the Board appointment and remuneration of the auditors and review their performance and adequacy of the internal control systems.

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2020 are set forth below.

Name of the Director	Category of Directorship	Qualification	No. of Meetings attended
Samir Barua, Chairperson [#]	Independent Director	M. Tech (IIT, Kanpur) in Industrial Engineering and Operations Research, Ph. D in Management from IIM, Ahmedabad	4
Keki Mistry [#]	Independent Director	C.A., C.P.A. (USA)	3
Bhavna Doshi	Independent Director	M. Com, C.A.	4
Dharmishta Raval	Independent Director	B. Sc., LL.M	3

[#] During the year, Keki Mistry stepped down as Chairperson of the Committee and in his place Samir Barua was appointed from May 15, 2019.

Composition of the Committee was in compliance with provisions of the Act and Listing Regulations.

During the year under review, four meetings of the Committee were held on May 15, 2019, August 05, 2019, November 05, 2019 and February 12, 2020. The Committee met once in a quarter and time gap between two consecutive meetings did not exceed 120 days. Senior Management of the Company and representatives of Statutory and Internal Auditors were invited to the meetings. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

4. NOMINATION AND REMUNERATION COMMITTEE

a) Terms of Reference

Major Terms of Reference of the Committee include:

- Evaluation and recommendation of the composition of the Board and its sub-committees;
- Formulation of the criteria for determining qualification, positive attributes and independence of a Director;
- Identification of persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with criteria laid down and recommend the same to the Board for their appointment and removal;
- Recommendation to the Board, remuneration proposed to be paid to Directors / KMP / Senior Management;
- Recommendation of Remuneration Policy to the Board;
- Formulation of policy on Board Diversity of the Company;

- Formulation of criteria for performance evaluation of Board, Committees, Individual Directors.

The Terms of Reference were in full compliance with provisions of the Act and Listing Regulations.

b) Composition and Meetings

The particulars of the Committee as on March 31, 2020 are set forth below.

Name of the Director	Category of Directorship	Chairperson/ Member	No. of Meetings attended
Pankaj Patel @	Independent Director	Chairperson	2
Sudhir Mehta	Non-Executive Director (Promoter)	Member	3
Dharmishta Raval	Independent Director	Member	3

@ Appointed as Chairperson wef May 15, 2019.

Composition of the Committee was in compliance with provisions of the Act and Listing Regulations.

During the year under review, three meetings of the Committee were held on May 15, 2019, August 05, 2019 and February 12, 2020. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

c) Performance Evaluation Criteria for Independent Directors

The criteria as well as process for evaluation of Independent Directors are given below:

Criteria

- Fulfillment of functions
- Participation in Board in terms of adequacy (time & content).
- Contribution at meetings
- Guidance / support to management outside Board / Committee meetings
- Independent views and judgement

Process

- The Chairperson of the Board to discuss self and peer evaluation on a One-on-One basis with each Director.
- The Chairperson to consolidate the comments and give feedback to individual Directors.

5. REMUNERATION OF DIRECTORS

a) Remuneration Policy

The Company has in place the policy relating to the remuneration of the Directors, KMP and other employees of the Company. As required by the Act, the Remuneration Policy has been uploaded on the website of the Company at: https://www.torrentpower.com/pdf/investors/Remuneration_Policy.pdf

b) Non-Executive Directors

Non-Executive Directors are compensated by way of Sitting Fees (except promoter category Non-Executive Director) for meetings attended and annual Commission for participation in meetings attended. Members have approved payment of annual Commission to Non-Executive Directors, in addition to Sitting Fees, within the limits laid down under the provisions of the Act. The Board of Directors in terms of authorisation granted by the Members, approved the Commission to be paid to each Non-Executive Director. Detailed criteria for remuneration of Non-Executive Directors are part of Remuneration Policy as mentioned above.

c) Particulars of remuneration paid to the Directors for FY 20

(₹ in Crore)

Name of the Director ^{\$}	Sitting Fees	Salary & Perquisites [#]	Commission	Total
Sudhir Mehta	-	-	5.00	5.00
Samir Mehta	-	-	10.00	10.00
Pankaj Patel	0.06	-	0.17	0.23
Samir Barua	0.13	-	0.30	0.43
Keki Mistry	0.07	-	0.18	0.25
Bhavna Doshi	0.12	-	0.29	0.41
Dharmishta Raval	0.10	-	0.23	0.33
Pankaj Joshi, IAS [@] (ceased wef December 17, 2019)	0.02	-	0.09	0.11
Jinal Mehta	-	8.73	2.50	11.23
Sunaina Tomar, IAS (appointed wef February 13, 2020)	-	-	-	-
Total	0.50	8.73	18.76	27.99

^{\$} None of the Directors are entitled to severance pay.

[#] Includes Salary, House Rent Allowance, contribution to Provident / Superannuation Funds and approved Allowances / Perquisites (excluding premium for Group Personal Accident and Group Mediclaim Insurance).

[@] Sitting fees and Commission of Pankaj Joshi, IAS (nominated by Government of Gujarat) is paid / payable to the Government of Gujarat.

Directors have not been granted any stock options during the year under review.

Apart from payment of Sitting Fees, Annual Commission and shareholding of Non-Executive Directors disclosed in part 2(g) above, there was no other pecuniary relationship or transactions between the Company and Non-Executive Directors.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) Terms of Reference

Major Terms of Reference of the Committee include:

- Resolution of the grievances of all the stakeholders including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- Review of transfer / transmission requests and issuance of duplicate share certificate;
- Overseeing the performance of the Registrar and Share Transfer Agent in respect of adherence to the service standards adopted by the Company;
- Determination of Book Closure period & Record Date in respect of shares, debentures, other securities and General Meetings of the Company;

The Terms of Reference were in full compliance with provisions of the Act and Listing Regulations.

Powers to approve share transfers/ transmission and related requests have been delegated by the Committee to Senior Officials of the Company for expeditious disposal of the Members' requests and complaints.

b) Composition and Meetings

The particulars of the Committee as on March 31, 2020 are set forth below:

Name of the Director	Category of Directorship	Chairperson/ Member	No. of Meetings attended
Pankaj Patel	Independent Director	Chairperson	15
Samir Mehta	Chairperson & Managing Director (Promoter)	Member	14
Jinal Mehta	Managing Director (Promoter)	Member	14

Composition of the Committee was in compliance with provisions of the Act and Listing Regulations. During the year under review, fifteen meetings of the Committee were held. All the recommendations / submissions made by the Committee during the year were accepted by the Board. Samir Shah was the Company Secretary & Compliance Officer of the Company until May 15, 2019 and wef May 16, 2019 Rahul Shah was appointed for this position.

c) Investor Grievance Redressal

The Company received 4 complaints during the year under review and the same have been resolved to the satisfaction of the complainants within a reasonable period. No valid requests for share transfer, transmission etc. were pending beyond 15 days for processing as on March 31, 2020.

7. GENERAL BODY MEETINGS**Last 3 Annual General Meetings of the Company**

Meeting	Date	Time	Venue	No. of Special Resolutions passed
13 th AGM	August 01, 2017	02:30 pm	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	0
14 th AGM	August 01, 2018	09:30 am	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	7
15 th AGM	August 05, 2019	09:30 am	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	2

No Postal Ballot was conducted during the year under review and as of the date of this Report there is no proposal to pass any special resolution through Postal Ballot.

8. MEANS OF COMMUNICATION

During the year, quarterly Unaudited Financial Results with Limited Review Report and annual Audited Financial Results of the Company with Auditors' Report thereon were submitted to the stock exchanges upon their approval by the Board. The Company published its quarterly Financial Results in two English daily newspapers having nationwide circulation i.e. Indian Express and Financial Express and in one regional newspaper i.e. Financial Express (Gujarati Edition). The Company also submitted to the stock exchanges the schedule of analysts or institutional investors meets and presentations made to them. The Company's website: www.torrentpower.com also displays the official news releases of relevance, schedule and presentations for investors, in addition to Financial Results.

Considering the impact of COVID-19 and consequent restrictions including that on large gatherings and social distancing, SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 provided relaxation from sending physical copies of Annual Report for FY 20 to those Members whose email IDs are not registered with the Depository Participants (DPs) and / or with the Company's Registrar and Share Transfer Agent (RTA) and who have opted for physical copies. In view of the same, the Company will send soft copies of Annual Report to those Members whose email IDs are registered with the DPs and / or with the Company's RTA. Also, the same will be available on the Company's website: www.torrentpower.com.

9. GENERAL SHAREHOLDER INFORMATION

a) 16th Annual General Meeting

Date	: Thursday, August 06, 2020
Time	: 9:30 am
Venue	: Video Conference / Other Audio Visual Means
Remote E-voting Period	: From 9:00 am on August 02, 2020 to 5:00 pm on August 05, 2020
Cut-off date for Remote E-voting	: July 30, 2020

b) Tentative financial calendar for the year ended March 31, 2021

Financial year	: April 01, 2020 – March 31, 2021
First quarter results	: First week of August, 2020
Second quarter results	: First week of November, 2020
Third quarter results	: Second week of February, 2021
Results for the year end	: Third week of May, 2021

c) Dividend Payment date: Not applicable.

d) Listing on Stock Exchanges and Security Codes

- Equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited in India:

Stock Exchange	ISIN	Security Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	INE813H01021	532779
National Stock Exchange of India Limited (NSE) “Exchange Plaza”, C – 1, Block G, Bandra - Kurla Complex, Bandra (East), Mumbai 400051	INE813H01021	TORNTPOWER

- NCDs of the Company are listed on the Wholesale Debt Market segment of NSE:

Series	Secured / Unsecured	Coupon rate (p.a.)	ISIN	Security Code
Series 1	Secured	10.35%	INE813H07010	TOPO22
Series 2A	Secured	10.35%	INE813H07051	TOPO21
Series 2B	Secured	10.35%	INE813H07069	TOPO22A
Series 2C	Secured	10.35%	INE813H07077	TOPO23
Series 3A	Secured	8.95%	INE813H07085	TOPO21
Series 3B	Secured	8.95%	INE813H07093	TOPO22
Series 3C	Secured	8.95%	INE813H07101	TOPO23
Series 4A	Unsecured	10.25%	INE813H08018	TOPO22
Series 4B	Unsecured	10.25%	INE813H08026	TOPO23
Series 4C	Unsecured	10.25%	INE813H08034	TOPO24
Series 5	Secured	7.65%	INE813H07119	TOPO23

- Annual listing fees for both, equity and debt securities for FY 20 have been paid to the Stock Exchanges, where the securities of the Company are listed.

e) Market price data

Closing market price of equity shares on March 31, 2020 was ₹278.95 on BSE and ₹279.05 on NSE.

Monthly movement of equity share prices during the year at BSE and NSE:

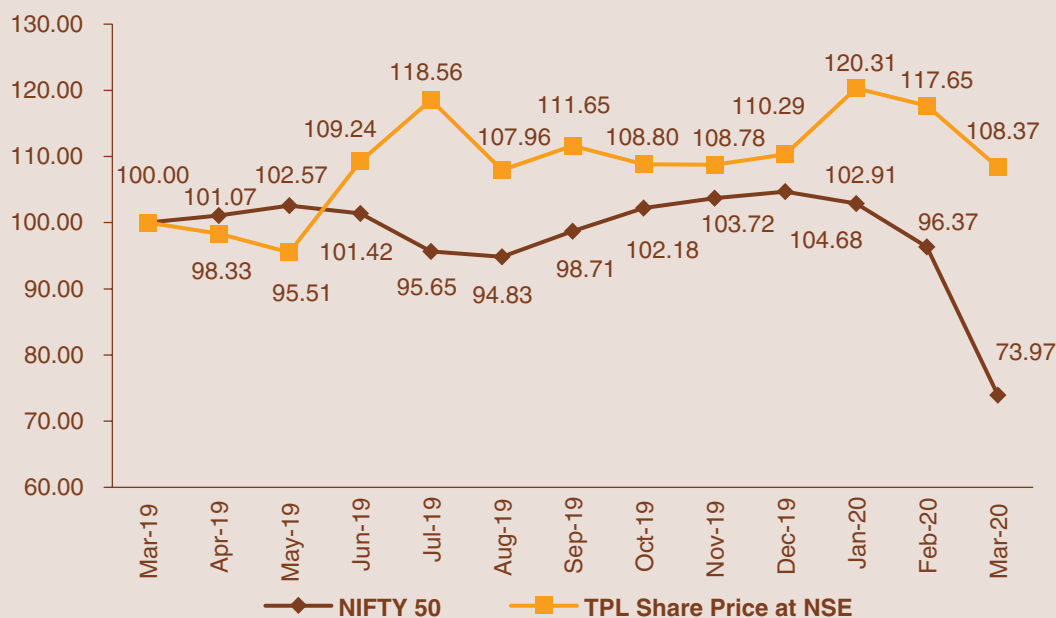
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2019	268.70	245.40	9,77,597	268.75	245.15	1,72,84,535
May, 2019	260.45	235.15	8,16,992	261.00	231.05	1,54,43,603
June, 2019	289.90	240.55	17,25,719	289.70	239.70	2,76,40,745
July, 2019	313.80	282.55	62,01,028	313.70	282.00	4,26,33,867
August, 2019	305.85	275.45	10,51,697	305.80	275.35	2,57,23,082
September, 2019	294.80	269.60	19,07,602	294.75	269.60	1,87,47,413
October, 2019	298.50	274.25	27,72,334	298.75	274.20	1,55,48,142
November, 2019	305.10	276.85	15,69,382	305.60	276.80	2,94,57,140
December, 2019	289.75	267.65	8,30,233	289.90	267.60	1,77,96,610
January, 2020	330.60	280.95	18,77,504	330.70	280.80	2,55,64,826
February, 2020	332.50	292.00	20,98,984	332.80	285.85	3,62,41,896
March, 2020	321.85	239.65	21,94,087	322.00	231.95	3,24,21,595

f) Performance of Equity Share Price vis-à-vis Nifty 50 is as under:

Month	TPL Share Price at NSE (₹)*	NIFTY 50 during the Month* (₹)	Relative Index for comparison purpose	
			TPL share price	NIFTY 50
March, 2019	257.50	11,623.90	100.00	100.00
April, 2019	253.20	11,748.15	98.33	101.07
May, 2019	245.95	11,922.80	95.51	102.57
June, 2019	281.30	11,788.85	109.24	101.42
July, 2019	305.30	11,118.00	118.56	95.65
August, 2019	278.00	11,023.25	107.96	94.83
September, 2019	287.50	11,474.45	111.65	98.71
October, 2019	280.15	11,877.45	108.80	102.18
November, 2019	280.10	12,056.05	108.78	103.72
December, 2019	284.00	12,168.45	110.29	104.68
January, 2020	309.80	11,962.10	120.31	102.91
February, 2020	302.95	11,201.75	117.65	96.37
March, 2020	279.05	8,597.75	108.37	73.97

* Closing data on the last trading day of the month. Closing share price at NSE and NIFTY 50 of March 29, 2019 have been taken as the base for calculating relative index for comparison purpose.

Relative Performance of TPL Share Price v/s Nifty 50



g) Registrar and Share Transfer Agent

Members are requested to send all documents pertaining to transmission/ demat requests and other communications in relation thereto directly to the Registrar and Share Transfer Agent at the following address:

Link Intime India Pvt. Ltd,
506 to 508,
Amarnath Business Centre - I (ABC - I),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner
Off C G Road, Ellisbridge,
Ahmedabad-380006 (Gujarat)
Telephone: +91 079 26465179/86/87 Fax : +91 079 26465179
E-mail: ahmedabad@linkintime.co.in

h) Share Transfer System

In terms of Regulation 40(1) of Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of transmission of securities or transposition of names. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Powers to approve share transfers and related requests have been delegated by the Stakeholders Relationship Committee to Senior Officials of the Company for expeditious disposal of Members' requests and complaints. During the year, share transfers were taken up for approval atleast once in a fortnight and the transferred securities were dispatched to the transferees within the stipulated time. Details of transfers / transmission approved by the delegates were noted by the Stakeholders Relationship Committee at its meeting once in a quarter, which are subsequently noted by the Board of Directors.

i) **Distribution of shareholding as on March 31, 2020**

• **By size of shareholding**

No. of Shares	No. of Members	% Members	No. of Shares	% of Members
001 to 500	1,01,320	89.03	62,88,323	1.30
501 to 1000	6,482	5.70	43,53,612	0.91
1001 to 2000	2,642	2.32	37,50,237	0.78
2001 to 3000	1,059	0.93	26,75,578	0.56
3001 to 4000	471	0.41	16,53,685	0.34
4001 to 5000	395	0.35	17,96,555	0.37
5001 to 10000	708	0.62	50,24,774	1.05
10001 & above	723	0.64	45,50,74,020	94.69
Total	1,13,800	100	48,06,16,784	100

• **By category of Members**

Sr. No.	Category	No. of Shares	% of Shareholding
1	Promoters	25,74,43,318	53.57
2	Governor of Gujarat with Gujarat State Financial Services Limited	5,39,28,671	11.22
3	General Insurance Corporation of India and its subsidiaries	30,03,992	0.63
4	Mutual Funds	7,30,44,049	15.20
5	Foreign Portfolio Investors	4,20,76,508	8.75
6	Banks	434,501	0.09
7	Others	5,06,85,745	10.54
	Total	48,06,16,784	100.00

j) **Dematerialisation and Liquidity of shares**

Equity shares of the Company can be traded only in dematerialised form by the investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat security (ISIN) code for the equity shares of the Company is INE813H01021. As on March 31, 2020, 97.38% of the equity shares have been dematerialised. The shares of the Company are frequently traded on both the stock exchanges and hence the shares of the Company are liquid.

k) **Outstanding GDRs / ADRs / Warrants / any other convertible instruments**

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments as on date.

l) **Disclosure of commodity price risk / foreign exchange risk and hedging activities**

The Company has exposure to US\$ / INR exchange rate arising principally on account of import of LNG and coal. The extant tariff regulations do not permit the cost of hedging such exposure as part of fuel 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 exposures are not likely to have material financial impact on the Company.

The following were the material commodity exposures of the Company during FY 20:

Commodity	Exposure in INR ₹ in Crore	Exposure in Quantity	% of such Exposure hedged through Commodity Derivatives			
			Domestic market		International market	
			OTC	Exchange	OTC	Exchange
Imported & domestic Coal	368	12,62,957 MT	-	-	-	-
Liquefied Natural Gas & domestic natural gas	2,886	6,13,77,321 MMBTU	-	-	-	-
Copper & aluminium	203	11,398 MT	-	-	-	-

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.

m) Registered Office and Plant/ Unit Locations

Registered Office

“Samanvay”,
600 Tapovan,
Ambawadi,
Ahmedabad-380015 (Gujarat)

Generation

- SUGEN, UNOSUGEN and GENSU, Off National Highway No. 8, Taluka: Kamrej, District: Surat-394155 (Gujarat)
- AMGEN, Ahmedabad-380005 (Gujarat)
- DGEN, Plot no Z-9, Dahej SEZ, Taluka Vagra, District: Bharuch – 392130 (Gujarat)
- Renewable generation projects located at Patan, Surat, Jamnagar, Rajkot, Kutch in Gujarat, Osmanabad in Maharashtra and Gulbarga and Raichur in Karnataka.

Cables

Yoginagar,
Mission Road,
Nadiad - 387002 (Gujarat)

Distribution

- AEC cross roads, Sola Road, Naranpura, Ahmedabad – 380013 (Gujarat)
- Torrent House, Station Road, Surat-395003 (Gujarat)
- Plot No. Z/21, Dahej SEZ, Part I, Taluka Vagra, District: Bharuch – 392130 (Gujarat)
- Plot 3a, C7 Road, Dholera Smart City, Taluka: Dhandhuka, District: Ahmedabad Gujarat 382 455
- Old Agra Road, Anjur Phata, Bhiwandi-421302 (Maharashtra)
- 6, Raghunath Nagar, Suresh Plaza Market, M. G. Road, Agra-282002 (Uttar Pradesh)
- Nature's Glory Phase – I. Behind Amit Garden Hotel, Mumbra – Kalwa Road, Parshik Nagar, Kalwa – 400 605

n) Address for Correspondence

Company Secretary
 Torrent Power Limited
 "Samanvay," 600,
 Tapovan, Ambawadi,
 Ahmedabad-380015 (Gujarat)
 CIN: L31200GJ2004PLC044068
 Telephone : + 91 79 26628300
 Fax : +91 79 26764159
 E-mail : cs@torrentpower.com
 Website : www.torrentpower.com

o) Debenture Trustee

IDBI Trusteeship Services Limited
 Asian Building, Ground Floor,
 17, R. Kamani Marg,
 Ballard Estate,
 Mumbai- 400001 (Maharashtra)
 Telephone : (022) 40807005

p) Credit Rating

During the year, CRISIL upgraded the long term credit rating of the Company from AA-/Stable to AA/Stable and reaffirmed the short term credit rating at A1+. Additionally, India Ratings assigned a short term credit rating of IND A1+.

10. OTHER DISCLOSURES**a) Related Party Transactions**

The Company has formulated Related Party Transaction Policy, which is in compliance with provisions of the Act and Listing Regulations. The policy can be accessed on the website of the Company at the web link: https://www.torrentpower.com/pdf/investors/Policy_on_Materiality_of_Related_Party_Transactions.pdf

During the year, the Company did not enter into any transaction with related parties which were material in nature as defined in Listing Regulations. All the related party contracts / arrangements and transactions entered into by the Company were put forth for the prior approval of the Audit Committee, Board and Members, as applicable, in compliance with the said policy.

Statement of related party transactions was presented to the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of contracts/arrangements and transactions entered into by the Company with related parties are set out in Notes to the Financial Statements forming part of the Annual Report.

b) Legal Compliances

The Company has formalised a system to track, monitor and document legal compliances applicable to the Company. The Board periodically reviews compliance reports (of all laws applicable to the Company), prepared by the management. There were no instances of material non-compliances during the year under review. No strictures were passed or penalties imposed on the Company by SEBI, Stock Exchanges or any statutory authority on any matter related to capital markets during the last three years.

c) Whistle Blower Policy

The Board has adopted a Whistle Blower Policy for the Company, under which the Company has institutionalised a mechanism for the stakeholders to disclose their concerns and grievances on unethical behaviour and improper/ illegal practices and wrongful conduct taking place in the Company for appropriate action. During the year the policy was amended to align it with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015. The revised policy is available on the website of the Company at https://www.torrentpower.com/pdf/investors/20200601_whistle_blower_policy.pdf

During the year, functioning of the Whistle Blower mechanism was reviewed by the Audit Committee on a quarterly basis. No employee intending to report under Whistle Blower mechanism was denied access to the Audit Committee.

d) Compliance with all the mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company.

e) Material Subsidiary Policy

The Company has formulated a Policy for determining "Material Subsidiary" and same is available on Company's website at https://www.torrentpower.com/pdf/investors/19-01-2019_2vueh_policy_materialsubsidiaries2.pdf

f) Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

g) Certificate of Practicing Company Secretary

The Company has obtained a certificate from M/s Rajesh Parekh & Co., Practicing Company Secretary, Ahmedabad stating that none of the Directors on the Board of the Company have been debarred / disqualified from being appointed / continuing as Directors of any company, by the SEBI and Ministry of Corporate Affairs or any such Statutory authority.

h) Fees paid to Statutory Auditors

During the year, total fees, for all services (including out of pocket expenses and taxes), paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors - Price Waterhouse Chartered Accountants LLP (012754N/N500016) and to all entities in the network of which Auditor is a part are as under:

	(₹ in Crore)
Audit Fees	1.24
Other Services certificates etc.	0.56
Reimbursement of expenses	0.25
Total	2.05

i) Protection of Women against Sexual Harassment at Work Place

Pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the Company has adopted a “Policy on Protection of Women against Sexual Harassment at Work Place”. Pursuant to the Policy, the Company has formed Internal Complaints Committee, with majority women members, at each of the Unit / Administrative Office. During the year, no complaints were filed with the Internal Complaints Committee.

j) Compliance with Corporate Governance

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

For and on behalf of the Board

Jinal Mehta

Managing Director

DIN: 02685284

Ahmedabad
May 18, 2020

CERTIFICATE OF COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT

To,
The Members,
Torrent Power Limited

Torrent Power Limited has in place a Code of Business Conduct (the “Code”) for its Board of Directors, Senior Management Personnel and other employees of the Company. I report that the Board of Directors have received affirmation on compliance with the Code from the members of the Board and Senior Management of the Company for the year under review.

For and on behalf of the Board

Ahmedabad
May 18, 2020

Jinal Mehta
Managing Director
DIN: 02685284

Standalone Financial Statements 2019-20

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF TORRENT POWER LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Torrent Power Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>i) Impairment assessment for Power Plant located at Dahej (Refer to note 41(1) of the standalone financial statements) :</p> <p>The carrying amount of Property, Plant & Equipment ("PPE") includes an amount of ₹3,079.62 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started its commercial operations from November 2014 ("COD") and has operated only intermittently after COD, including during current financial year.</p> <p>As a result of above, and given the current economic environment, management has carried out an impairment assessment of DGEN with the help of an external valuer, in accordance with Ind AS 36 'Impairment of Assets' and has measured the recoverable amount at the higher of fair value less costs to sell and value in use. In case of DGEN, the recoverable amount is based on 'value in use' which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN. Such assessment involved several key assumptions including expected demand, future price of fuel, exchange rate, expected tariff rates, discount rate and current electricity market scenario considered by management based on past trends and current and likely future state of the industry.</p> <p>Based on such assessment, the Company has provided for an impairment loss of ₹1,000.00 Crore, which has been disclosed as an 'Exceptional item' in the standalone financial statements.</p> <p>We considered this to be a key audit matter as the carrying value of DGEN at March 31, 2020 is significant to the Company's balance sheet and there is significant judgement and uncertainty involved in the discounted cash flow (DCF) model used by the management to assess the carrying value of DGEN.</p>	<p>Our procedures in relation to management's impairment assessment of DGEN included the following:</p> <ul style="list-style-type: none"> Assessed and tested the design and operating effectiveness of the Company's controls over impairment assessment. Perused the report issued by the external valuer engaged by the management. Evaluated independence, competence, capability and objectivity of the external valuer. Evaluated the reasonableness of cash flow projections used by the Company and the key assumptions used. With the involvement of auditors experts, assessed the reasonableness of the assumptions considered in the discounted cash flow projections for determining value in use. Discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same. Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. Reviewed the adequacy of disclosure in the standalone financial statements with regard to the impairment loss accounted by the Company. <p>Based on the above procedures performed, we considered management's assessment of impairment to the carrying amount of DGEN to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>ii) Assessment of recoverability of Deferred tax assets on unutilised tax credits (Refer to note 42 to the standalone financial statements)</p> <p>The Company has recognised deferred tax assets on the unutilised tax credits, representing Minimum Alternate Tax (MAT) paid on the accounting profit in the current year and in earlier years in which the Company did not have normal taxable profit. The assets have been recognised on the basis of Company's assessment of availability of future taxable profits to offset the accumulated MAT credits.</p> <p>The future taxable profit projections involve several key assumptions including expected demand, future prices of fuel, expected tariff rates of electricity, exchange rate and current electricity market scenario covering the period over which MAT Credit can be claimed as per the Income-tax Act, 1961. In preparing the profit projections, management has considered, past trends, applicable tariff regulations/ agreements and current and likely future state of the industry.</p> <p>We considered this a key audit matter as the amount of deferred tax assets is material to the financial statements and significant management judgement is required in assessing the recoverability of MAT credit based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Company's future business plans.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Evaluated and tested the design and operating effectiveness of the Company's controls over recognition and assessment of recoverability of deferred tax assets on accumulated MAT credits. • Reviewed the Company's accounting policy in respect of recognizing deferred tax assets on unutilised MAT credits. • Assessed the reasonableness of the assumptions underlying profit projections made by management, by reviewing the past trends, available tariff orders and relevant economic and industry indicators. • Evaluated whether the tax credit entitlements are legally available to the Company for the forecast recoupment period, considering the provisions of Income-tax Act, 1961. • Checked the mathematical accuracy of the underlying calculations of the profit projections. • Performed sensitivity analyses on the projected taxable profits by varying key assumptions, within reasonably foreseeable range. • Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes. <p>Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets in respect of accumulated MAT credits to be reasonable.</p>

Emphasis of Matter

- We draw attention to Note 57 to the standalone financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Other Information

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board's report (including shareholders information), management discussion and analysis, business responsibility report, report on corporate governance, but does not include the standalone financial statements and our auditor's report thereon.

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

INDEPENDENT AUDITOR'S REPORT (Contd.)

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements – Refer Note 31 and 44;
 - ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
16. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership Number: 039985

UDIN: 20039985AAAABX7791

Place: Bengaluru

Date: May 18, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the standalone financial statements for the year ended March 31, 2020

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

1. We have audited the internal financial controls with reference to financial statements of Torrent Power Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the standalone financial statements for the year ended March 31, 2020

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 5 of our main audit report.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Place: Bengaluru

Date: May 18, 2020

Membership Number: 039985

UDIN: 20039985AAAAABX7791

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. As regards underground distribution systems, we have been informed that the same are not physically verifiable.
- (c) The title deeds of immovable properties, as disclosed in Note 4 on Property, Plant and Equipment and Note 5 on Right of use assets to the standalone financial statements, are held in the name of the Company or in the names of the companies which got amalgamated into the Company through various schemes approved by the courts in earlier years.
- ii. The physical verification of inventory [excluding stocks with third parties] has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.
We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues in respect of employees' state insurance, duty of customs, value added tax and cess, and is generally regular in depositing the undisputed statutory dues in respect of provident fund, income tax, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 44 to the standalone financial statements regarding management's assessment on the matter relating to provident fund.

Further, for the period March 1, 2020 to March 31, 2020, the Company has paid Goods and Service Tax and filed GSTR 1 and GSTR3B after the due date but within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notification Number 32/2020, 33/2020 and 34/2020 - Central Tax dated April 3, 2020 on fulfilment of conditions specified therein.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2020

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax and goods and services tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs, duty of excise and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of dues	Amount involved (₹ in Crore)	Amount Unpaid (₹ in Crore)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
Customs Act, 1962	Custom duty	37.00	18.50	2012-13	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	0.17	0.17	1989-90	Central Excise and Service Tax Appellate Tribunal
Kerala General Sales Tax Act, 1963	Sales Tax on Works Contracts	0.20	0.20	2001-02	Sales Tax Appellate Tribunal, Calicut
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax on Works Contracts	0.29	0.29	1993-94 & 1994-95	Andhra Pradesh High Court, Hyderabad
Tamil Nadu General Sales Tax Act, 1959	Sales Tax on Works Contracts	0.47	0.47	1989-90 & 1990-91	Asst. Commissioner of Commercial Tax, Tuticorin
Gujarat Value Added Tax Act, 2003	Value Added Tax	0.21	0.17	2013-14 & 2014-15	Joint Commissioner of Commercial Tax (Appeal)
		0.17	0.14	2011-12	GVAT Tribunal
		4.26	1.63	2009-10 & 2010-11	GVAT Tribunal
		1.73	0.51	2008-09	GVAT Tribunal
		1.00	0.27	2007-08	GVAT Tribunal
Gujarat Sales Tax Act, 1969	Sales tax	4.29	4.29	2002-03 & 2003-04	Joint Commissioner of Commercial Tax (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	3.15	2.51	2008-09, 2009-10, 2010-11, 2011-12 & 2012-13	GVAT Tribunal
		0.49	0.39	2014-15	Joint Commissioner of Commercial Tax (Appeal)
Income tax Act, 1961	Income Tax	0.69	0.50	2015-16	CIT Appeals

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

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2020

Further, in view of the extension of time granted vide a circular of Reserve Bank of India (RBI), RBI/2019-20/186 dated March 27, 2020 for the payment of interest and principal for term loans falling due between March 1, 2020 and May 31, 2020, the Company has availed the moratorium for payment of the aforesaid dues on term loans outstanding to Bank of Baroda, State Bank of India and Punjab National Bank.

- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 16 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership Number: 039985

UDIN: 20039985AAAABX7791

Place: Bengaluru

Date: May 18, 2020

BALANCE SHEET

AS AT MARCH 31, 2020

	Note	As at March 31, 2020	(₹ in Crore) As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	4	15,587.93	16,995.13
Right-of-use assets	5	187.94	-
Capital work-in-progress		567.40	358.77
Intangible assets	6	14.98	17.31
Intangible assets under development		0.19	-
Financial assets			
Investments	7	518.77	689.93
Loans	8	1,123.92	145.15
Other financial assets	9	1.08	230.61
Non-current tax assets (net)	10	16.44	26.69
Other non-current assets	11	327.36	901.56
		18,346.01	19,365.15
Current assets			
Inventories	12	597.89	626.67
Financial assets			
Investments	13	502.20	472.46
Trade receivables	14	1,180.58	1,170.53
Cash and cash equivalents	15	79.42	114.33
Bank balances other than cash and cash equivalents	16	144.78	211.92
Loans	17	91.39	204.02
Other financial assets	18	1,825.44	1,581.30
Other current assets	19	111.92	78.28
		4,533.62	4,459.51
		22,879.63	23,824.66
Equity and liabilities			
Equity			
Equity share capital	20	480.62	480.62
Other equity	21	8,706.65	8,456.18
		9,187.27	8,936.80
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	7,296.28	8,033.38
Trade payables	23	-	-
Total outstanding dues of micro and small enterprises		109.71	109.34
Total outstanding dues other than micro and small enterprises		33.29	0.24
Other financial liabilities	24	102.82	83.15
Provisions	25	542.51	1,556.26
Deferred tax liabilities (net)	42	1,129.07	1,020.95
Other non-current liabilities	26	9,213.68	10,803.32
Current liabilities			
Financial liabilities			
Borrowings	27	-	300.05
Trade payables	28	24.83	27.10
Total outstanding dues of micro and small enterprises		1,002.43	777.29
Total outstanding dues other than micro and small enterprises		2,612.36	2,328.75
Other financial liabilities	29	575.54	592.70
Other current liabilities	30	241.89	42.29
Provisions	31	21.63	16.36
Current tax liabilities (net)	32	4,478.68	4,084.54
		22,879.63	23,824.66

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Rahul Shah
Company Secretary

Bengaluru, May 18, 2020

Ahmedabad, May 18, 2020

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

	Note	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	33	13,442.04	12,977.52
Other income	34	245.09	261.55
Total income		13,687.13	13,239.07
Expenses			
Electrical energy purchased		3,709.40	4,116.50
Fuel cost		4,250.54	4,019.46
Cost of materials consumed	35	250.60	259.86
Purchase of stock-in-trade		53.69	229.46
Changes in inventories of finished goods and work-in-progress	36	1.45	(19.58)
Employee benefits expense	37	528.49	484.21
Finance costs	38	891.86	892.15
Depreciation and amortization expense	39	1,230.16	1,163.05
Other expenses	40	1,225.04	845.60
Total expenses		12,141.23	11,990.71
Profit before exceptional items and tax		1,545.90	1,248.36
Exceptional items	41	1,000.00	-
Profit before tax		545.90	1,248.36
Tax expense			
Current tax	42	305.94	269.26
Deferred tax	42	(998.18)	89.86
		(692.24)	359.12
Profit for the year		1,238.14	889.24
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	48	(44.57)	(9.55)
Tax relating to remeasurement of the defined benefit plans	42	(15.57)	(3.34)
Other comprehensive income for the year (net of tax)		(29.00)	(6.21)
Total comprehensive income for the year		1,209.14	883.03
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	52	25.76	18.50
See accompanying notes forming part of the standalone financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Rahul Shah
Company Secretary

Bengaluru, May 18, 2020

Ahmedabad, May 18, 2020

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

	Note	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities			
Net profit before tax		545.90	1,248.36
Adjustments for :			
Depreciation and amortization expense	39	1,230.16	1,163.05
Amortisation of deferred revenue	33	(73.67)	(63.66)
Provision of earlier years written back	33	(3.69)	(26.98)
Loss on sale / discarding of property, plant and equipment	40	16.19	17.97
Gain on disposal of property, plant and equipment	34	(2.89)	(8.40)
Bad debts written off (net of recovery)	40	(17.41)	3.96
Provision for onerous contracts	40	161.78	-
Allowance for doubtful debts (net)	40	82.43	15.88
Exceptional items	41	1,000.00	-
Finance costs	38	891.86	892.15
Interest income	34	(142.22)	(147.91)
Dividend income	34	(15.32)	(6.66)
Allowance / impairment for non-current investments	40	1.55	1.35
Gain on sale of current investments in mutual funds	34	(40.76)	(40.33)
Gain on sale of non-current investments	34	(8.64)	-
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	34	0.36	6.16
Net gain arising on financial assets / liabilities measured at amortised cost	34	(13.84)	(24.45)
Net unrealised loss / (gain) on foreign currency transactions		12.30	(4.70)
Operating profit before working capital changes		3,624.09	3,025.79
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		28.78	(172.29)
Trade receivables		(75.07)	(65.89)
Loans		(1.16)	1.27
Other financial assets		(2.53)	(508.48)
Other assets		(26.71)	(37.86)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		204.18	174.09
Other financial liabilities		41.06	115.68
Provisions		12.92	5.12
Other liabilities		(21.05)	75.42
Cash generated from operations		3,784.51	2,612.85
Taxes paid (net)		(290.43)	(279.04)
Net cash flow generated from operating activities		3,494.08	2,333.81
Cash flow from investing activities			
Payments for property, plant and equipment & intangible assets		(679.78)	(1,583.19)
Proceeds from sale of property, plant and equipment		9.55	100.80
Non-current investment in subsidiaries		(2.00)	(221.00)
Non-current (investment in) / redemption of debentures from associates		191.62	(78.30)
Purchase of non-current investments		(1.92)	(1.93)

STATEMENT OF CASH FLOW (Contd.)

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

	Year ended March 31, 2020	Year ended March 31, 2019
(Loans to) / repayment of loans from related parties (net)	(839.73)	324.49
(Investments) / redemption in bank deposits (net) (maturity more than three months)	68.75	(76.95)
Interest received	106.45	122.94
(Purchase of) / proceeds from current investments (net)	10.66	175.83
Dividend received from non-current investments	15.32	6.66
Bank balances not considered as cash and cash equivalents	-	(0.02)
Net cash generated from / (used in) investing activities	(1,121.08)	(1,230.67)
Cash flow from financing activities		
Proceeds from long-term borrowings	1,770.00	317.03
Proceeds from short-term borrowings	250.00	1,200.05
Repayment of long-term borrowings	(317.89)	(427.19)
Prepayment of long-term borrowings	(1,970.64)	(290.75)
Repayment of short-term borrowings	(550.05)	(900.00)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	185.69	166.00
Dividend paid (including dividend distribution tax)	(958.67)	(288.34)
Principal elements of finance lease payments	(5.71)	-
Finance costs paid	(806.82)	(896.02)
Net cash generated from / (used in) financing activities	(2,407.91)	(1,123.04)
Net (decrease) / increase in cash and cash equivalents	(34.91)	(19.90)
Cash and cash equivalents as at beginning of the year	114.33	134.23
Cash and cash equivalents as at end of the year	79.42	114.33
See accompanying notes forming part of the standalone financial statements		
Footnotes:		
1. Cash and cash equivalents as at end of the year:		
Balances with banks		
Balance in current accounts	78.14	106.86
Balance in fixed deposit accounts (original maturity for less than three months)	-	0.03
Cheques, drafts on hand	0.94	6.02
Cash on hand	0.34	1.42
	79.42	114.33
2. The statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".		

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Rahul Shah
Company Secretary

Bengaluru, May 18, 2020

Ahmedabad, May 18, 2020

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity share capital [Refer note 20]

	(₹ in Crore)
Balance as at April 01, 2018	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2019	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2020	480.62

B. Other equity [Refer note 21]

	(₹ in Crore)	Securities premium	Debt redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	Total
Balance as at April 01, 2018		0.03	163.68	7.95	78.07	3,583.89	3,378.45	7,212.07
Impact on adoption of Ind AS 115 [Refer note 59]		-	-	-	-	-	649.42	649.42
Restated balance as at April 01, 2018		0.03	163.68	7.95	78.07	3,583.89	4,027.87	7,861.49
Profit for the year		-	-	-	-	-	889.24	889.24
Other comprehensive income for the year, net of income tax		-	-	-	-	-	(6.21)	(6.21)
Total comprehensive income for the year		-	-	-	-	-	883.03	883.03
Transfer to debt redemption reserve		-	34.22	-	-	-	(34.22)	-
Transfer to contingency reserve		-	-	1.81	-	-	(1.81)	-
Dividend paid		-	-	-	-	-	(240.31)	(240.31)
Dividend distribution tax paid		-	-	-	-	-	(48.03)	(48.03)
Balance as at March 31, 2019		0.03	197.90	9.76	78.07	3,583.89	4,586.53	8,456.18
Balance as at April 01, 2019		0.03	197.90	9.76	78.07	3,583.89	4,586.53	8,456.18
Profit for the year		-	-	-	-	-	1,238.14	1,238.14
Other comprehensive income for the year, net of income tax		-	-	-	-	-	(29.00)	(29.00)
Total comprehensive income for the year		-	-	-	-	-	1,209.14	1,209.14
Transfer to debt redemption reserve		-	60.20	-	-	-	(60.20)	-
Transfer to contingency reserve		-	-	1.83	-	-	(1.83)	-
Dividend (including interim dividend) paid		-	-	-	-	-	(797.82)	(797.82)
Dividend distribution tax paid		-	-	-	-	-	(160.85)	(160.85)
Balance as at March 31, 2020		0.03	258.10	11.59	78.07	3,583.89	4,774.97	8,706.65

In terms of our report attached

For and on behalf of the Board of Directors

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

Pradip Kanakia
Partner
Membership No.: 039985
Bengaluru, May 18, 2020

Sanjay Dalal
Chief Financial Officer

Samir Mehta
Chairperson
DIN:00061903

Rahul Shah
Company Secretary

Ahmedabad, May 18, 2020

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 Electricity 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 April 01, 2019:

Ind AS - 116 "Leases"

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards), 2019 on March 30, 2019 which includes Ind AS - 116 "Leases". The Company has applied Ind AS 116, Leases for the first time for their annual reporting period commencing April 01, 2019.

The Company had to change its accounting policy as a result of adopting Ind AS 116. This is disclosed in note 2.20.

Other amendments:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain other amendments to Indian Accounting Standards (Ind AS), as part of the Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

- i) Ind AS - 12 "Income taxes," Appendix C - Uncertainty over income tax treatments
- ii) Amendment to Ind AS - 12 "Income taxes"
- iii) Ind AS - 19 "Employee benefits," Plan amendment, curtailment or settlement
- iv) Ind AS - 23 "Borrowing costs"
- v) Ind AS - 28 "Investments in associates and Joint-Ventures," Long-term interests in Associates and Joint-ventures
- vi) Ind AS - 109 "Financial Instruments," Prepayment Features with Negative Compensation
- vii) Ind AS - 103 "Business Combination"
- viii) Ind AS - 111 "Joint Arrangements"

The above other amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 April 01, 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued 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 FPPA 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. Revenue from power supply exclude taxes and duties.

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 Services 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- (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 March 31, 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

2.20 Leases:

The Company has applied Ind AS - 116 for the first time for the annual reporting period commencing April 01, 2019.

Company as a lessee:

From April 01, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight line basis. The leasing arrangements range between 11 months and 99 years generally.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment and small value of building.

2.21 Exceptional Items:

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "Exceptional items."

2.22 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 '*'.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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)]

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT
As at March 31, 2020

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss				Net carrying amount
	As at April 01, 2019	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2020	As at April 01, 2019	For the year		Deductions during the year	As at March 31, 2020
							Depreciation	Impairment		
Freehold land	403.10	19.89	-	-	422.99	-	-	-	-	422.99
Buildings	1,505.68	43.38	5.62	2.53	1,545.97	187.46	54.11	-	0.07	1,304.47
Railway siding	1.86	-	-	-	1.86	0.20	0.05	-	-	0.25
Plant and machinery	18,981.05	728.83	27.94	(0.07)	19,681.87	3,873.64	1,138.87	1,000.00	11.71	6,000.80
Electrical fittings and apparatus	40.26	3.12	0.07	0.01	43.32	12.27	3.06	-	0.06	15.27
Furniture and fixtures	45.11	3.63	0.21	*	48.53	10.92	3.28	-	0.12	14.08
Vehicles	23.42	5.52	1.66	-	27.28	7.86	2.60	-	1.19	9.27
Office equipment	121.06	22.46	1.24	0.08	142.36	34.06	11.76	-	0.74	45.08
Total	21,121.54	826.83	36.74	2.55	21,914.18	4,126.41	1,213.73	1,000.00	13.89	6,326.25

As at March 31, 2019

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss				Net carrying amount
	As at April 01, 2018	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2019	As at April 01, 2018	For the year		Deductions during the year	As at March 31, 2019
							Depreciation	Impairment		
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	1,318.22
Railway siding	1.86	-	-	-	1.86	0.15	0.05	-	-	0.20
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
Electrical fittings and apparatus	3793	2.29	0.01	0.05	40.26	9.02	3.26	-	0.01	12.27
Furniture and fixtures	41.32	3.74	0.03	0.08	45.11	7.78	3.14	-	-	10.92
Vehicles	22.30	1.70	0.73	0.15	23.42	5.64	2.48	-	0.26	7.86
Office equipment	84.68	36.69	0.70	0.39	121.06	25.08	9.21	-	0.23	34.06
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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 ₹16,155.33 Crore (March 31, 2019 - ₹17,353.90 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 ₹2.55 Crore (Previous year - ₹7.28 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 ₹11.55 Crore (March 31, 2019 - ₹2.67 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 9.00% (Previous year 8.68%).

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 loss in respect 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 March 31, 2020	As at March 31, 2019
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	2.52	2.52

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 5 : RIGHT-OF-USE ASSETS

As at March 31, 2020		Gross carrying amount						Accumulated depreciation				Net carrying amount
Particulars		As at April 01, 2019	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	Transition impact of Ind AS 116	For the year	Deductions during the year	As at March 31, 2020	As at March 31, 2020
Land	-	-	222.55	-	4.50	218.05	-	47.96	6.90	0.07	54.79	163.26
Buildings	-	-	13.21	14.49	-	27.70	-	-	3.45	-	3.45	24.25
Plant and machinery	-	-	0.38	-	-	0.38	-	-	0.05	-	0.05	0.33
Office equipment	-	-	0.14	-	-	0.14	-	-	0.04	-	0.04	0.10
Total	-	-	236.28	14.49	4.50	246.27	-	47.96	10.44	0.07	58.33	187.94

Footnote:

- Refer note 47 for disclosure relating to right-of-use asset.

NOTE 6 : INTANGIBLE ASSETS

As at March 31, 2020		Gross carrying amount				Accumulated amortization				Net carrying amount
Particulars		As at April 01, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Deductions during the year	As at March 31, 2020	As at March 31, 2020
Computer software		36.96	5.80	0.45	42.31	19.65	8.13	0.45	27.33	14.98
Total		36.96	5.80	0.45	42.31	19.65	8.13	0.45	27.33	14.98

As at March 31, 2019		Gross carrying amount				Accumulated amortization				Net carrying amount
Particulars		As at April 01, 2018	Additions during the year	Deductions during the year	As at March 31, 2019	As at April 01, 2018	For the year	Deductions during the year	As at March 31, 2019	As at March 31, 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

Footnote:

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS

	(₹ in Crore)	
	As at March 31, 2020	As at March 31, 2019
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 - March 31, 2020: 6,66,00,000, March 31, 2019: 6,66,00,000)		
[2,70,00,000 (March 31, 2019 - 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 - March 31, 2020: 4,75,00,000, March 31, 2019: 4,75,00,000)		
Less: Impairment in value of investment	(14.35)	(12.80)
Torrent Solargen Limited		
Equity shares of ₹10 each fully paid up	80.07	80.07
(No. of shares - March 31, 2020: 8,00,50,000, March 31, 2019: 8,00,50,000)		
Jodhpur Wind Farms Private Limited		
Equity shares of ₹10 each fully paid up	111.00	111.00
(No. of shares - March 31, 2020: 11,10,00,000, March 31, 2019: 11,10,00,000)		
[5,66,10,000 (March 31, 2019 - 5,66,10,000) 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	110.00
(No. of shares - March 31, 2020: 11,00,00,000, March 31, 2019: 11,00,00,000)		
[5,61,00,000 (March 31, 2019 - 5,61,00,000) equity shares pledged as security in respect of the term loan and working capital facility provided to Latur Renewable Private Limited]		
TCL Cables Private Limited		
Equity shares of ₹10 each fully paid up	2.00	-
(No. of shares - March 31, 2020: 2,00,000, March 31, 2019: Nil)		
	402.82	402.37
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 - March 31, 2020: 9,61,500, March 31, 2019: 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 - March 31, 2020: 24,500, March 31, 2019: 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 - March 31, 2020: 25,000, March 31, 2019: 25,000)		
UNM Foundation @		
Equity shares of ₹10 each fully paid up	0.03	0.03
(No. of shares - March 31, 2020: 25,000, March 31, 2019: 25,000)		
	0.06	0.06
	402.88	402.43

@ 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS (Contd.)

	(₹ in Crore)	
	As at March 31, 2020	As at March 31, 2019
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 (No. of debentures - March 31, 2020: 9,070, March 31, 2019: 9,070)	103.78	97.21
Wind Four Renergy Private Limited Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each (No. of debentures - March 31, 2020: Nil, March 31, 2019: 8,600)	-	91.23
Wind Five Renergy Private Limited Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each (No. of debentures - March 31, 2020: Nil, March 31, 2019: 8,400)	-	88.87
	<u>103.78</u>	<u>277.31</u>
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	1.93
7.57% GOI Bond - 2033	1.92	-
	<u>12.11</u>	<u>10.19</u>
	<u>518.77</u>	<u>689.93</u>
Aggregate amount of quoted investments	12.11	10.19
Aggregate amount of unquoted investments	506.66	679.74
	<u>518.77</u>	<u>689.93</u>
Aggregate amount of impairment in value of investments	14.98	13.43
Aggregate amount of market value of quoted investments	13.03	10.54
\$ 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 March 31, 2020	As at March 31, 2019
Loans to related parties (including interest accrued) [Refer note 55(d)]	1,106.29	128.44
Security deposits	17.63	16.71
	<u>1,123.92</u>	<u>145.15</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 9 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Inter-corporate deposits #	-	230.00
Bank fixed deposits	0.98	0.48
Other advances	0.10	0.13
	<u>1.08</u>	<u>230.61</u>
# include ₹ Nil (March 31, 2019 - ₹80.00 Crore) on which a lien has been created in favour of lenders		

NOTE 10 : NON- CURRENT TAX ASSETS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Advance income tax (net)	16.44	26.69
	<u>16.44</u>	<u>26.69</u>

NOTE 11 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Capital advances	68.62	474.20
Advances for goods and services	170.28	189.80
Balances with government authorities	63.42	56.37
Prepaid expenses	25.04	25.35
Unamortised premium for leasehold land	-	155.84
	<u>327.36</u>	<u>901.56</u>

NOTE 12 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Stores and spares	294.90	279.20
Fuel	241.82	292.47
Raw materials	27.85	21.21
Work-in-progress	7.37	8.75
Finished goods	23.13	23.31
Packing materials	1.25	0.49
Loose tools	1.57	1.24
	<u>597.89</u>	<u>626.67</u>

Footnotes:

1. The cost of stores and spares inventories recognised as an expense includes ₹2.70 Crore (Previous year - ₹1.97 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 ₹ Nil (March 31, 2019 - ₹4.48 Crore).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 13 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

	(₹ in Crore)	
	As at March 31, 2020	As at March 31, 2019
Investment in mutual funds (unquoted)		
Axis Liquid Fund- Growth (No. of units - March 31, 2020: Nil, March 31, 2019: 4,46,035)	-	92.11
ICICI Liquid Plan - Regular - Growth (No. of units - March 31, 2020: Nil, March 31, 2019: 69,05,766)	-	190.20
ICICI Overnight Fund - Growth (No. of units- March 31, 2020: 1,67,90,598, March 31, 2019: Nil)	180.92	-
IDFC Overnight Fund - Growth (No. of units- March 31, 2020: 14,07,462, March 31, 2019: Nil)	150.00	-
SBI Overnight Fund - Growth (No. of units- March 31, 2020: 4,61,238, March 31, 2019: Nil)	150.07	-
Tata Money Market Fund (No. of units - March 31, 2020: Nil, March 31, 2019: 6,48,844)	-	190.15
Tata Overnight Fund- Growth (No. of units- March 31, 2020: 2,01,286, March 31, 2019: Nil)	21.21	-
	<u>502.20</u>	<u>472.46</u>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	<u>502.20</u>	<u>472.46</u>
	<u>502.20</u>	<u>472.46</u>
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-

NOTE 14 : TRADE RECEIVABLES

	(₹ in Crore)	
	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Secured - Considered good	514.65	488.34
Unsecured - Considered good	665.93	682.19
- Credit impaired	234.24	151.81
	<u>1,414.82</u>	<u>1,322.34</u>
Less: Allowance for bad and doubtful debts	<u>234.24</u>	<u>151.81</u>
	<u>1,180.58</u>	<u>1,170.53</u>
Footnotes:		
1. Refer note 56 for credit risk related disclosures.		
2. Refer note 22 for charge on current assets including trade receivables.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 15 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Balance in current accounts	78.14	106.86
Balance in fixed deposit accounts (original maturity of less than three months)	-	0.03
	78.14	106.89
Cheques, drafts on hand	0.94	6.02
Cash on hand	0.34	1.42
	<u>79.42</u>	<u>114.33</u>

NOTE 16 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Unpaid dividend accounts	9.55	7.44
Unpaid fractional coupon accounts	0.35	0.35
Balance in fixed deposit accounts # (maturity of more than three months but less than twelve months)	134.88	204.13
	<u>144.78</u>	<u>211.92</u>

include ₹56.50 Crore (March 31, 2019 - ₹69.00 Crore) 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 March 31, 2020	As at March 31, 2019
Loans to related parties (including interest accrued) [Refer note 55(d)]	76.10	188.97
Security deposits	15.29	15.05
	<u>91.39</u>	<u>204.02</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 18 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Inter-corporate deposits #	280.00	75.00
Interest accrued on non-current investments	0.21	0.17
Interest accrued on deposits	23.81	12.27
Unbilled revenue (including revenue gap / surplus) [Refer note 59]	1,502.95	1,456.10
	1,806.97	1,543.54
Other advances / receivables		
Considered good	18.47	37.76
Considered credit impaired	6.06	6.06
	24.53	43.82
Less : Allowance for doubtful advances	6.06	6.06
	18.47	37.76
	1,825.44	1,581.30
# include ₹130.00 Crore (March 31, 2019 - ₹75.00 Crore) 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 March 31, 2020	As at March 31, 2019
Advances for goods and services	85.72	51.00
Balances with government authorities	0.82	0.39
Prepaid expenses	25.38	21.04
Unamortised premium for leasehold land	-	5.85
	111.92	78.28

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 20 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2019) equity shares of ₹10 each	4,370.00	4,370.00
	<u>4,370.00</u>	<u>4,370.00</u>
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at March 31, 2019) equity shares of ₹10 each	480.62	480.62
	<u>480.62</u>	<u>480.62</u>
1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :		
	No. of shares As at March 31, 2020	No. of shares As at March 31, 2019
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	<u>48,06,16,784</u>	<u>48,06,16,784</u>
2. 25,74,22,311 equity shares (25,74,22,311 equity shares as at March 31, 2019) 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 March 31, 2020 No. of shares % holding	As at March 31, 2019 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%	4,68,71,621 9.75%
Axis Mutual Fund Trustee Limited	2,95,72,552 6.15%	3,07,44,585 6.40%
5. Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:		
During FY 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 August 13, 2015.		
6. Distributions made and proposed:		
The amount of per share dividend distributed to equity shareholders during the year ended March 31, 2020 was ₹5.00 (Previous year - ₹5.00) per equity share, being the final dividend declared for the year ended March 31, 2019.		
Interim dividend for FY 2019-20 of ₹11.60 per equity share (including ₹5.00 per equity share as a special dividend) aggregating to ₹672.11 Crore (including dividend distribution tax of ₹114.60 Crore) was paid in February 2020. The Board has not considered any further dividends for FY 2019-20.		
@Torrent Private Limited changed to Torrent Investments Private Limited w.e.f. April 15, 2020.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 21 : OTHER EQUITY

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	258.10	197.90
Contingency reserve	11.59	9.76
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	4,774.97	4,586.53
	<u>8,706.65</u>	<u>8,456.18</u>

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 22 : NON-CURRENT BORROWINGS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	366.68	550.00
10.35% Series 2A, 2B & 2C	200.00	300.00
8.95% Series 3A, 3B & 3C	245.00	245.00
7.65% Series 5	100.00	-
	<u>911.68</u>	<u>1,095.00</u>
Term loans @		
From banks	6,098.30	6,917.74
	<u>6,098.30</u>	<u>6,917.74</u>
	<u>7,009.98</u>	<u>8,012.74</u>
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A, 4B & 4C	269.48	-
	<u>269.48</u>	<u>-</u>
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	16.82	20.64
	<u>16.82</u>	<u>20.64</u>
	<u>286.30</u>	<u>20.64</u>
	<u>7,296.28</u>	<u>8,033.38</u>
@ After considering unamortised expense of ₹22.16 Crore as at March 31, 2020 and ₹30.13 Crore as at March 31, 2019.		
# After considering unamortised expense of ₹0.52 Crore as at March 31, 2020 and ₹ Nil Crore as at March 31, 2019.		
Current maturities		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.32	-
10.35% Series 2A, 2B & 2C	100.00	-
	<u>283.32</u>	<u>-</u>
Term loans \$		
From banks	718.63	778.78
	<u>718.63</u>	<u>778.78</u>
Unsecured loans - at amortised cost		
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	<u>3.82</u>	<u>3.82</u>
	<u>1,005.77</u>	<u>782.60</u>
Amount disclosed under the head 'Other current financial liabilities' [Refer note 29]	<u>(1,005.77)</u>	<u>(782.60)</u>
	<u>-</u>	<u>-</u>
\$ After considering unamortised expense of ₹3.71 Crore as at March 31, 2020 and ₹4.68 Crore as at March 31, 2019.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 22 : NON-CURRENT BORROWINGS (Contd.)

Footnotes:

1. Nature of security

- (i) 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 ₹6,842.80 Crore and non convertible debentures of ₹1,095.00 Crore.
- (ii) The entire movable (including current assets) and immovable assets (other than those mentioned in a & b below), both present & future, are hypothecated & mortgaged by way of first pari passu charge in favour of non-convertible debentures of ₹100.00 Crore, and lenders of term loans, cash credits and non-fund based credit facilities, availed by the Company.
 - a. movable fixed assets and debt service reserve accounts for the benefit of lenders of Renewable projects of the company
 - b. immovable assets of Renewable Projects and leasehold land bearing plot nos. B15 and B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch, near 1200 MW Dahej Plant

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
2020-21	726.16	283.32	2027-28	567.79	-
2021-22	543.79	363.32	2028-29	464.64	-
2022-23	424.49	558.36	2029-30	464.64	-
2023-24	410.03	170.00	2030-31	464.64	-
2024-25	507.64	90.00	2031-32	420.78	-
2025-26	722.89	-	2032-33	390.42	-
2026-27	755.53	-			

3. Undrawn term loans from banks, based on approved facilities, were ₹980.00 Crore as at March 31, 2020.

4. In view of the extension of time granted vide a circular of Reserve Bank of India (RBI), RBI/2019-20/186 dated March 27, 2020 for the payment of interest and principal for term loans falling due between March 1, 2020 and May 31, 2020, the Company has availed the moratorium.

NOTE 23 : NON-CURRENT TRADE PAYABLES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	109.71	109.34
	<u>109.71</u>	<u>109.34</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 24 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Payables for purchase of property, plant and equipment	0.24	0.24
Lease liabilities	33.05	-
	<u>33.29</u>	<u>0.24</u>

NOTE 25 : NON-CURRENT PROVISIONS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for compensated absences	102.82	83.15
	<u>102.82</u>	<u>83.15</u>

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Deferred revenue [Refer note 43]		
Contribution received from consumers	1,054.97	950.04
Capital grant from government	18.85	21.57
Sundry payables	55.25	49.34
	<u>1,129.07</u>	<u>1,020.95</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 27 : CURRENT BORROWINGS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Secured loans		
Cash credit from banks	-	300.05
	-	300.05

Footnotes:

- 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.
- Undrawn cash credit from banks, based on approved facilities, were ₹1,150.00 Crore as at March 31, 2020.

Net debt reconciliation :

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	79.42	114.33
Current investments	502.20	472.46
Current borrowings	-	(300.05)
Non-current borrowings (including current maturities and interest accrued but not due)	(8,428.51)	(8,875.42)
	(7,846.89)	(8,588.68)

	Other assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	
Net balance as at					
April 01, 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					
March 31, 2019	114.33	472.46	(300.05)	(8,875.42)	(8,588.68)
Cash flows	(34.91)	(10.66)	300.05	522.35	776.83
Interest expense	-	-	(3.63)	(790.24)	(793.87)
Interest paid	-	-	3.63	714.80	718.43
Gain on sale of current investments	-	40.76	-	-	40.76
Fair value adjustment	-	(0.36)	-	-	(0.36)
Net balance as at					
March 31, 2020	79.42	502.20	-	(8,428.51)	(7,846.89)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 28 : CURRENT TRADE PAYABLES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises [Refer note 46]	24.83	27.10
Total outstanding dues other than micro and small enterprises	1,002.43	777.29
	<u>1,027.26</u>	<u>804.39</u>

NOTE 29 : OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term debt [Refer note 22]	1,005.77	782.60
Interest accrued but not due on loans and security deposits	100.07	24.63
Investor education and protection fund #		
Unpaid / Unclaimed dividend	9.55	7.44
Unclaimed fractional coupons	0.35	0.35
Book overdraft	14.88	25.32
Security deposits from consumers @	1,173.10	1,081.24
Other deposits	4.01	3.97
Payables for purchase of property, plant and equipment ^	189.56	248.82
Lease liabilities	4.91	-
Sundry payables (including for employees related payables)	110.16	154.38
	<u>2,612.36</u>	<u>2,328.75</u>

There is no amount due and outstanding to be credited to investor education and protection fund as at March 31, 2020.

@ Notwithstanding the fact that security deposits from consumers in the Company's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience, such deposits amounting to ₹1,054.79 Crore as at March 31, 2019 that were earlier included as part of Other non-current financial liabilities have now been included under Other current financial liabilities pursuant to a Opinion issued by Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India pertaining to consumer deposits in another case.

^ including dues to micro and small enterprises for ₹1.08 Crore (March 31, 2019 - ₹2.29 Crore) [Refer note 46]

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Credit balances of consumers	81.68	66.82
Service line deposits from consumers	194.82	258.73
Deferred revenue [Refer note 43]		
Contribution received from consumers	77.01	67.20
Capital grant from government	2.72	2.72
Statutory dues	200.51	175.26
Sundry payables	18.80	21.97
	<u>575.54</u>	<u>592.70</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 31 : CURRENT PROVISIONS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for gratuity [Refer note 48.2(d)]	54.60	18.34
Provision for compensated absences	25.41	23.88
	<u>80.01</u>	<u>42.22</u>
Other provisions		
Provision for indirect taxes	0.10	0.07
Provision for onerous contracts [Refer note 58]	161.78	-
	<u>161.88</u>	<u>0.07</u>
	<u>241.89</u>	<u>42.29</u>
Movement in provision for indirect taxes:		
Opening balance as on April 01	0.07	0.18
Additional provision recognised	0.03	0.06
Reduction arising from payments	-	(0.17)
Closing balance as on March 31	<u>0.10</u>	<u>0.07</u>
Movement in provision for onerous contracts:		
Opening balance as on April 01	-	-
Additional provision recognised	161.78	-
Closing balance as on March 31	<u>161.78</u>	<u>-</u>

NOTE 32 : CURRENT TAX LIABILITIES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Provision for taxation (net of tax paid)	21.63	16.36
	<u>21.63</u>	<u>16.36</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 33 : REVENUE FROM OPERATIONS

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	12,926.06	12,266.97
Revenue from sale of cable products		
Manufactured goods	322.14	297.22
Revenue from trading of RLNG	51.13	237.22
	13,299.33	12,801.41
Less: Discount for prompt payment of bills	23.97	17.89
	13,275.36	12,783.52
Other operating income		
Provisions of earlier years written back	3.69	26.98
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 43(a)(2)]	70.95	60.94
Capital grant from government [Refer note 43(b)(2)]	2.72	2.72
Income from Certified Emission Reduction (CERs)	1.63	6.62
Income from Generation Based Incentive	29.24	32.10
Insurance claim receipt	2.67	0.07
Hire of meters	-	1.41
Miscellaneous income	55.78	63.16
	166.68	194.00
	13,442.04	12,977.52
Footnotes:		
1. Disclosure given above presents disaggregated revenue from contracts with customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.		
2. Timing of revenue recognition: All revenues of the Company are recognised at a point in time.		

NOTE 34 : OTHER INCOME

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest income from financial assets at amortised cost		
Deposits	36.62	24.09
Consumers	28.27	28.23
Contingency reserve investments	0.87	0.73
Loans to related parties [Refer note 55(b)]	68.59	73.96
Others	7.87	20.90
	142.22	147.91
Dividend income from non-current investments carried at cost	15.32	6.66
Gain on disposal of property, plant and equipment	2.89	8.40
Gain on sale of current investments in mutual funds	40.76	40.33
Gain on sale of non-current investments	8.64	-
Net gain arising on financial assets / liabilities measured at amortised cost	13.84	24.45
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	(0.36)	(6.16)
Net gain on foreign currency transactions	0.01	4.70
Miscellaneous income	21.77	35.26
	245.09	261.55

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 35 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Cost of materials consumed	346.64	311.02
Less: Allocated to capital works	96.04	51.16
	<u>250.60</u>	<u>259.86</u>

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

(₹ in Crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Inventory of finished goods		
Opening stock	23.31	6.44
Less: Closing stock	23.13	23.31
	<u>0.18</u>	<u>(16.87)</u>
Inventory of work-in-progress		
Opening stock	8.75	5.93
Less: Closing stock	7.37	8.75
	<u>1.38</u>	<u>(2.82)</u>
Less: Allocated to capital works	0.11	(0.11)
	<u>1.45</u>	<u>(19.58)</u>

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	602.05	586.28
Contribution to provident and other funds [Refer note 48.1]	39.58	37.06
Employees welfare expenses	26.02	20.76
Compensated absences	33.89	20.62
Gratuity [Refer note 48.2(e)(3)]	13.68	12.35
	<u>715.22</u>	<u>677.07</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	186.73	192.86
	<u>528.49</u>	<u>484.21</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 38 : FINANCE COSTS

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense for financial liabilities classified as amortised cost		
Term loans	655.64	699.56
Non convertible debentures	134.60	109.90
Working capital loans	3.63	12.23
Security deposits from consumers	70.20	61.49
Lease liabilities	2.54	-
Others	2.23	3.58
Other borrowing costs	10.77	9.75
Amotisation of borrowing costs	13.60	4.87
Unwinding of discount	10.08	-
	903.29	901.38
Less: Allocated to capital works	11.43	9.23
	<u>891.86</u>	<u>892.15</u>

NOTE 39 : DEPRECIATION AND AMORTIZATION EXPENSE

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation expense on property, plant and equipment	1,213.73	1,158.54
Depreciation expense on right-of-use assets	10.44	-
Amortization expense on intangible assets	8.13	6.35
	1,232.30	1,164.89
Less: Transfer from others	0.10	0.10
Less: Allocated to capital works	2.04	1.74
	<u>1,230.16</u>	<u>1,163.05</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 40 : OTHER EXPENSES

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spares	217.97	165.03
Rent and hire charges	15.77	25.01
Repairs to		
Buildings	11.25	11.53
Plant and machinery	355.03	313.69
Others	15.58	14.47
	381.86	339.69
Insurance	24.92	17.21
Rates and taxes	11.42	10.92
Vehicle running expenses	31.01	29.53
Electricity expenses	27.39	26.38
Security expenses	40.55	35.01
Water charges	20.75	16.41
Power transmission and scheduling charges	34.65	2.75
Corporate social responsibility expenses [Refer note 50]	20.36	19.64
Loss on sale / discarding of property, plant and equipment	16.19	17.97
Commission to non-executive directors [Refer note 55(b)]	6.41	6.11
Directors sitting fees [Refer note 55(b)]	0.59	0.78
Auditors remuneration [Refer note 49]	1.90	1.61
Legal, professional and consultancy fees	33.03	39.65
Donations [Refer note 51]	69.79	34.20
Net loss on foreign currency transactions	12.32	-
Allowance / impairment for non-current investments	1.55	1.35
Bad debts written off (net of recovery)	(17.41)	3.96
Provision for onerous contracts [Refer note 58]	161.78	-
Allowance for doubtful debts (net)	82.43	15.88
Miscellaneous expenses	103.30	101.22
	1,298.53	910.31
Less: Allocated to capital works, repairs and other relevant revenue accounts	73.49	64.71
	1,225.04	845.60

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 41: IMPAIRMENT ASSESSMENT

1) DGEN Power Plant

The carrying amount of Property, Plant & Equipment ("PPE") as at March 31, 2020 includes an amount of ₹3,079.62 Crore (as at March 31, 2019 - ₹4,365.69 Crore) pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started commercial operations from November 2014 ("COD") and has operated only intermittently after COD, including during the current financial year.

In view of the above and given the current economic environment, the Company has carried out an impairment assessment of DGEN as at March 31, 2020 by considering the recoverable amount (being the higher of 'fair value less cost to sell' and 'value in use') of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets', applying 'value in use' and considering a discount rate of 14% and cash flow projections for a period of 20 years, being the balance useful life of DGEN in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 on the basis that the Company expects to supply power in the future, inter alia, under long term power purchase agreements. Based on such assessment, the Company has provided for impairment loss of ₹1,000.00 Crore [Refer note 4], which has been disclosed as an 'Exceptional item' in the standalone financial statements.

The assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, 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.

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 December 06, 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 to TPGL through disposal by the 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 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 timing of the recoverability of the amounts invested in land would depend upon the availability of the customer. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial results of TPGL for the year ended March 31, 2020 have been prepared on a non - going concern basis. The recovery of the amount invested as equity and loan aggregating ₹106.73 Crore (March 31, 2019 ₹105.12 Crore) is dependent on the ability of the Government to find a suitable buyer for the land.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 42: INCOME TAX EXPENSES

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

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
Current tax on profits for the year	305.50	272.64
Adjustment for current tax of prior periods	0.44	(3.38)
	<u>305.94</u>	<u>269.26</u>
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(896.57)	(43.53)
(Decrease) / increase in deferred tax liabilities	(101.61)	133.39
	<u>(998.18)</u>	<u>89.86</u>
Income tax expense	<u>(692.24)</u>	<u>359.12</u>

(b) Reconciliation of income tax expense

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	545.90	1,248.36
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.944%)	190.76	436.23
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	54.25	24.60
Income not taxable under Income Tax Act	(5.35)	(2.33)
Tax incentives	(326.55)	(376.56)
Transition to Ind AS 115	-	63.53
Impairment loss of DGEN unit	160.65	-
Unutilised Minimum Alternate Tax (MAT) credit recognised due to change in MAT rate from 21.55% to 17.47%	(464.19)	-
Other adjustments relating to accumulated MAT credit	(302.25)	217.03
Total	<u>(692.68)</u>	<u>362.50</u>
Adjustment for current tax of prior periods	0.44	(3.38)
Total expense as per statement of profit and loss	<u>(692.24)</u>	<u>359.12</u>

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.

Taxation Laws (Amendment) Act, 2019, inter alia, reduced the effective rate of MAT from 21.55% to 17.47%. The net deferred tax credit in the year includes the impact of this change amounting to ₹464.19 Crore, due to the Company's ability to utilize accumulated MAT credit in future years, not previously recognized. Further the net deferred tax credit in the year includes ₹533.99 Crore, mainly arising on account of a provision for impairment in the carrying value of Dgen Power Plant [Refer note 41], provision for certain onerous contracts [Refer note 58] and reassessment of management's reasonable estimate for the future taxable profits, which would be available to utilize such additional MAT Credit.

(c) Income tax recognised in other comprehensive income

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	(44.57)	(9.55)
Income tax expense / (income) recognised in other comprehensive income	<u>(15.57)</u>	<u>(3.34)</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	1,565.41	653.27
Deferred tax liabilities	(2,107.92)	(2,209.53)
	<u>(542.51)</u>	<u>(1,556.26)</u>

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

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2020

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,204.41)	101.27	-	(2,103.14)
Expense allowable for tax purposes when paid	56.92	62.15	15.57	134.64
Tax effect on fair value change in financial instruments and unamortised cost	(5.12)	0.34	-	(4.78)
MAT credit entitlement	596.35	834.42	-	1,430.77
	<u>(1,556.26)</u>	<u>998.18</u>	<u>15.57</u>	<u>(542.51)</u>

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

	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)
MAT credit entitlement	548.11	48.24	-	596.35
	<u>(1,469.74)</u>	<u>(89.86)</u>	<u>3.34</u>	<u>(1,556.26)</u>

(3) Unrecognised deferred tax assets

	As at March 31, 2020	As at March 31, 2019
Accumulated MAT credit entitlement	-	973.65
	<u>-</u>	<u>973.65</u>

Management has made an assessment of the amount of taxable income that would be available in future to offset the Accumulated MAT credit entitlement 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 March 31, 2020	As at March 31, 2019
Opening balance	1,017.24	912.18
Add: Contribution received during the year	185.69	166.00
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 33]	(70.95)	(60.94)
Closing balance	<u>1,131.98</u>	<u>1,017.24</u>
Non-current portion [Refer note 26]	1,054.97	950.04
Current portion [Refer note 30]	77.01	67.20
	<u>1,131.98</u>	<u>1,017.24</u>

(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 March 31, 2020	As at March 31, 2019
Opening balance	24.29	27.01
Add: Grants during the year	-	-
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 33]	(2.72)	(2.72)
Closing balance	<u>21.57</u>	<u>24.29</u>
Non-current portion [Refer note 26]	18.85	21.57
Current portion [Refer note 30]	2.72	2.72
	<u>21.57</u>	<u>24.29</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 44: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

	As at March 31, 2020	As at March 31, 2019
Disputed income tax matters	17.83	31.52
Disputed sales tax matters	5.25	4.29
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	2.88	2.45
Disputed stamp duty matters	0.35	0.35
Disputed value added tax matters	3.26	3.26
Disputed central sales tax matters	3.04	3.20
Claims against the Company not acknowledged as debt	21.39	34.51
Guarantees given to lenders of subsidiary company	284.50	274.13

The Company has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from 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. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Company is not material and accordingly, no provision has been made in the financial statements.

Footnotes:

- Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the company will likely be upheld in the appellate process and accordingly no provision has been made in the standalone financial statements for such demands. Further, the guarantees given to lenders of subsidiaries are unlikely to be called, as subsidiaries are in a position to service the loans and interest, covered by such guarantees.
- 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

	As at March 31, 2020	As at March 31, 2019
Coal grade slippage claim	12.41	31.49
	12.41	31.49

(c) Capital and other commitments

	As at March 31, 2020	As at March 31, 2019
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	408.39	3,280.51
ii) Other commitments		
Equity investment in subsidiaries	-	275.00
iii) Novation agreement with lender for short term finance facilities obtained by associates :		
During the previous year, the Company had entered into agreements to novate with a lender in respect of two short term loans obtained by two of its associates against which an aggregate amount of ₹98.00 Crore was outstanding as on March 31, 2019. As per the terms of the said agreements, in certain circumstances, the Company will be obligated to purchase the outstanding loan balances if the right is so exercised by the lenders, as per the terms of the agreements. During the year, the associate companies have repaid loans to concerned lender.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 45: THE COMPANY HAS GIVEN LOANS TO ITS SUBSIDIARY AND ASSOCIATE 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 March 31, 2020	Year ended March 31, 2019	As at March 31, 2020	As at March 31, 2019
Subsidiary Companies				
Torrent Pipavav Generation Limited	59.23	57.62	59.23	57.62
Torrent Solargen Limited	827.28	131.35	827.28	131.35
Jodhpur Wind Farms Private Limited	75.52	443.44	72.76	72.87
Latur Renewables Private Limited	70.68	433.81	65.17	55.57
			1,024.44	317.41
Associate Company				
Wind Two Renergy Private Limited	157.95	-	157.95	-
			157.95	-
			1,182.39	317.41

- The Company has not given any loans or advances in the nature of loan to any firms / companies, in which Directors are interested.
- The above loans were given to the subsidiaries and associate 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 March 31, 2020	As at March 31, 2019
(a) Principal amount remaining unpaid [Refer notes 28 and 29]	25.73	29.01
(b) Interest due thereon	0.03	0.02
(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	1.07	5.24
(ii) Interest paid under section 16 of the MSMED Act, to the suppliers, beyond the appointed day during the year	0.01	0.04
(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)	0.15	0.36
(e) The amount of interest accrued and remaining unpaid [b+d]	0.18	0.38
(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.	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 47: OPERATING LEASE

This note explains the impact of the adoption of Ind AS 116, Leases on the Company's financial statements.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets

(₹ in Crore)			
Particulars	Note	As at March 31, 2020	As at April 01, 2019
Land	5	163.26	174.59
Buildings	5	24.25	13.21
Plant and machinery	5	0.33	0.38
Office equipment	5	0.10	0.14
Total		187.94	188.32

Lease liabilities

(₹ in Crore)			
Particulars	Note	As at March 31, 2020	As at April 01, 2019
Current	29	4.91	21.50
Non-current	24	33.05	5.13
Total		37.96	26.63

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

(₹ in Crore)		
Particulars	Note	Year ended March 31, 2020
Depreciation charge of right-of-use assets	39	10.44
Interest expense (included in finance costs)	38	2.54
Expense relating to short-term leases (included in other expenses)	40	3.91
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	40	0.39
Total		17.28

(iii) Maturities of lease liabilities as at March 31, 2020:

(₹ in Crore)		
	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	6.95
Between 1 year and 5 years	22.69	-
5 years and above	27.48	-
Total	50.17	6.95

(iv) Impact on the financial statements due to change in accounting policy on leases

The Company has adopted Ind AS 116 retrospectively from April 01, 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 01, 2019. The new accounting policies are disclosed in note 2.20.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 47: OPERATING LEASE (Contd.)

On adoption of Ind AS - 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS - 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 9.00%.

(a) Practical expedients applied :

In applying Ind AS - 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at April 01, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS - 17 and Appendix C to Ind AS - 17, Determining whether an Arrangement contains a Lease.

(b) Measurement of lease liabilities:

	(₹ in Crore)
Operating lease commitments disclosed as at March 31, 2019 *	
Discounted using the lessee's incremental borrowing rate at the date of initial application	
Add: finance lease liabilities recognised as at March 31, 2019	-
(Less): short-term leases not recognised as a liability	-
(Less): low-value leases not recognised as a liability	-
Add / (less): contracts reassessed as lease contracts	-
Add / (less): adjustments as a result of extension and termination options ^	26.63
Add / (less): adjustments relating to changes in the index or rate affecting variable payments	-
Lease liability recognised as at April 01, 2019	<u>26.63</u>

* 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 or can be terminated at the option of the Company during the tenure of the lease term. Further the Company has not entered into any material financial lease. Accordingly there were no future minimum lease payments under non-cancellable operating leases required to be disclosed under the previous standard Ind AS - 17.

^ The Company has extension and termination options available in the lease contracts and the majority of extension and termination options are exercisable by the Company. Accordingly the Company on adoption of Ind AS - 116 Leases has recognised such lease liabilities by measuring present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019.

(c) Adjustments recognised in the balance sheet on April 01, 2019

The change in accounting policy affected the following items in the balance sheet on April 01, 2019:

- Right-of-use assets – increased by ₹188.32 Crore
- Prepayments – decreased by ₹161.69 Crore
- Lease liabilities – increased by ₹26.63 Crore

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 48: EMPLOYEE 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.

Company's contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to ₹39.58 Crore (Previous year - ₹37.06 Crore) 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 through various gratuity trust, a 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.

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 March 31, 2020. 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 March 31, 2020	As at March 31, 2019
Discount rate	6.93%	7.92%
Salary escalation rate	8.50%	8.50%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 48: EMPLOYEE BENEFIT PLANS (Contd.)

- (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 March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	289.07	243.64
Fair value of plan assets	234.47	225.30
Net (asset) / liability [Refer note 31]	54.60	18.34

- (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)	
	As at March 31, 2020	As at March 31, 2019
(1) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	243.64	239.17
Current service cost	12.22	11.48
Interest cost	19.30	18.61
Actuarial (gains) / losses from changes in demographic assumptions	2.39	-
Actuarial (gains) / losses arising changes in financial assumptions	21.61	(2.00)
Actuarial (gains) / losses from experience adjustments	19.92	9.70
Liability transferred in	0.65	-
Liability transferred out	(0.64)	(0.84)
Benefits paid directly by employer	(2.80)	(2.80)
Benefits paid	(27.22)	(29.68)
Obligation at the end of the year	289.07	243.64
(2) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	225.30	228.13
Interest income	17.84	17.74
Return on plan assets (excluding interest income)	(0.65)	(1.85)
Contributions received	19.20	10.96
Benefits paid	(27.22)	(29.68)
Plan assets at the end of the year, at fair value	234.47	225.30
(3) Gratuity cost recognized in the statement of profit and loss		
Current service cost	12.22	11.48
Interest cost, net	1.46	0.87
Net gratuity cost recognized in the statement of profit and loss [Refer note 37]	13.68	12.35
(4) Gratuity cost recognized in the other comprehensive income (OCI)		
Return on plan assets (excluding interest income)	0.65	1.85
Actuarial (gains) / losses	43.92	7.70
Net (income) / expense for the period recognized in OCI	44.57	9.55

- (f) Category wise plan assets

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 48: EMPLOYEE BENEFIT PLANS (Contd.)

(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 March 31, 2020	As at March 31, 2019
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(11.35)	(6.86)
50 basis points decrease in discount rate	12.35	7.33
50 basis points increase in salary escalation rate	10.41	2.51
50 basis points decrease in salary escalation rate	(13.02)	(11.45)

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 19 years (Previous year - 13 years).
- (i) Expected contribution to the plan for the next annual reporting period is ₹54.60 Crore (Previous year - ₹18.34 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 March 31, 2020	As at March 31, 2019
1 st following year	32.12	35.92
2 nd following year	22.52	20.64
3 rd following year	32.90	36.12
4 th following year	28.95	31.75
5 th following year	27.60	26.96
sum of years 6 to 10 th	95.78	94.96

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 49: AUDITORS REMUNERATION (INCLUDING TAXES)

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Audit fees	1.13	1.07
Other services- certificates etc	0.52	0.29
Reimbursement of expenses	0.25	0.25
	<u>1.90</u>	<u>1.61</u>

NOTE 50: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Gross amount required to be spent by the Company	20.35	19.51
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above [Refer note 40]	20.36	19.64
	<u>20.36</u>	<u>19.64</u>
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornascent Care Institute	17.24	1.86
(ii) UNM Foundation	1.71	4.75
	<u>18.95</u>	<u>6.61</u>

NOTE 51: DONATIONS INCLUDE POLITICAL CONTRIBUTIONS AS UNDER

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Electoral Bonds	35.00	25.00
	<u>35.00</u>	<u>25.00</u>

NOTE 52: EARNINGS PER SHARE

	Year ended March 31, 2020	Year ended March 31, 2019
Basic earnings per share (₹)	25.76	18.50
Diluted earnings per share (₹)	25.76	18.50

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 March 31, 2020	Year ended March 31, 2019
Profit for the year used in calculation of basic earning per share (₹ in Crore)	1,238.14	889.24
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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 53: OPERATING SEGMENTS

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".

The Company's operations are wholly confined within India and as such there is no reportable geographical information.

NOTE 54: CERTIFIED EMISSION REDUCTION (CERs)

	Year ended March 31, 2020	Year ended March 31, 2019
No. of CERs inventory	3,052	9,93,052
No. of CERs under certification	3,91,411	-
Inventories of CERs are valued at cost or market price whichever is lower.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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, Latur Renewable Private Limited, TCL Cables Private Limited (w.e.f. November 05, 2019)
3.	Associates	Wind Two Renergy Private Limited, Wind Four Renergy Private Limited (upto June 04, 2019), Wind Five Renergy Private Limited (upto August 30, 2019), Nani Virani Wind Energy Private Limited (upto December 15, 2018), Ravapar Wind Energy Private Limited (upto December 15, 2018), Khatiyu Wind Energy Private Limited (upto December 15, 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	Samir Mehta Markand Bhatt (upto September 30, 2018) Jinal Mehta
6.	Non-executive directors	Sudhir Mehta Pankaj Patel Samir Barua Kiran Karnik (upto March 31, 2019) Keki Mistry Bhavna Doshi Dharmishta Raval Pankaj Joshi (upto December 17, 2019) Sunaina Tomar (w.e.f. February 13, 2020) Varun Mehta
7.	Relatives of key management personnel *	
8.	Enterprise controlled by relatives of key management personnel *	Munjial Bhatt Architects (upto September 30, 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

@ Torrent Private Limited changed to Torrent Investments Private Limited w.e.f. April 15, 2020.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Nature of transactions												
Sale of cables	-	-	-	-	-	-	-	-	0.97	2.46	0.97	2.46
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	0.16	2.43	0.16	2.43
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.81	0.03	0.81	0.03
Sale of land	-	-	-	-	-	-	-	-	-	91.00	-	91.00
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	-	91.00	-	91.00
Sale of electricity	-	-	-	-	-	-	0.23	0.28	9.57	9.97	9.80	10.25
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	9.54	9.93	9.54	9.93
Executive and non-executive directors	-	-	-	-	-	-	0.23	0.28	-	-	0.23	0.28
UNNM Foundation	-	-	-	-	-	-	-	-	0.03	0.04	0.03	0.04
Munjial Bhatt Architects	-	-	-	-	-	-	-	-	-	*	-	*
Dividend income	15.32	6.66	-	-	-	-	-	-	-	-	15.32	6.66
Torrent Power Grid Ltd.	15.32	6.66	-	-	-	-	-	-	-	-	15.32	6.66
Interest income	62.30	73.96	6.29	-	-	-	-	-	0.40	0.07	68.59	73.96
Torrent Solargen Ltd.	62.15	3.72	-	-	-	-	-	-	-	-	52.15	3.72
Latur Renewable Private Ltd.	4.79	34.69	-	-	-	-	-	-	-	-	4.79	34.69
Jodhpur Wind Farms Private Ltd.	5.36	35.55	-	-	-	-	-	-	-	-	5.36	35.55
Wind Two Renergy Private Ltd.	-	-	6.29	-	-	-	-	-	-	-	6.29	-
Dividend paid	-	-	-	-	-	-	-	-	427.32	128.71	427.32	128.71
Torrent Private Ltd.	-	-	-	-	-	-	-	-	427.32	128.71	427.32	128.71
Services provided (rent income including tax)	0.05	0.03	-	-	-	-	-	-	0.40	0.07	0.45	0.10
UNNM 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
Latur Renewable Private Ltd.	0.01	-	-	-	-	-	-	-	-	-	0.01	0.01
Jodhpur Wind Farms Private Ltd.	0.01	-	-	-	-	-	-	-	-	-	0.01	-
Torrent Pipavav Generation Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	-
Torrent Solargen Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	-
Torrent Power Services Private Ltd.	-	-	-	-	-	-	-	-	-	-	0.01	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Services received / remuneration paid	-	-	-	-	-	-	-	-	0.37	0.04	0.37	0.04
Munjial Bhatt Architects	-	-	-	-	-	-	-	-	1.33	0.94	1.33	0.94
Varun Mehta	-	-	-	-	-	-	-	-	-	0.47	-	0.47
Transfer of capital work-in-progress	26.23	-	-	-	-	-	-	-	1.33	0.47	1.33	0.47
Torrent Solargen Ltd.	26.23	-	-	-	-	-	-	-	-	-	26.23	-
Shared expenditure charged to	2.02	0.56	0.27	-	-	-	-	-	-	-	2.29	0.56
Torrent Pipavav Generation Ltd.	0.37	0.22	-	-	-	-	-	-	-	-	0.37	0.22
Torrent Solargen Ltd.	1.04	0.24	-	-	-	-	-	-	-	-	1.04	0.24
Torrent Power Grid Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Latur Renewable Private Ltd.	0.20	0.05	-	-	-	-	-	-	-	-	0.20	0.05
Jodhpur Wind Farms Private Ltd.	0.36	0.05	-	-	-	-	-	-	-	-	0.36	0.05
Wind Two Renergy Private Ltd.	-	-	0.24	-	-	-	-	-	-	-	0.24	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19
Wind Five Renergy Private Ltd.	-	-	0.03	-	-	-	-	-	-	-	0.03	-
Transfer of gratuity/leave liability to / (from)	(0.24)	0.40	-	-	-	-	-	-	0.29	0.68	0.05	1.08
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	(0.20)	-	(0.20)	-
Torrent Power Grid Ltd.	(0.24)	0.40	-	-	-	-	-	-	-	-	(0.24)	0.40
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.07	0.10	0.07	0.10
Mahesh Gas Ltd.	-	-	-	-	-	-	-	-	0.01	0.25	0.01	0.25
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	0.41	0.33	0.41	0.33
Managerial remuneration @	-	-	-	-	-	-	21.23	41.61	-	-	21.23	41.61
Samir Mehta	-	-	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Markand Bhatt	-	-	-	-	-	-	-	21.84	-	-	-	21.84
Jinal Mehta	-	-	-	-	-	-	11.23	9.77	-	-	11.23	9.77
Commission to non-executive directors ^	-	-	-	-	-	-	6.26	5.91	-	-	6.26	5.91
Sudhir Mehta	-	-	-	-	-	-	5.00	5.00	-	-	5.00	5.00
Samir Barua	-	-	-	-	-	-	0.30	0.16	-	-	0.30	0.16
Kiran Karnik	-	-	-	-	-	-	-	0.16	-	-	-	0.16
Keki Mistry	-	-	-	-	-	-	0.18	0.12	-	-	0.18	0.12
Pankaj Patel	-	-	-	-	-	-	0.17	0.09	-	-	0.17	0.09
Bhavna Doshi	-	-	-	-	-	-	0.29	0.16	-	-	0.29	0.16
Pankaj Joshi #	-	-	-	-	-	-	0.09	0.06	-	-	0.09	0.06
Dharmishta Raval	-	-	-	-	-	-	0.23	0.16	-	-	0.23	0.16
Sitting fees to non-executive directors ^	-	-	-	-	-	-	0.50	0.66	-	-	0.50	0.66
Samir Barua	-	-	-	-	-	-	0.13	0.12	-	-	0.13	0.12
Kiran Karnik	-	-	-	-	-	-	-	0.12	-	-	-	0.12
Keki Mistry	-	-	-	-	-	-	0.07	0.06	-	-	0.07	0.06
Pankaj Patel	-	-	-	-	-	-	0.06	0.10	-	-	0.06	0.10
Bhavna Doshi	-	-	-	-	-	-	0.12	0.12	-	-	0.12	0.12
Dharmishta Raval	-	-	-	-	-	-	0.10	0.12	-	-	0.10	0.12
Pankaj Joshi #	-	-	-	-	-	-	0.02	0.02	-	-	0.02	0.02
Donation	-	-	-	-	-	-	-	-	6.00	-	6.00	-
UNM Foundation	-	-	-	-	-	-	-	-	6.00	-	6.00	-
Contribution towards CSR	-	-	-	-	-	-	-	-	18.95	6.61	18.95	6.61
Tornascent Care Institute	-	-	-	-	-	-	-	-	17.24	1.86	17.24	1.86
UNM Foundation	-	-	-	-	-	-	-	-	1.71	4.75	1.71	4.75
Contribution to employee benefit plans (net)	-	-	-	-	25.84	18.12	-	-	-	-	25.84	18.12
TPL (Ahmedabad) Gratuity Trust	-	-	-	-	11.80	10.27	-	-	-	-	11.80	10.27
TPL (Ahmedabad) Superannuation Fund	-	-	-	-	6.00	5.28	-	-	-	-	6.00	5.28
TPL (Surat) Gratuity Trust	-	-	-	-	5.50	0.34	-	-	-	-	5.50	0.34
TPL (Surat) Superannuation Fund	-	-	-	-	1.19	1.11	-	-	-	-	1.19	1.11
TPL (SUGEN) Gratuity Trust	-	-	-	-	0.35	0.21	-	-	-	-	0.35	0.21
TPL (SUGEN) Superannuation Fund	-	-	-	-	0.46	0.47	-	-	-	-	0.46	0.47
TPL (DGEN) Gratuity Trust	-	-	-	-	0.20	0.04	-	-	-	-	0.20	0.04
TPL (DGEN) Superannuation Fund	-	-	-	-	0.34	0.40	-	-	-	-	0.34	0.40
Equity contribution	-	221.00	-	-	-	-	-	-	-	-	-	221.00
Jodhpur Wind Farms Private Ltd.	-	111.00	-	-	-	-	-	-	-	-	-	111.00
Latur Renewable Private Ltd.	-	110.00	-	-	-	-	-	-	-	-	-	110.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Purchase of shares	2.00	-	-	-	-	-	-	-	-	-	2.00	-
Torrent Solargen Ltd.	2.00	-	-	-	-	-	-	-	-	-	2.00	-
Investment in non-convertible debentures	-	-	-	78.30	-	-	-	-	-	-	-	78.30
Wind Two Renergy Private Ltd.	-	-	-	17.94	-	-	-	-	-	-	-	17.94
Wind Four Renergy Private Ltd.	-	-	-	31.18	-	-	-	-	-	-	-	31.18
Wind Five Renergy Private Ltd.	-	-	-	29.18	-	-	-	-	-	-	-	29.18
Redemption of non-convertible debentures	-	-	-	64.54	-	-	-	-	-	-	64.54	-
Wind Four Renergy Private Ltd.	-	-	-	20.33	-	-	-	-	-	-	20.33	-
Wind Five Renergy Private Ltd.	-	-	-	44.21	-	-	-	-	-	-	44.21	-
Loans given	1,422.60	532.00	153.02	-	-	-	-	-	-	-	1,575.62	532.00
Latur Renewable Private Ltd.	20.65	194.80	-	-	-	-	-	-	-	-	20.65	194.80
Jodhpur Wind Farms Private Ltd.	2.20	207.70	-	-	-	-	-	-	-	-	2.20	207.70
Torrent Pipavav Generation Ltd.	1.61	1.50	-	-	-	-	-	-	-	-	1.61	1.50
Torrent Solargen Ltd.	1,398.14	128.00	-	-	-	-	-	-	-	-	1,398.14	128.00
Wind Two Renergy Private Ltd.	-	-	153.02	-	-	-	-	-	-	-	153.02	-
Loans received back	735.42	856.59	0.80	-	-	-	-	-	-	-	736.22	856.59
Latur Renewable Private Ltd.	15.40	427.46	-	-	-	-	-	-	-	-	15.40	427.46
Jodhpur Wind Farms Private Ltd.	712.82	429.13	-	-	-	-	-	-	-	-	712.82	429.13
Torrent Solargen Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Wind Two Renergy Private Ltd.	-	-	0.80	-	-	-	-	-	-	-	0.80	-
Deposits received	*	-	-	-	-	-	-	-	-	-	*	-
Latur Renewable Private Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Jodhpur Wind Farms Private Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Utilisation of non-fund based limit of the Company by	24.40	-	-	-	-	-	-	-	-	-	24.40	-
Torrent Solargen Ltd.	23.00	-	-	-	-	-	-	-	-	-	23.00	-
Jodhpur Wind Farms Private Ltd.	0.70	-	-	-	-	-	-	-	-	-	0.70	-
Latur Renewable Private Ltd.	0.70	-	-	-	-	-	-	-	-	-	0.70	-
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 Pankaj Joshi (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

^ Excluding Goods and Services 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

	Year ended		Year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Short-term employee benefits	2123	38.78	2123	38.78
Long-term employee benefits	-	2.83	-	2.83
	2123	41.61	2123	41.61

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Balances at the end of the year												
Current liabilities												
Torrent Power Grid Ltd.	-	-	-	-	-	-	18.76	31.41	0.49	-	19.25	31.41
Torrent Solargen Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Torrent Pipavav Generation Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Latur Renewable Private Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Jodhpur Wind Farms Private Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Power Services Private Ltd.	-	-	-	-	-	-	-	-	*	*	*	*
UNM Foundation	-	-	-	-	-	-	-	-	*	*	*	*
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.07	-	0.07	-
Mahesh Gas Ltd.	-	-	-	-	-	-	-	-	0.01	-	0.01	-
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	0.41	*	0.41	*
Sudhir Mehta	-	-	-	-	-	-	5.00	5.00	-	-	5.00	5.00
Samir Mehta	-	-	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Markand Bhatt	-	-	-	-	-	-	-	13.00	-	-	-	13.00
Jinal Mehta	-	-	-	-	-	-	2.50	2.50	-	-	2.50	2.50
Samir Barua	-	-	-	-	-	-	0.30	0.16	-	-	0.30	0.16
Kiran Karnik	-	-	-	-	-	-	-	0.16	-	-	-	0.16
Keki Misty	-	-	-	-	-	-	0.18	0.12	-	-	0.18	0.12
Pankaj Patel	-	-	-	-	-	-	0.17	0.09	-	-	0.17	0.09
Bhavna Doshi	-	-	-	-	-	-	0.29	0.16	-	-	0.29	0.16
Pankaj Joshi #	-	-	-	-	-	-	0.09	0.06	-	-	0.09	0.06
Dharmishta Raval	-	-	-	-	-	-	0.23	0.16	-	-	0.23	0.16
Investment in equities	417.17	415.17	-	-	-	-	-	-	0.06	0.06	417.23	415.23
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
TOL Cables Private Ltd.	2.00	-	-	-	-	-	-	-	-	-	2.00	-
Latur Renewable Private Ltd.	110.00	110.00	-	-	-	-	-	-	-	-	110.00	110.00
Jodhpur Wind Farms Private Ltd.	111.00	111.00	-	-	-	-	-	-	-	-	111.00	111.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Investment in non-convertible debentures	-	-	103.78	27731	-	-	-	-	-	-	103.78	27731
Wind Two Renergy Private Ltd.	-	-	103.78	9721	-	-	-	-	-	-	103.78	9721
Wind Four Renergy Private Ltd.	-	-	-	9123	-	-	-	-	-	-	-	9123
Wind Five Renergy Private Ltd.	-	-	-	88.87	-	-	-	-	-	-	-	88.87
Loans (current)	76.03	188.97	0.07	-	-	-	-	-	-	-	76.10	188.97
Torrent Pipavav Generation Ltd.	59.23	57.62	-	-	-	-	-	-	-	-	59.23	57.62
Torrent Solargen Ltd.	16.66	131.35	-	-	-	-	-	-	-	-	16.66	131.35
Latur Renewable Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Jodhpur Wind Farms Private Ltd.	0.09	-	-	-	-	-	-	-	-	-	0.09	-
Wind Two Renergy Private Ltd.	-	-	0.07	-	-	-	-	-	-	-	0.07	-
Loans (non-current)	948.41	128.44	157.88	-	-	-	-	-	-	-	1,106.29	128.44
Torrent Solargen Ltd.	810.62	-	-	-	-	-	-	-	-	-	810.62	-
Wind Two Renergy Private Ltd.	-	-	157.88	-	-	-	-	-	-	-	157.88	-
Latur Renewable Private Ltd.	65.12	55.57	-	-	-	-	-	-	-	-	65.12	55.57
Jodhpur Wind Farms Private Ltd.	72.67	72.87	-	-	-	-	-	-	-	-	72.67	72.87
Trade and other receivables	0.24	-	-	-	-	-	-	0.83	0.77	-	1.07	0.77
Tomascent Care Institute	-	-	-	-	-	-	-	-	0.03	-	-	0.03
Torrent Power Grid Ltd.	0.24	-	-	-	-	-	-	-	-	0.24	-	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	0.83	0.74	0.83	0.83	0.74
Utilisation of non-fund based limit of the Company by	50.30	-	-	-	-	-	-	-	-	-	50.30	-
Torrent Solargen Ltd.	48.38	-	-	-	-	-	-	-	-	-	48.38	-
Jodhpur Wind Farms Private Ltd.	0.96	-	-	-	-	-	-	-	-	-	0.96	-
Latur Renewable Private Ltd.	0.96	-	-	-	-	-	-	-	-	-	0.96	-
Guarantees given to lenders of subsidiaries	284.50	274.13	-	-	-	-	-	-	-	-	284.50	274.13
Jodhpur Wind Farms Private Ltd.	284.50	274.13	-	-	-	-	-	-	-	-	284.50	274.13

Sitting fees and Commission of Parkaj 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 March 31, 2020	As at March 31, 2019
Debt	8,612.94	9,124.92
Total equity	9,714.61	10,475.75
Debt to equity ratio	0.89	0.87
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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

(b) Categories of financial instruments

(₹ in Crore)

	As at March 31, 2020		As at March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	79.42	79.42	114.33	114.33
Bank balance other than cash and cash equivalents	144.78	144.78	211.92	211.92
Investment in bonds and debentures	115.89	115.89	287.50	287.50
Trade receivables	1,180.58	1,180.58	1,170.53	1,170.53
Loans	1,215.31	1,215.31	349.17	349.17
Other financial assets	1,826.52	1,826.52	1,811.91	1,811.91
	4,562.50	4,562.50	3,945.36	3,945.36
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	502.20	502.20	472.46	472.46
Investment in equity instruments #	0.06	0.06	0.06	0.06
	502.26	502.26	472.52	472.52
Financial liabilities				
Measured at amortised cost				
Borrowings	7,296.28	7,358.90	8,333.43	8,364.42
Trade payables	1,136.97	1,136.97	913.73	913.73
Other financial liabilities	2,645.65	2,645.65	2,328.99	2,328.99
	11,078.90	11,141.52	11,576.15	11,607.14

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2020	As at March 31, 2019		
Investment in mutual fund units	502.20	472.46	Level 1	Quoted bid prices in an active market
	<u>502.20</u>	<u>472.46</u>		

(2) Financial liabilities at amortised cost

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2020	As at March 31, 2019		
Fixed rate borrowings (Non-convertible debentures)	1,527.62	1,125.99	Level 2	Inputs other than quoted prices that are observable
	<u>1,527.62</u>	<u>1,125.99</u>		

(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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Unhedged foreign currency exposures

		(in Crore)	
Nature of transactions	Currency	As at March 31, 2020	As at March 31, 2019
Financial liabilities			
Trade payable	USD	0.43	0.93
Trade payable	EURO	2.37	1.71
Capital liability (*7,430 EURO)	EURO	*	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 March 31, 2020	As at March 31, 2019
Fixed rate borrowings ^		1,485.64	1,119.46
Floating rate borrowings ^		6,842.80	8,031.38
		<u>8,328.44</u>	<u>9,150.84</u>

^ 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 March 31, 2020	Year ended March 31, 2019
Impact on profit before tax - increase in 50 basis points		(34.21)	(40.16)
Impact on profit before tax - decrease in 50 basis points		34.21	40.16

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 March 31, 2020 and March 31, 2019. 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 March 31, 2020

	(₹ in Crore)	
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,208.31	88.93
More than 6 months but less than or equal to 1 year	74.75	38.40
More than one year	131.76	106.91
	<u>1,414.82</u>	<u>234.24</u>

As at March 31, 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
	<u>1,322.34</u>	<u>151.81</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

(5) Movement in the expected credit loss allowance

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	151.81	135.93
Movement in expected credit loss allowance on trade receivable, net	82.43	15.88
Closing balance [Refer note 14]	234.24	151.81

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 March 31, 2020) and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2020

	(₹ in Crore)			
	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings ^	-	3,067.63	4,251.33	7,318.96
Trade payables ^	-	73.88	61.40	135.28
Other financial liabilities ^	-	22.93	27.48	50.41
	-	3,164.44	4,340.21	7,504.65
Current financial liabilities				
Trade payables	1,027.26	-	-	1,027.26
Other financial liabilities ^	2,618.11	-	-	2,618.11
	3,645.37	-	-	3,645.37
Total financial liabilities	3,645.37	3,164.44	4,340.21	11,150.02

^ Gross amount including unamortised expense.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

As at March 31, 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	-	0.24	-	0.24
	-	3,087.99	5,117.43	8,205.42
Current financial liabilities				
Borrowings	300.05	-	-	300.05
Trade payables	804.39	-	-	804.39
Other financial liabilities ^	2,333.43	-	-	2,333.43
	3,437.87	-	-	3,437.87
Total financial liabilities	3,437.87	3,087.99	5,117.43	11,643.29

^ Gross amount including unamortised expense.

NOTE 57: IMPACT OF COVID 19 PANDEMIC

The spread of COVID-19 disease has severely impacted economies, businesses and social set ups across the globe and in India. The spread of COVID-19 and the consequent lock-downs, disruptions in transportation and supply chains, travel bans, quarantines, social distancing and other such emergency measures have caused widespread disruptions in the economy and businesses. The resultant situation is a VUCA situation - Volatile, Uncertain, Complex and Ambiguous and continuously evolving, with no clear visibility of the near to medium term future outlook. In this backdrop, the Company has considered various internal and external information available up to the date of approval of standalone financial statements in assessing the impact of COVID-19 pandemic in the standalone financial statements for the year ended March 31, 2020.

The Company is predominantly engaged in the business of generation, distribution and transmission of electricity. Since electricity has been categorised as an essential service, the Company is in a position to generate and supply power to its customers in the cities of Ahmedabad, Gandhinagar, Surat and Dahej SEZ in Gujarat, Bhiwandi, Shil, Mumbra and Kalwa in Maharashtra and Agra in Uttar Pradesh.

However, the disruption has caused a dramatic reduction in immediate electricity demand, mainly in commercial and industrial categories. Based on current assessment, this situation will likely prevail throughout FY 2020-21, with a gradual pick up in electricity demand after the lockdown and associated restrictions are eased.

Management has carried out a detailed assessment of its liquidity position for the next one year from the date of approval of the standalone financial statements and of the recoverability and carrying values of Property, Plant & Equipment, Trade receivables, Inventory, and Investments as at the balance sheet date.

Based on the Company's liquidity position at March 31, 2020 and review of cash flow projections (after applying sensitivity analysis) over the next twelve months, the management believes the Company will have sufficient liquidity to operate its businesses in the ordinary course.

Management has performed an impairment assessment of Property, Plant & Equipment and has concluded that no significant adjustments are required to the carrying values of such assets, beyond the impairment charge recorded in these standalone financial statements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 57: IMPACT OF COVID 19 PANDEMIC (Contd.)

Based on assessment of the management, an adequate provision for doubtful debts pertaining to its franchised distribution business units has been made in the standalone financial statements, after factoring an anticipated reduction in collection efficiency in those areas. In case of licensed distribution business, no additional bad debt provision is required due to largely unaffected collection efficiency and availability of adequate security deposits from customers.

Management has performed a physical inventory verification for most of its locations around the year end and for some locations at a date subsequent to the year end in order to obtain comfort over existence and condition of Inventory after applying roll forward and Roll back, procedures as appropriate. No additional provision is required to the carrying amount of inventory on account of COVID 19 as the inventory has been moving in the ordinary course post the year end.

Company's investments are in Overnight debt Funds and in Inter-corporate deposits are carried at their fair values or amortised cost at March 31, 2020. Management does not foresee any risk of non-recoverability of such investments.

Management believes that it has taken into account all the known impacts arising from COVID 19 pandemic in the preparation of the standalone financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any. The eventual outcome of the impact of the COVID 19 pandemic on the Company's business may be different from that estimated as on the date of approval of these standalone financial statements.

NOTE 58: PROVISION FOR ONEROUS CONTRACTS

During the year, the Company has made a provision of ₹161.78 Crore in respect of certain onerous contracts towards potential damages and other project related costs, arising from expected delays or failure to set up certain wind power generation capacities, awarded to the Company in a prior period under a competitive bidding process.

NOTE 59: CHANGE DUE TO TRANSITION TO IND AS - 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

- (a) During the previous year, the Company has adopted Ind AS 115, Revenue from Contracts with Customers, from April 01, 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 April 01, 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 April 01, 2018, Retained Earnings are higher by ₹649.42 Crore, unbilled revenue higher by ₹637.15 Crore and sundry payables lower by ₹12.27 Crore.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 59: CHANGE DUE TO TRANSITION TO IND AS - 115 “REVENUE FROM CONTRACTS WITH CUSTOMERS” (Contd.)

(b) Movement in recoverable from consumers and liabilities towards consumers

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	1,435.41	437.07
Add: Transition to Ind AS 115	-	649.42
Add: Income accrued during the year as per tariff regulations / orders	2,488.26	2,539.05
Less: Amount billed during the year to the consumers as per tariff orders	(2,420.72)	(2,190.13)
Closing balance	<u>1,502.95</u>	<u>1,435.41</u>
Disclosed under		
Unbilled revenue [Refer note 18]	1,502.95	1,456.10
Sundry payables [Refer note 29]	-	(20.69)
	<u>1,502.95</u>	<u>1,435.41</u>

NOTE 60: SCHEME OF ARRANGEMENT

The Board at its meeting dated November 05, 2019, has approved the Scheme of Arrangement (“Scheme”) for transfer and vesting of Cable Business Undertaking of the Company to TCL Cables Private Limited, a wholly owned subsidiary (w.e.f. November 05, 2019) of the Company, on a going concern basis by way of slump sale with effect from the appointed date of April 01, 2020 for a lump sum consideration of ₹214.50 Crore (to be adjusted for change in working capital), under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company has got the approval of BSE Limited and National Stock Exchange of India Limited. The Company has filed the application to National Company Law Tribunal (NCLT) for its approval. The Scheme is subject to requisite regulatory and other approvals, pending which no adjustments are required to be made in the financial statements for year ended March 31, 2020.

The key financial data as per books pertaining to the Cables Business Undertaking (including inter unit transactions) for the relevant periods presented in the Statement of results are as follows:

(₹ in Crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	440.03	358.02
Profit before tax	20.95	1.58
Total assets	280.43	277.93
Total liabilities	30.76	40.94

NOTE 61:

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

NOTE 62: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on May 18, 2020.

Signature to Note 1 to 62

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Rahul Shah
Company Secretary

Bengaluru, May 18, 2020

Ahmedabad, May 18, 2020

Consolidated Financial Statements 2019-20

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF TORRENT POWER LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Torrent Power Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group" hereinafter), its associate (refer Note 41 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2020, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (Contd.)

The following Key Audit Matters have been reproduced from our report on the audit of standalone financial statements of the Holding Company.

Key audit matter	How our audit addressed the key audit matter
<p>i) Impairment assessment for Power Plant located at Dahej (Refer to note 42(1) of the consolidated financial statements) :</p> <p>The carrying amount of Property, Plant & Equipment ("PPE") includes an amount of ₹3,079.62 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started its commercial operations from November 2014 ("COD") and has operated only intermittently after COD, including during current financial year.</p> <p>As a result of above, and given the current economic environment, management has carried out an impairment assessment of DGEN with the help of an external valuer, in accordance with Ind AS 36 'Impairment of Assets' and has measured the recoverable amount at the higher of fair value less costs to sell and value in use. In case of DGEN, the recoverable amount is based on 'value in use' which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN. Such assessment involved several key assumptions including expected demand, future price of fuel, exchange rate, expected tariff rates, discount rate and current electricity market scenario considered by management based on past trends and current and likely future state of the industry.</p> <p>Based on such assessment, the Holding Company has provided for an impairment loss of ₹1,000.00 Crore, which has been disclosed as an 'Exceptional item' in the consolidated financial statements.</p> <p>We considered this to be a key audit matter as the carrying value of DGEN at March 31, 2020 is significant to the Holding Company's balance sheet and there is significant judgement and uncertainty involved in the discounted cash flow (DCF) model used by the management to assess the carrying value of DGEN.</p>	<p>Our procedures in relation to management's impairment assessment of DGEN included the following:</p> <ul style="list-style-type: none"> Assessed and tested the design and operating effectiveness of the Holding Company's controls over impairment assessment. Perused the report issued by the external valuer engaged by the management. Evaluated independence, competence, capability and objectivity of the external valuer. Evaluated the reasonableness of cash flow projections used by the Holding Company and the key assumptions used. With the involvement of auditors experts, assessed the reasonableness of the assumptions considered in the discounted cash flow projections for determining value in use. Discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same. Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. Reviewed the adequacy of disclosure in the consolidated financial statements with regard to the impairment loss accounted by the Holding Company. <p>Based on the above procedures performed, we considered management's assessment of impairment to the carrying amount of DGEN to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>ii) Assessment of recoverability of Deferred tax assets on unutilised tax credits (Refer to note 43 to the consolidated financial statements)</p> <p>The Holding Company has recognised deferred tax assets on the unutilised tax credits, representing Minimum Alternate Tax (MAT) paid on the accounting profit in the current year and in earlier years in which the Holding Company did not have normal taxable profit. The assets have been recognised on the basis of Holding Company's assessment of availability of future taxable profits to offset the accumulated MAT credits.</p> <p>The future taxable profit projections involve several key assumptions including expected demand, future prices of fuel, expected tariff rates of electricity, exchange rate and current electricity market scenario covering the period over which MAT Credit can be claimed as per the Income-tax Act, 1961. In preparing the profit projections, management has considered, past trends, applicable tariff regulations/ agreements and current and likely future state of the industry.</p> <p>We considered this a key audit matter as the amount of deferred tax assets is material to the financial statements and significant management judgement is required in assessing the recoverability of MAT credit based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Holding Company's future business plans.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Evaluated and tested the design and operating effectiveness of the Holding Company's controls over recognition and assessment of recoverability of deferred tax assets on accumulated MAT credits. • Reviewed the Holding Company's accounting policy in respect of recognizing deferred tax assets on unutilised MAT credits. • Assessed the reasonableness of the assumptions underlying profit projections made by management, by reviewing the past trends, available tariff orders and relevant economic and industry indicators. • Evaluated whether the tax credit entitlements are legally available to the Holding Company for the forecast recoupment period, considering the provisions of Income-tax Act, 1961. • Checked the mathematical accuracy of the underlying calculations of the profit projections. • Performed sensitivity analyses on the projected taxable profits by varying key assumptions, within reasonably foreseeable range. • Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes. <p>Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets in respect of accumulated MAT credits to be reasonable.</p>

Emphasis of Matter

- We draw attention to Note 57 to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Other Information

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report (including shareholders information), management discussion and analysis, business responsibility report, report on corporate governance, but does not include the consolidated financial statements and our auditor's report thereon.

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The consolidated financial statements include the Group's share of total comprehensive income (comprising of profit/loss and other comprehensive income) of ₹ Nil for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of one associate company, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor and the financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies, its associate company incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate – Refer Note 31 and 45 to the consolidated financial statements.
 - ii. The Group and its associate have long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Group and its associate did not have any derivative contracts as at March 31, 2020.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and its associate company incorporated in India during the year ended March 31, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.

17. The Group, has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 039985

UDIN: 20039985AAAABY2876

Place: Bengaluru

Date: May 18, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 16 (f) of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2020

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of Torrent Power Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Referred to in paragraph 16 (f) of the Independent Auditors' Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2020

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 5 of our main audit report.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one associate company, is based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

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

Pradip Kanakia
Partner

Place: Bengaluru
Date: May 18, 2020

Membership No.: 039985
UDIN: 20039985AAAAABY2876

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

	Note	As at March 31, 2020	As at March 31, 2019
(₹ in Crore)			
Assets			
Non-current assets			
Property, plant and equipment	4	17,366.37	17,996.58
Right-of-use assets	5	187.94	-
Capital work-in-progress		567.40	359.27
Intangible assets	6	14.98	17.31
Intangible assets under development		0.19	-
Financial assets			
Investments	7	115.95	287.56
Loans	8	176.19	16.74
Other financial assets	9	1.09	230.61
Deferred tax assets (net)	43	19.86	3.56
Non-current tax assets (net)	10	22.06	28.36
Other non-current assets	11	327.35	1,028.99
		18,799.38	19,968.98
Current assets			
Inventories	12	598.24	627.03
Financial assets			
Investments	13	607.59	626.86
Trade receivables	14	1,279.75	1,229.69
Cash and cash equivalents	15	91.16	116.07
Bank balances other than cash and cash equivalents above	16	189.10	211.93
Loans	17	15.38	15.07
Other financial assets	18	1,925.33	1,679.38
Other current assets	19	117.11	79.02
		4,823.66	4,585.05
		23,623.04	24,554.03
Equity and liabilities			
Equity			
Equity share capital	20	480.62	480.62
Other equity	21	8,672.92	8,489.61
		9,153.54	8,970.23
Non-controlling interests		35.63	37.39
		9,189.17	9,007.62
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	7,796.30	8,576.45
Trade payables	23	-	-
Total outstanding dues of micro and small enterprises		109.71	109.34
Total outstanding dues other than micro and small enterprises		33.29	0.24
Other financial liabilities	24	102.97	83.24
Provisions	25	552.80	1,565.38
Deferred tax liabilities (net)	43	1,132.44	1,024.74
Other non-current liabilities	26	9,727.51	11,359.39
Current liabilities			
Financial liabilities			
Borrowings	27	3.28	300.05
Trade payables	28	25.19	27.17
Total outstanding dues of micro and small enterprises		1,012.72	782.58
Total outstanding dues other than micro and small enterprises		2,789.56	2,417.69
Other financial liabilities	29	584.01	600.67
Other current liabilities	30	269.90	42.44
Provisions	31	21.70	16.42
Current tax liabilities (net)	32	4,706.36	4,187.02
		23,623.04	24,554.03

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Rahul Shah
Company Secretary

Bengaluru, May 18, 2020

Ahmedabad, May 18, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

	Note	Year ended March 31, 2020	Year ended March 31, 2019
(₹ in Crore)			
Income			
Revenue from operations	33	13,640.63	13,150.97
Other income	34	177.59	189.59
Total income		13,818.22	13,340.56
Expenses			
Electrical energy purchased		3,709.40	4,116.50
Fuel cost		4,250.54	4,019.46
Cost of materials consumed	35	250.60	259.86
Purchase of stock-in-trade		53.69	229.46
Changes in inventories of finished goods and work-in-progress	36	1.45	(19.58)
Employee benefits expense	37	532.05	486.42
Finance costs	38	954.55	898.93
Depreciation and amortization expense	39	1,304.27	1,226.53
Other expenses	40	1,286.83	859.37
Total expenses		12,343.38	12,076.95
Profit before exceptional items and tax		1,474.84	1,263.61
Exceptional items	42	1,000.00	-
Profit before tax		474.84	1,263.61
Tax expense			
Current tax	43	309.26	275.51
Deferred tax	43	(1,013.30)	84.27
		(704.04)	359.78
Profit for the year		1,178.88	903.83
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	48	(44.60)	(9.60)
Tax relating to remeasurement of the defined benefit plans	43	(15.58)	(3.35)
Other comprehensive income for the year (net of tax)		(29.02)	(6.25)
Total comprehensive income for the year		1,149.86	897.58
Profit for the year attributable to:			
Owners of the Company		1,174.15	898.94
Non-controlling interests		4.73	4.89
		1,178.88	903.83
Other comprehensive income for the year attributable to:			
Owners of the Company		(29.02)	(6.25)
Non-controlling interests		-	-
		(29.02)	(6.25)
Total comprehensive income for the year attributable to:			
Owners of the Company		1,145.13	892.69
Non-controlling interests		4.73	4.89
		1,149.86	897.58
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	52	24.43	18.70

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Rahul Shah
Company Secretary

Bengaluru, May 18, 2020

Ahmedabad, May 18, 2020

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2020

		(₹ in Crore)	
	Note	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities			
Net profit before tax		474.84	1,263.61
Adjustments for :			
Depreciation and amortization expense	39	1,304.27	1,226.53
Amortisation of deferred revenue	33	(74.09)	(64.07)
Provision of earlier years written back	33	(3.69)	(26.98)
Loss on sale / discarding of property, plant and equipment	40	39.64	17.97
Gain on disposal of property, plant and equipment	34	(2.89)	(8.40)
Bad debts written off (net of recovery)	40	(17.41)	3.96
Provision for onerous contracts	40	189.78	-
Allowance for doubtful debts (net)	40	82.43	17.44
Exceptional items	42	1,000.00	-
Finance costs	38	954.55	898.93
Interest income	34	(81.96)	(75.94)
Gain on sale of current investments in mutual funds	34	(49.77)	(49.56)
Gain on sale of non-current investments	34	(8.64)	-
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	34	1.79	9.09
Net gain arising on financial assets / liabilities measured at amortised cost	34	(13.84)	(24.45)
Net unrealised loss / (gain) on foreign currency transactions		12.30	(4.70)
Operating profit before working capital changes		3,807.31	3,183.43
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		28.79	(172.15)
Trade receivables		(115.08)	(120.64)
Loans		(1.81)	1.23
Other financial assets		(2.51)	(510.20)
Other assets		(31.14)	(37.84)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		209.45	178.04
Other financial liabilities		45.83	119.82
Provisions		12.81	5.20
Other liabilities		(20.56)	63.63
Cash generated from operations		3,933.09	2,710.52
Taxes paid (net)		(297.68)	(285.92)
Net cash flow generated from operating activities		3,635.41	2,424.60
Cash flow from investing activities			
Payments for property, plant and equipment & intangible assets		(1,333.68)	(1,988.67)
Proceeds from sale of property, plant and equipment		(13.48)	100.80
Non-current (investment in) / redemption of debentures from associates		191.62	(78.30)
Purchase of non-current investments		(1.92)	(1.93)
(Loans to) / repayment of loans from related parties (net)		(157.95)	-
(Investments) / redemption in bank deposits (net) (maturity more than three months)		24.43	(31.40)
Interest received		69.60	76.79
(Purchase of) / proceeds from current investments (net)		67.25	94.27
Bank balances not considered as cash and cash equivalents		-	(0.02)
Net cash generated from / (used in) investing activities		(1,154.13)	(1,828.46)

CONSOLIDATED STATEMENT OF CASH FLOW (Contd.)

FOR THE YEAR ENDED MARCH 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ in Crore)		
Cash flow from financing activities		
Proceeds from long-term borrowings	1,778.05	859.61
Proceeds from short-term borrowings	263.36	1,200.05
Repayment of long-term borrowings	(360.36)	(447.55)
Prepayment of long-term borrowings	(1,970.64)	(290.75)
Repayment of short-term borrowings	(560.13)	(900.00)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	185.69	166.00
Dividend paid (including dividend distribution tax)	(968.31)	(292.53)
Principal elements of finance lease payments	(5.71)	-
Finance costs paid	(864.32)	(907.58)
Net cash generated from / (used) in financing activities	(2,506.19)	(616.57)
Net (decrease) / increase in cash and cash equivalents	(24.91)	(20.43)
Cash and cash equivalents as at beginning of the year	116.07	136.50
Cash and cash equivalents as at end of the year	91.16	116.07
See accompanying notes forming part of the consolidated financial statements		
Footnotes:		
1. Cash and cash equivalents as at end of the year:		
Balances with banks		
Balance in current accounts	89.87	107.85
Balance in fixed deposit accounts (original maturity for less than three months)	-	0.78
Cheques, drafts on hand	0.94	6.02
Cash on hand	0.35	1.42
	91.16	116.07
2. The consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows."		

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Rahul Shah
Company Secretary

Bengaluru, May 18, 2020

Ahmedabad, May 18, 2020

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity share capital [Refer note 20]

	(₹ in Crore)
Balance as at April 01, 2018	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2019	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2020	480.62

B. Other equity [Refer note 21]

	(₹ in Crore)							Non-controlling interests	Total
	Securities premium	Debt redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	Other equity attributable to equity holders of the Company		
Balance as at April 01, 2018	0.03	163.68	7.95	78.07	3,583.89	3,405.29	7,238.91	35.92	7,274.83
Impact on adoption of Ind AS 115 [Refer note 59]	-	-	-	-	-	647.72	647.72	(0.60)	647.12
Restated balance as at April 01, 2018	0.03	163.68	7.95	78.07	3,583.89	4,053.01	7,886.63	35.32	7,921.95
Profit for the year	-	-	-	-	-	898.94	898.94	4.89	903.83
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(6.25)	(6.25)	-	(6.25)
Total comprehensive income for the year	-	-	-	-	-	892.69	892.69	4.89	897.58
Transfer to debt redemption reserve	-	34.22	-	-	-	(34.22)	-	-	-
Transfer to contingency reserve	-	-	1.81	-	-	(1.81)	-	-	-
Dividend (including interim dividend) paid	-	-	-	-	-	(240.31)	(240.31)	(2.34)	(242.65)
Dividend distribution tax paid	-	-	-	-	-	(49.40)	(49.40)	(0.48)	(49.88)
Balance as at March 31, 2019	0.03	197.90	9.76	78.07	3,583.89	4,619.96	8,489.61	37.39	8,527.00
Balance as at April 01, 2019	0.03	197.90	9.76	78.07	3,583.89	4,619.96	8,489.61	37.39	8,527.00
Profit for the year	-	-	-	-	-	1,174.15	1,174.15	4.73	1,178.88
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(29.02)	(29.02)	-	(29.02)
Total comprehensive income for the year	-	-	-	-	-	1,145.13	1,145.13	4.73	1,149.86
Transfer to debt redemption reserve	-	60.20	-	-	-	(60.20)	-	-	-
Transfer to contingency reserve	-	-	1.83	-	-	(1.83)	-	-	-
Dividend (including interim dividend) paid	-	-	-	-	-	(797.82)	(797.82)	(5.38)	(803.20)
Dividend distribution tax paid	-	-	-	-	-	(164.00)	(164.00)	(1.11)	(165.11)
Balance as at March 31, 2020	0.03	258.10	11.59	78.07	3,583.89	4,741.24	8,672.92	35.63	8,708.55

In terms of our report attached

For and on behalf of the Board of Directors

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

Pradip Kanakia
Partner
Membership No.: 039985
Bengaluru, May 18, 2020

Sanjay Dalal
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 18, 2020

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1A: GENERAL INFORMATION

These financial statements comprise financial statements of Torrent Power Limited (“the Company”) and its subsidiaries (hereinafter referred to as “the Group”) and associates for the year ended March 31, 2020.

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 Group is engaged in the business of generation, transmission and distribution of Electricity and of manufacture and sale of Cable. Information on the Group’s structure is provided in note 41.

NOTE 1B: NEW STANDARDS OR INTERPRETATIONS ADOPTED BY THE GROUP

The Group has applied the following Ind AS for the first time for its annual reporting period commencing April 01, 2019:

Ind AS - 116 “Leases”

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards), 2019 on March 30, 2019 which includes Ind AS - 116 “Leases”. The Company has applied Ind AS - 116, Leases for the first time for their annual reporting period commencing April 01, 2019.

The Group had to change its accounting policy as a result of adopting Ind AS - 116. This is disclosed in note 2.20.

Other amendments:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain other amendments to Indian Accounting Standards (Ind AS), as part of the Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

- i) Ind AS - 12 “Income taxes,” Appendix C - Uncertainty over income tax treatments
- ii) Amendment to Ind AS - 12 “Income taxes”
- iii) Ind AS - 19 “Employee benefits,” Plan amendment, curtailment or settlement
- iv) Ind AS - 23 “Borrowing costs”
- v) Ind AS - 28 “Investments in associates and Joint-Ventures,” Long-term interests in Associates and Joint-ventures
- vi) Ind AS - 109 “Financial Instruments,” Prepayment Features with Negative Compensation
- vii) Ind AS - 103 “Business Combination”
- viii) Ind AS - 111 “Joint Arrangements”

The above other amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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 Group has applied this norm while preparing the financial statements.

NOTES FORMING PART OF THE CONSOLIDATED 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 Principles of consolidation:

Subsidiaries

The consolidated financial statements comprise the financial statements of Torrent Power Limited and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on March 31.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss and consolidated statement of changes in equity respectively.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS - 105 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.3 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 Group 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 Group 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 consolidated 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 Group 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 Group 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 Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the consolidated 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 consolidated 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 April 01, 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 group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group, 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 group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated 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 includes 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 consolidated 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 for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued 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 and transmission charges is accounted for in accordance with the principles laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulator. Revenue recognized 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. Revenue from power supply exclude taxes and duties.

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 Services 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (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. Similarly contribution by third party towards construction of overhead transmission lines are recognized 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 consolidated financial statements are prepared in Indian rupee (INR) which is functional as well as presentation currency of the Group.

Transactions and balances

In preparing the financial statements of each individual Group entity 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 adjustments to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group'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 March 31, 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 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 Group has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the consolidated 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 consolidated 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 consolidated 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group'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 consolidated 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 consolidated 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 consolidated 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 Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.16 Earnings per share:

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

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

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

2.17 Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognized when the Group 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 Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated 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 Group 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 Group 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 Group 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 Group's consolidated balance sheet) when:

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

When the entity has transferred an asset, the Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group has not retained control over the financial asset. Where the Group 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 Group 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 Group's financial liabilities include trade and other payables, loans and borrowings.

i) Classification

All the Group'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 Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.20 Leases:

The Group has applied Ind AS - 116 for the first time for the annual reporting period commencing April 01, 2019.

The Group as a lessee:

From April 01, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight line basis. The leasing arrangements range between 11 months and 99 years generally.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment and small value of building.

2.21 Exceptional Items:

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "Exceptional items."

2.22 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 "**".

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group 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 Group has not recognized those true up adjustment claims which are subject of dispute and for which the group is in appeal with regulatory authorities.

3.2 Property, plant and equipment:

(i) Service concession arrangements

The Group 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 Group 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 Group 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 42(1)]

3.3 Impairment of financial assets:

(i) Trade receivables

The Group estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in note 56.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.4 Taxation:

(i) Current tax

The Group has treated certain expenditure as being deductible for tax purposes. However, the tax legislation in relation to such expenditure is not clear and the Group 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 43]

3.5 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

As at March 31, 2020

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss				Net carrying amount
	As at April 01, 2019	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2020	As at April 01, 2019	For the year Depreciation	Impairment	Deductions during the year	As at March 31, 2020
Freehold land	409.10	32.64	*	-	441.74	-	-	-	-	441.74
Buildings	1,505.68	43.38	5.62	2.53	1,545.97	187.47	54.11	-	0.07	1,304.46
Railway siding	186	-	-	-	186	0.20	0.05	-	-	0.25
Plant and machinery	20,093.15	1,567.41	28.52	(0.07)	21,631.97	3,990.35	1,212.96	1,000.00	11.87	6,191.44
Electrical fittings and apparatus	40.26	3.12	0.07	0.01	43.32	12.27	3.06	-	0.06	15.27
Furniture and fixtures	45.11	3.63	0.21	*	48.53	10.92	3.28	-	0.12	14.08
Vehicles	23.50	5.71	1.66	-	27.55	7.87	2.62	-	1.19	9.30
Office equipment	121.07	22.46	1.24	0.08	142.37	34.07	11.76	-	0.74	45.09
Total	22,239.73	1,678.35	37.32	2.55	23,883.31	4,243.15	1,287.84	1,000.00	14.05	6,516.94

As at March 31, 2019

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss				Net carrying amount
	As at April 01, 2018	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2019	As at April 01, 2018	For the year Depreciation	Impairment	Deductions during the year	As at March 31, 2019
Freehold land	386.99	110.76	88.65	-	409.10	-	-	-	-	409.10
Buildings	1,426.22	79.13	0.37	0.70	1,505.68	135.83	51.68	-	0.04	1,318.21
Railway siding	186	-	-	-	186	0.15	0.05	-	-	0.20
Plant and machinery	18,889.09	1,229.67	31.74	6.13	20,093.15	2,849.48	1,152.19	-	11.32	3,990.35
Electrical fittings and apparatus	3793	2.29	0.01	0.05	40.26	9.02	3.26	-	0.01	12.27
Furniture and fixtures	41.32	3.74	0.03	0.08	45.11	7.78	3.14	-	-	10.92
Vehicles	22.38	1.70	0.73	0.15	23.50	5.64	2.49	-	0.26	7.87
Office equipment	84.69	36.69	0.70	0.39	121.07	25.09	9.21	-	0.23	34.07
Total	20,890.48	1,463.98	122.23	7.50	22,239.73	3,032.99	1,222.02	-	11.86	4,243.15

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Footnotes:

1. Assets mortgaged as security:

Entire movable and immovable properties (including capital work-in-progress) with the net carrying amount of ₹17,933.77 Crore (March 31, 2019 - ₹18,355.85 Crore) have been mortgaged and hypothecated to secure borrowings of the Company and certain subsidiaries [Refer note 22].

2. Capital commitment:

Refer note 45 (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 ₹2.55 Crore (Previous year - ₹7.28 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 ₹11.55 Crore (March 31, 2019 - ₹2.67 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 9.00% (Previous year 8.68%).

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

7. Refer note 42(1) for impairment loss in respect of DGEN power plant.

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

Particulars	Proportion of holding	(₹ in Crore)	
		As at March 31, 2020	As at March 31, 2019
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	2.52	2.52

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 : RIGHT-OF-USE ASSETS

As at March 31, 2020

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2019	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	Transition impact of Ind AS 116	For the year	Deductions during the year	As at March 31, 2020
Land	-	222.55	-	4.50	218.05	-	47.96	6.90	0.07	163.26
Buildings	-	13.21	14.49	-	27.70	-	-	3.45	-	24.25
Plant and machinery	-	0.38	-	-	0.38	-	-	0.05	-	0.33
Office equipment	-	0.14	-	-	0.14	-	-	0.04	-	0.10
Total	-	236.28	14.49	4.50	246.27	-	47.96	10.44	0.07	187.94

Footnote:

- Refer note 47 for disclosure relating to right-of-use asset.

NOTE 6 : INTANGIBLE ASSETS

As at March 31, 2020

Particulars	Gross carrying amount				Accumulated amortization				Net carrying amount
	As at April 01, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Deductions during the year	As at March 31, 2020	
Computer software	36.96	5.80	0.45	42.31	19.65	8.13	0.45	27.33	14.98
Total	36.96	5.80	0.45	42.31	19.65	8.13	0.45	27.33	14.98

As at March 31, 2019

Particulars	Gross carrying amount				Accumulated amortization				Net carrying amount
	As at April 01, 2018	Additions during the year	Deductions during the year	As at March 31, 2019	As at April 01, 2018	For the year	Deductions during the year	As at March 31, 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

Footnote:

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Investment in equity instruments (unquoted)		
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 - March 31, 2020: 9,61,500, March 31, 2019: 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 - March 31, 2020: 24,500, March 31, 2019: 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 - March 31, 2020: 25,000, March 31, 2019: 25,000)		
UNM Foundation @		
Equity shares of ₹10 each fully paid up	0.03	0.03
(No. of shares - March 31, 2020: 25,000, March 31, 2019: 25,000)		
	0.06	0.06
@ 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.		
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	103.78	97.21
(No. of debentures - March 31, 2020: 9,070, March 31, 2019: 9,070)		
Wind Four Renergy Private Limited		
Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each	-	91.23
(No. of debentures - March 31, 2020: Nil, March 31, 2019: 8,600)		
Wind Five Renergy Private Limited		
Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each	-	88.87
(No. of debentures - March 31, 2020: Nil, March 31, 2019: 8,400)		
	103.78	277.31

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 : NON-CURRENT INVESTMENTS (Contd.)

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
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	1.93
7.57% GOI Bond - 2033	1.92	-
	12.11	10.19
	115.95	287.56
Aggregate amount of quoted investments	12.11	10.19
Aggregate amount of unquoted investments	103.84	277.37
	115.95	287.56
Aggregate amount of provision for impairment in value of investments	0.63	0.63
Aggregate amount of market value of quoted investments	13.03	10.54
\$ 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 March 31, 2020	As at March 31, 2019
Loans to related parties (including interest accrued) [Refer note 55(d)]	157.88	-
Security deposits	18.31	16.74
	176.19	16.74

NOTE 9 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Inter-corporate deposits #	-	230.00
Bank fixed deposits	0.99	0.48
Other advances	0.10	0.13
	1.09	230.61

include ₹ Nil (March 31, 2019 - ₹80.00 Crore) on which a lien has been created in favour of lenders

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 : NON-CURRENT TAX ASSETS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Advance income tax (net)	22.06	28.36
	<u>22.06</u>	<u>28.36</u>

NOTE 11 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Capital advances	68.62	601.62
Advances for goods and services	170.28	189.80
Balances with government authorities	63.42	56.37
Prepaid expenses	25.03	25.36
Unamortised premium for leasehold land	-	155.84
	<u>327.35</u>	<u>1,028.99</u>

NOTE 12 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Stores and spares	295.24	279.56
Fuel	241.82	292.47
Raw materials	27.85	21.21
Work-in-progress	7.37	8.75
Finished goods	23.13	23.31
Packing materials	1.25	0.49
Loose tools	1.58	1.24
	<u>598.24</u>	<u>627.03</u>

Footnotes:

1. The cost of stores and spares inventories recognised as an expense includes ₹2.70 Crore (Previous year - ₹1.97 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 and certain subsidiaries.
3. The above carrying amount of fuel includes goods in transit of ₹ Nil (March 31, 2019 - ₹4.48 Crore).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Investment in mutual funds (unquoted)		
Axis Liquid Fund- Growth (No. of units- March 31, 2020: Nil, March 31, 2019: 4,46,035)	-	92.11
HDFC Overnight Fund - Growth (No. of units- March 31, 2020: 1,13,069, March 31, 2019: Nil)	33.57	-
ICICI Liquid Plan - Regular - Growth ^ (No. of units- March 31, 2020: Nil, March 31, 2019: 98,64,058)	-	271.68
ICICI Overnight Fund - Growth (No. of units- March 31, 2020: 1,96,72,586, March 31, 2019: Nil)	211.97	-
IDFC Overnight Fund - Growth (No. of units- March 31, 2020: 14,07,462, March 31, 2019: Nil)	150.00	-
SBI Overnight Fund - Growth (No. of units- March 31, 2020: 4,61,238, March 31, 2019: Nil)	150.07	-
Tata Money Market Fund (No. of units- March 31, 2020: Nil, March 31, 2019: 8,97,692)	-	263.07
Tata Overnight Fund- Growth (No. of units- March 31, 2020: 5,88,180, March 31, 2019: Nil)	61.98	-
	<u>607.59</u>	<u>626.86</u>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	<u>607.59</u>	<u>626.86</u>
	<u>607.59</u>	<u>626.86</u>
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-

^ include ₹ Nil (March 31, 2019 - ₹22.30 Crore) on which a lien has been created in favour of lenders

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 : TRADE RECEIVABLES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Secured - Considered good	514.65	488.35
Unsecured - Considered good	765.10	741.34
- Credit impaired	235.80	153.37
	1,515.55	1,383.06
Less: Allowance for bad and doubtful debts	235.80	153.37
	1,279.75	1,229.69
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 March 31, 2020	As at March 31, 2019
Balances with banks		
Balance in current accounts	89.87	107.85
Balance in fixed deposit accounts (original maturity of less than three months)	-	0.78
	89.87	108.63
Cheques, drafts on hand	0.94	6.02
Cash on hand	0.35	1.42
	91.16	116.07

NOTE 16 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Unpaid dividend accounts	9.55	7.44
Unpaid fractional coupon accounts	0.35	0.35
Balance in fixed deposit accounts # (maturity of more than three months but less than twelve months)	179.20	204.14
	189.10	211.93
# include ₹100.81 Crore (March 31, 2019 - ₹69.00 Crore) 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 March 31, 2020	As at March 31, 2019
Loans to related parties [Refer note 55(d)]	0.07	-
Security deposits	15.31	15.07
	15.38	15.07

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Inter-corporate deposits #	280.00	75.00
Interest accrued on non-current investments	0.21	0.17
Interest accrued on deposits	25.64	12.27
Unbilled revenue (including revenue gap / surplus) [Refer note 59]	1,506.47	1,459.83
	1,812.32	1,547.27
Other advances / receivables		
Considered good	113.01	132.11
Considered credit impaired	6.06	6.06
	119.07	138.17
Less : Allowance for doubtful advances	6.06	6.06
	113.01	132.11
	1,925.33	1,679.38

include ₹130.00 Crore (March 31, 2019 - ₹75.00 Crore) 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 March 31, 2020	As at March 31, 2019
Advances for goods and services	89.06	51.02
Balances with government authorities	0.82	0.39
Prepaid expenses	27.23	21.76
Unamortised premium for leasehold land	-	5.85
	117.11	79.02

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 20 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2019) equity shares of ₹10 each	4,370.00	4,370.00
	<u>4,370.00</u>	<u>4,370.00</u>
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at March 31, 2019) equity shares of ₹10 each	480.62	480.62
	<u>480.62</u>	<u>480.62</u>
1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :		
	No. of shares As at March 31, 2020	No. of shares As at March 31, 2019
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	<u>48,06,16,784</u>	<u>48,06,16,784</u>
2. 25,74,22,311 equity shares (25,74,22,311 equity shares as at March 31, 2019) 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 March 31, 2020 No. of shares % holding	As at March 31, 2019 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%	4,68,71,621 9.75%
Axis Mutual Fund Trustee Limited	2,95,72,552 6.15%	3,07,44,585 6.40%
5. Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:		
During FY 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 August 13, 2015.		
6. Distributions made and proposed:		
The amount of per share dividend distributed to equity shareholders during the year ended March 31, 2020 was ₹5.00 (Previous year - ₹5.00) per equity share, being the final dividend declared for the year ended March 31, 2019.		
Interim dividend for FY 2019-20 of ₹11.60 per equity share (including ₹5.00 per equity share as a special dividend) aggregating to ₹672.11 Crore (including dividend distribution tax of ₹114.60 Crore) was paid in February 2020. The Board has not considered any further dividends for FY 2019-20.		
@Torrent Private Limited changed to Torrent Investments Private Limited w.e.f. April 15, 2020.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 : OTHER EQUITY

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	258.10	197.90
Contingency reserve	11.59	9.76
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	4,741.24	4,619.96
	<u>8,672.92</u>	<u>8,489.61</u>

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 Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 : NON-CURRENT BORROWINGS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	366.68	550.00
10.35% Series 2A, 2B & 2C	200.00	300.00
8.95% Series 3A, 3B & 3C	245.00	245.00
7.65% Series 5	100.00	-
	<u>911.68</u>	<u>1,095.00</u>
Term loans @		
From banks	6,598.32	7,460.81
	<u>6,598.32</u>	<u>7,460.81</u>
	<u>7,510.00</u>	<u>8,555.81</u>
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A, 4B & 4C	269.48	-
	<u>269.48</u>	<u>-</u>
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	16.82	20.64
	<u>16.82</u>	<u>20.64</u>
	<u>286.30</u>	<u>20.64</u>
	<u>7,796.30</u>	<u>8,576.45</u>
@ After considering unamortised expense of ₹25.93 Crore as at March 31, 2020 and ₹34.33 Crore as at March 31, 2019. # After considering unamortised expense of ₹0.52 Crore as at March 31, 2020 and ₹ Nil Crore as at March 31, 2019.		
Current maturities		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.32	-
10.35% Series 2A, 2B & 2C	100.00	-
	<u>283.32</u>	<u>-</u>
Term loans \$		
From banks	783.74	834.83
	<u>783.74</u>	<u>834.83</u>
Unsecured loans - at amortised cost		
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	<u>3.82</u>	<u>3.82</u>
	<u>1,070.88</u>	<u>838.65</u>
Amount disclosed under the head 'Other current financial liabilities' [Refer note 29]	<u>(1,070.88)</u>	<u>(838.65)</u>
	<u>-</u>	<u>-</u>
\$ After considering unamortised expense of ₹4.27 Crore as at March 31, 2020 and ₹5.24 Crore as at March 31, 2019.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 : NON-CURRENT BORROWINGS (Contd.)

Footnotes:

1. Nature of security

- (i) 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 ₹6,842.80 Crore and non convertible debentures of ₹1,095.00 Crore.
- (ii) The entire movable (including current assets) and immovable assets (other than those mentioned in a & b below), both present & future, are hypothecated & mortgaged by way of first pari passu charge in favour of non-convertible debentures of ₹100.00 Crore, and lenders of term loans, cash credits and non-fund based credit facilities, availed by the Company.
 - a. movable fixed assets and debt service reserve accounts for the benefit of lenders of Renewable projects of the company
 - b. immovable assets of Renewable Projects and leasehold land bearing plot nos. B15 and B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch, near 1200 MW Dahej Plant
- (iii) Amount of term loan of ₹46.03 Crore from bank is secured by way of first pari passu charge created on the entire movable properties including transmission towers, insulators and other movable assets, book debts, operating cash flows, revenues, intangibles, trust and retention account of subsidiary Company, Torrent Power Grid Limited.
- (iv) Amount of term loan of ₹264.50 Crore from bank is secured by way of first pari passu charge created on entire immovable (in the process of creation) and movable assets (whether tangible or intangible) including current assets, both present and future, all bank accounts of the project including trust and retention account of subsidiary Company, Jodhpur Wind Farms Private Limited.
- (v) Amount of term loan of ₹258.94 Crore from bank is secured by way of first pari passu charge created on entire immovable (in the process of creation) and movable assets (whether tangible or intangible) including current assets, both present and future, all bank accounts of the project including trust and retention account of subsidiary Company, Latur Renewable Private Limited.

2. Undrawn term loans from banks, based on approved facilities, were ₹1,009.37 Crore as at March 31, 2020.

NOTE 23 : NON-CURRENT TRADE PAYABLES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	109.71	109.34
	<u>109.71</u>	<u>109.34</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Payables for purchase of property, plant and equipment	0.24	0.24
Lease liabilities	33.05	-
	<u>33.29</u>	<u>0.24</u>

NOTE 25 : NON-CURRENT PROVISIONS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for compensated absences	102.97	83.24
	<u>102.97</u>	<u>83.24</u>

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Deferred revenue [Refer note 44]		
Contribution received from consumers	1,058.34	953.83
Capital grant from government	18.85	21.57
Sundry payables	55.25	49.34
	<u>1,132.44</u>	<u>1,024.74</u>

NOTE 27 : CURRENT BORROWINGS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Secured loans		
Cash credit from banks	3.28	300.05
	<u>3.28</u>	<u>300.05</u>

Footnotes:

- 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.
- Undrawn cash credit from banks, based on approved facilities, were ₹1,186.72 Crore as at March 31, 2020.

Net debt reconciliation :

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	91.16	116.07
Current investments	607.59	626.86
Current borrowings	(3.28)	(300.05)
Non-current borrowings (including current maturities and interest accrued but not due)	(9,002.72)	(9,479.31)
	<u>(8,307.25)</u>	<u>(9,036.43)</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 : CURRENT BORROWINGS (Contd.)

	Other assets		Liabilities from financing activities		(₹ in Crore)
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Total
Net balance as at April 01, 2018	136.50	680.66	-	(9,360.74)	(8,543.58)
Cash flows	(20.43)	(94.27)	(300.05)	(117.49)	(532.24)
Interest expense	-	-	(12.23)	(816.24)	(828.47)
Interest paid	-	-	12.23	815.16	827.39
Gain on sale of current investments	-	49.56	-	-	49.56
Fair value adjustment	-	(9.09)	-	-	(9.09)
Net balance as at March 31, 2019	116.07	626.86	(300.05)	(9,479.31)	(9,036.43)
Cash flows	(24.91)	(67.25)	296.77	556.77	761.38
Interest expense	-	-	(4.08)	(846.39)	(850.47)
Interest paid	-	-	4.08	766.21	770.29
Gain on sale of current investments	-	49.77	-	-	49.77
Fair value adjustment	-	(1.79)	-	-	(1.79)
Net balance as at March 31, 2020	91.16	607.59	(3.28)	(9,002.72)	(8,307.25)

NOTE 28 : CURRENT TRADE PAYABLES

	(₹ in Crore)	
	As at March 31, 2020	As at March 31, 2019
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises [Refer note 46] #	25.19	27.17
Total outstanding dues other than micro and small enterprises	1,012.72	782.58
	<u>1,037.91</u>	<u>809.75</u>

Amount due to micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) have been determined based on the information available with the Group.

NOTE 29 : OTHER CURRENT FINANCIAL LIABILITIES

	(₹ in Crore)	
	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term debt [Refer note 22]	1,070.88	838.65
Interest accrued but not due on loans and security deposits	104.82	24.64
Investor education and protection fund #		
Unpaid / Unclaimed dividend	9.55	7.44
Unclaimed fractional coupons	0.35	0.35
Book overdraft	14.96	25.32
Security deposits from consumers @	1,173.10	1,081.24
Other deposits	4.01	3.97
Payables for purchase of property, plant and equipment ^	287.91	277.51
Lease liabilities	4.91	-
Sundry payables (including for employees related payables)	119.07	158.57
	<u>2,789.56</u>	<u>2,417.69</u>

There is no amount due and outstanding to be credited to investor education and protection fund as at March 31, 2020.

@ Notwithstanding the fact that security deposits from consumers in the Group's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience, such deposits amounting to ₹1,054.79 Crore as at March 31, 2019 that were earlier included as part of Other non-current financial liabilities have now been included under Other current financial liabilities pursuant to a Opinion issued by Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India pertaining to consumer deposits in another case.

^ including dues to micro and small enterprises for ₹1.08 Crore (March 31, 2019 - ₹2.29 Crore) [Refer note 46]

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Credit balances of consumers	87.48	71.89
Service line deposits from consumers	194.82	258.73
Deferred revenue [Refer note 44]		
Contribution received from consumers	77.42	67.61
Capital grant from government	2.72	2.72
Statutory dues	202.77	177.70
Sundry payables	18.80	22.02
	<u>584.01</u>	<u>600.67</u>

NOTE 31 : CURRENT PROVISIONS

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for gratuity [Refer note 48.2(d)]	54.60	18.39
Provision for compensated absences	25.42	23.98
	<u>80.02</u>	<u>42.37</u>
Other provisions		
Provision for indirect taxes	0.10	0.07
Provision for onerous contracts [Refer note 58]	189.78	-
	<u>189.88</u>	<u>0.07</u>
	<u>269.90</u>	<u>42.44</u>
Movement in provision for indirect taxes:		
Opening balance as on April 01	0.07	0.18
Additional provision recognised	0.03	0.06
Reduction arising from payments	-	(0.17)
Closing balance as on March 31	<u>0.10</u>	<u>0.07</u>
Movement in provision for onerous contracts:		
Opening balance as on April 01	-	-
Additional provision recognised	189.78	-
Closing balance as on March 31	<u>189.78</u>	<u>-</u>

NOTE 32 : CURRENT TAX LIABILITIES

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Provision for taxation (net of tax paid)	21.70	16.42
	<u>21.70</u>	<u>16.42</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 33 : REVENUE FROM OPERATIONS

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	13,124.52	12,440.30
Revenue from sale of cable products		
Manufactured goods	322.14	297.22
Revenue from trading of RLNG	51.13	237.22
	13,497.79	12,974.74
Less: Discount for prompt payment of bills	24.27	18.23
	13,473.52	12,956.51
Other operating income		
Provisions of earlier years written back	3.69	26.98
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 44(a)(2)]	71.37	61.35
Capital grant from government [Refer note 44(b)(2)]	2.72	2.72
Income from Certified Emission Reduction (CERs)	1.63	6.62
Income from Generation Based Incentive	29.24	32.10
Hire of meters	-	1.41
Insurance claim receipt	2.67	0.07
Miscellaneous income	55.79	63.21
	167.11	194.46
	13,640.63	13,150.97
Footnotes:		
1. Disclosure given above presents disaggregated revenue from contracts with customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.		
2. Timing of revenue recognition: All revenues of the Company are recognised at a point in time.		

NOTE 34 : OTHER INCOME

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest income from financial assets at amortised cost		
Deposits	38.66	26.08
Consumers	28.27	28.23
Contingency reserve investments	0.87	0.73
Loans to related parties [Refer note 55(b)]	6.29	-
Others	7.87	20.90
	81.96	75.94
Gain on disposal of property, plant and equipment	2.89	8.40
Gain on sale of current investments in mutual funds	49.77	49.56
Gain on sale of non-current investments	8.64	-
Net gain arising on financial assets / liabilities measured at amortised cost	13.84	24.45
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	(1.79)	(9.09)
Net gain on foreign currency transactions	0.01	4.70
Miscellaneous income	22.27	35.63
	177.59	189.59

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 35 : COST OF MATERIALS CONSUMED

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Cost of materials consumed	346.64	311.02
Less: Allocated to capital works	96.04	51.16
	<u>250.60</u>	<u>259.86</u>

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

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Inventory of finished goods		
Opening stock	23.31	6.44
Less: Closing stock	23.13	23.31
	<u>0.18</u>	<u>(16.87)</u>
Inventory of work-in-progress		
Opening stock	8.75	5.93
Less: Closing stock	7.37	8.75
	<u>1.38</u>	<u>(2.82)</u>
Less: Allocated to capital works	0.11	(0.11)
	<u>1.45</u>	<u>(19.58)</u>

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	605.32	588.34
Contribution to provident and other funds [Refer note 48.1]	39.79	37.15
Employees welfare expenses	26.02	20.76
Compensated absences	33.95	20.67
Gratuity [Refer note 48.2(e)(3)]	13.70	12.35
	<u>718.78</u>	<u>679.27</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	186.73	192.85
	<u>532.05</u>	<u>486.42</u>

NOTE 38 : FINANCE COSTS

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense for financial liabilities classified as amortised cost		
Term loans	711.79	706.34
Non convertible debentures	134.60	109.90
Working capital loans	4.08	12.23
Security deposits from consumers	70.20	61.49
Lease liabilities	2.54	-
Others	2.23	3.58
Other borrowing costs	16.29	9.75
Amortisation of borrowing costs	14.17	4.87
Unwinding of discount	10.08	-
	<u>965.98</u>	<u>908.16</u>
Less: Allocated to capital works	11.43	9.23
	<u>954.55</u>	<u>898.93</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 39 : DEPRECIATION AND AMORTIZATION EXPENSE

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation expense on property, plant and equipment	1,287.84	1,222.02
Depreciation expense on right-of-use assets	10.44	-
Amortization expense on intangible assets	8.13	6.35
	1,306.41	1,228.37
Less: Transfer from others	0.10	0.10
Less: Allocated to capital works	2.04	1.74
	1,304.27	1,226.53

NOTE 40 : OTHER EXPENSES

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spares	220.57	165.17
Rent and hire charges	15.85	25.04
Repairs to		
Buildings	11.25	11.53
Plant and machinery	361.48	321.07
Others	15.58	14.47
	388.31	347.07
Insurance	25.85	17.88
Rates and taxes	11.47	10.97
Vehicle running expenses	31.42	29.84
Electricity expenses	27.69	26.39
Security expenses	41.59	36.03
Water charges	20.75	16.41
Power transmission and scheduling charges	34.69	2.75
Corporate social responsibility expenses [Refer note 50]	20.76	20.49
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	39.64	17.97
Commission to non-executive directors [Refer note 55(b)]	6.41	6.11
Directors sitting fees	0.67	0.84
Auditors remuneration [Refer note 49]	2.05	1.70
Legal, professional and consultancy fees	35.58	42.46
Donations [Refer note 51]	69.79	34.20
Net loss on foreign currency transactions	12.32	-
Bad debts written off (net)	(17.41)	3.96
Provision for onerous contracts [Refer note 58]	189.78	-
Allowance for doubtful debts (net of recovery)	82.43	17.44
Miscellaneous expenses	103.70	101.36
	1,363.91	924.08
Less: Allocated to capital works, repairs and other relevant revenue accounts	77.08	64.71
	1,286.83	859.37

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 41: COMPOSITION OF THE GROUP

(a) Subsidiaries

(1) Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2020	As at March 31, 2019
Torrent Solargen Limited	Power Generation	India	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%
Latur Renewable Private Limited	Power Generation	India	100%	100%
Jodhpur Wind Farms Private Limited	Power Generation	India	100%	100%
TCL Cables Private Limited (w.e.f. November 05, 2019) [Refer note 60]	Manufacturing of Cables	India	100%	-

(2) Disclosure of additional information pertaining to the Parent Company and its Subsidiaries as per Schedule III of Companies Act, 2013 as at and for the year ended March 31, 2020:

Name of the entity in the Group	Consolidated share in net assets i.e total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Company	99.98%	9,187.27	105.03%	1,238.14	99.93%	(29.00)	105.16%	1,209.14
Torrent Solargen Limited	0.05%	5.36	(6.82)%	(80.38)	-	-	(6.99)%	(80.38)
Torrent Pipavav Generation Limited	0.36%	33.12	(0.13)%	(1.53)	-	-	(0.13)%	(1.53)
Torrent Power Grid Limited	1.05%	96.37	1.16%	13.68	0.07%	(0.02)	1.19%	13.66
Latur Renewable Private Limited	1.26%	115.85	0.93%	11.01	-	-	0.96%	11.01
Jodhpur Wind Farms Private Limited	1.27%	116.40	0.62%	7.27	-	-	0.63%	7.27
TCL Cables Private Limited	0.02%	2.01	0.00%	0.01	-	-	0.00%	0.01
Non-controlling interests	0.39%	35.63	0.40%	4.73	-	-	0.41%	4.73
Consolidation adjustments	(4.38)%	(402.84)	(1.19)%	(14.05)	-	-	(1.23)%	(14.05)
Total	100.00%	9,189.17	100.00%	1,178.88	100.00%	(29.02)	100.00%	1,149.86

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 41: COMPOSITION OF THE GROUP (Contd.)

(b) Associates

Details of the Company's associates are as follows:

Name of associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Quoted fair value	Carrying amount as at March 31, 2020
			As at March 31, 2020	As at March 31, 2019		
Wind Two Renergy Private Limited	Power Generation	India	0%	0%	Unlisted	#
Wind Four Renergy Private Limited (upto June 04, 2019)	Power Generation	India	NA	0%	Unlisted	# / @
Wind Five Renergy Private Limited (upto August 30, 2019)	Power Generation	India	NA	0%	Unlisted	# / @
Nani Virani Wind Energy Private Limited (upto December 15, 2018)	Power Generation	India	NA	NA	Unlisted	\$
Ravapar Wind Energy Private Limited (upto December 15, 2018)	Power Generation	India	NA	NA	Unlisted	\$
Khatiyu Wind Energy Private Limited (upto December 15, 2018)	Power Generation	India	NA	NA	Unlisted	\$

As at March 31, 2020 the Company had made investments in the one entity (March 31, 2019: three entities) in the form of secured redeemable (with premium) non-convertible debentures and does not hold any equity investments. To protect the investment aggregating to ₹90.70 Crore (March 31, 2019, ₹260.70 Crore) made by the Company, the Company has acquired certain rights which include the right to nominate directors on the board. Considering the above facts and based on the requirements of Ind AS, the investments in aforesaid entities have been classified as Investments in associates. As the Company does not have any equity interest, the Company does not have any share in the profit, loss or comprehensive income of the entities and accordingly, there is no impact on the consolidated statement of profit and loss and the aforesaid investments in redeemable debentures of ₹90.70 Crore (March 31, 2019, ₹260.70 Crore) have been carried at amortized cost.

@ During the current year, Wind Four Renergy Private Limited and Wind Five Renergy Private Limited have ceased to be associates of the Company. There is no impact of this development on the consolidated financial results for the year.

\$ During the previous year, Nani Virani Wind Energy Private Limited, Ravapar Wind Energy Private Limited and Khatiyu Wind Energy Private Limited have ceased to be associates of the Company. There is no impact of this development on the consolidated financial results for the year.

Refer note 45(c) for capital and other commitments in the above associates.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 42: IMPAIRMENT ASSESSMENT

1) DGEN POWER PLANT

The carrying amount of Property, Plant & Equipment ("PPE") as at March 31, 2020 includes an amount of ₹3,079.62 Crore (as at March 31, 2019 - ₹4,365.69 Crore) pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started commercial operations from November 2014 ("COD") and has operated only intermittently after COD, including during the current financial year.

In view of the above and given the current economic environment, the Company has carried out an impairment assessment of DGEN as at March 31, 2020 by considering the recoverable amount (being the higher of 'fair value less cost to sell' and 'value in use') of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets', applying 'value in use' and considering a discount rate of 14% and cash flow projections for a period of 20 years, being the balance useful life of DGEN in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 on the basis that the Company expects to supply power in the future, inter alia, under long term power purchase agreements. Based on such assessment, the Group has provided for impairment loss of ₹1,000.00 Crore [Refer note 4], which has been disclosed as an 'Exceptional item' in the consolidated financial statements.

The assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, 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.

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 December 06, 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 to TPGL through disposal by the 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 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 timing of the recoverability of the amounts invested in land would depend upon the availability of the customer. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial results of TPGL for the year ended March 31, 2020 have been prepared on a non - going concern basis. The recovery of the amount invested for land by TPGL is dependent on the ability of the Government to find a suitable buyer for the land.

NOTE 43: INCOME TAX EXPENSE

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

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
Current tax on profits for the year	308.82	278.89
Adjustment for current tax of prior periods	0.44	(3.38)
	<u>309.26</u>	<u>275.51</u>
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(913.21)	(54.02)
(Decrease) / increase in deferred tax liabilities	(100.09)	138.29
	<u>(1,013.30)</u>	<u>84.27</u>
Income tax expense	<u>(704.04)</u>	<u>359.78</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 43: INCOME TAX EXPENSE (Contd.)

(b) Reconciliation of income tax expense

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	474.84	1,263.61
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.944%)	165.93	441.56
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	60.10	25.23
Tax incentives	(333.00)	(377.85)
Transition to Ind AS 115	-	63.53
Impairment loss of DGEN unit	160.65	-
Unutilised Minimum Alternate Tax (MAT) credit recognised due to change in MAT rate from 21.55% to 17.47%	(463.40)	-
Unabsorbed depreciation / tax credits and other items	(301.06)	212.12
Different tax rates of subsidiaries	6.02	(1.57)
Impact of enacted income tax rate on deferred tax balance	0.28	0.14
Total	(704.48)	363.16
Adjustment for current tax of prior periods	0.44	(3.38)
Total expense as per statement of profit and loss	(704.04)	359.78

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.

Taxation Laws (Amendment) Act, 2019, inter alia, reduced the effective rate of MAT from 21.55% to 17.47%. The net deferred tax credit in the year includes the impact of this change amounting ₹463.40 Crore, due to the Group's ability to utilize accumulated MAT credit in future years, not previously recognized. Further the net deferred tax credit in the year includes ₹549.90 crore, mainly arising on account of a provision for impairment in the carrying value of Dgen Power Plant [Refer note 42], provision for certain onerous contracts [Refer note 58] and reassessment of management's reasonable estimate for the future taxable profits, which would be available to utilize such additional MAT Credit.

(c) Income tax recognised in other comprehensive income

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	(44.60)	(9.60)
Income tax expense / (income) recognised in other comprehensive income	(15.58)	(3.35)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 43: INCOME TAX EXPENSE (Contd.)

(d) Deferred tax balances

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

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	1,611.72	682.93
Deferred tax liabilities	(2,144.66)	(2,244.75)
	<u>(532.94)</u>	<u>(1,561.82)</u>
Disclosed as deferred tax assets (net)	19.86	3.56
Disclosed as deferred tax liabilities (net)	<u>(552.80)</u>	<u>(1,565.38)</u>
	<u>(532.94)</u>	<u>(1,561.82)</u>

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

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2020

	Opening balance	Recognised in profit or loss	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,237.84)	99.11	-	-	(2,138.73)
Expense allowable for tax purposes when paid	56.97	62.15	-	15.58	134.70
Tax effect on fair value change in financial instruments and unamortised cost	(6.91)	0.98	-	-	(5.93)
Unabsorbed depreciation / MAT credit entitlement and other items	625.96	851.06	-	-	1,477.02
	<u>(1,561.82)</u>	<u>1,013.30</u>	<u>-</u>	<u>15.58</u>	<u>(532.94)</u>

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

	Opening balance	Recognised in profit or loss	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,093.58)	(144.26)	-	-	(2,237.84)
Expense allowable for tax purposes when paid	58.33	(4.71)	-	3.35	56.97
Tax effect on fair value change in financial instruments and unamortised cost	(12.88)	5.97	-	-	(6.91)
Unabsorbed depreciation / MAT credit entitlement and other items	568.25	58.73	(1.02)	-	625.96
	<u>(1,479.88)</u>	<u>(84.27)</u>	<u>(1.02)</u>	<u>3.35</u>	<u>(1,561.82)</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 43: INCOME TAX EXPENSE (Contd.)

(3) Unrecognised deferred tax assets

	(₹ in Crore)	
	As at March 31, 2020	As at March 31, 2019
Accumulated MAT credit entitlement	18.47	992.37
	<u>18.47</u>	<u>992.37</u>

Management has made an assessment of the amount of taxable income that would be available in future to offset the Accumulated MAT credit entitlement 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 44: 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 March 31, 2020	As at March 31, 2019
Opening balance	1,021.44	916.79
Add: Contribution received during the year	185.69	166.00
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 33]	(71.37)	(61.35)
Closing balance	<u>1,135.76</u>	<u>1,021.44</u>
Non-current portion [Refer note 26]	1,058.34	953.83
Current portion [Refer note 30]	77.42	67.61
	<u>1,135.76</u>	<u>1,021.44</u>

(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 Group. There are no unfulfilled conditions or other contingencies attached to these grants.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 44: DEFERRED REVENUE (Contd.)

(2) Movement of government grant

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Opening balance	24.29	27.01
Add: Grants during the year	-	-
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 33]	(2.72)	(2.72)
Closing balance	<u>21.57</u>	<u>24.29</u>
Non-current portion [Refer note 26]	18.85	21.57
Current portion [Refer note 30]	<u>2.72</u>	<u>2.72</u>
	<u>21.57</u>	<u>24.29</u>

NOTE 45: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

(₹ in Crore)

	As at March 31, 2020	As at March 31, 2019
Disputed income tax matters	17.96	31.64
Disputed sales tax matters	5.25	4.29
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	2.88	2.45
Disputed stamp duty matters	0.35	0.35
Disputed value added tax matters	3.26	3.26
Disputed central sales tax matters	3.04	3.20
Claims against the Group not acknowledged as debt	21.39	34.51

The Group has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from 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. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Group is not material and accordingly, no provision has been made in the financial statements.

Footnotes:

1. Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the Group will likely be upheld in the appellate process and accordingly no provision has been made in the consolidated financial statements for such demands. Further, the guarantees given to lenders of subsidiaries are unlikely to be called, as subsidiaries are in a position to service the loans and interest, covered by such guarantees.
2. 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 45: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS (Contd.)

(b) Contingent assets

	As at March 31, 2020	As at March 31, 2019
Coal grade slippage claim	12.41	31.49
	<u>12.41</u>	<u>31.49</u>

(₹ in Crore)

(c) Capital and other commitments

	As at March 31, 2020	As at March 31, 2019
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	408.39	4,002.56
ii) Novation agreement with lender for short term finance facilities obtained by associates :		
During the previous year, the Company had entered into agreements to novate with a lender in respect of two short term loans obtained by two of its associates against which an aggregate amount of ₹98.00 Crore was outstanding as on March 31, 2019. As per the terms of the said agreements, in certain circumstances, the Company will be obligated to purchase the outstanding loan balances if the right is so exercised by the lenders, as per the terms of the agreements. During the year, the associate companies have repaid loans to concerned lender.		

(₹ in Crore)

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 Group and the required disclosures are given below:

	As at March 31, 2020	As at March 31, 2019
(a) Principal amount remaining unpaid [Refer notes 28 and 29]	26.09	29.08
(b) Interest due thereon	0.03	0.02
(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	1.07	5.24
(ii) Interest paid under section 16 of the MSMED Act, to the suppliers, beyond the appointed day during the year	0.01	0.04
(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)	0.15	0.36
(e) The amount of interest accrued and remaining unpaid [b+d]	0.18	0.38
(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.	-	-

(₹ in Crore)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 47: OPERATING LEASE

This note explains the impact of the adoption of Ind AS 116, Leases on the Group's financial statements.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

(₹ in Crore)			
Particulars	Note	As at March 31, 2020	As at April 01, 2019
Land	5	163.26	174.59
Buildings	5	24.25	13.21
Plant and machinery	5	0.33	0.38
Office equipment	5	0.10	0.14
Total		187.94	188.32

Lease liabilities

(₹ in Crore)			
Particulars	Note	As at March 31, 2020	As at April 01, 2019
Current	29	4.91	21.50
Non-current	24	33.05	5.13
Total		37.96	26.63

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

(₹ in Crore)		
Particulars	Note	Year ended March 31, 2020
Depreciation charge of right-of-use assets	39	10.44
Interest expense (included in finance costs)	38	2.54
Expense relating to short-term leases (included in other expenses)	40	3.91
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	40	0.39
Total		17.28

(iii) Maturities of lease liabilities as at March 31, 2020:

(₹ in Crore)		
Particulars	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	6.95
Between 1 year and 5 years	22.69	-
5 years and above	27.48	-
Total	50.17	6.95

(iv) Impact on the financial statements due to change in accounting policy on leases

The Group has adopted Ind AS 116 retrospectively from April 01, 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 01, 2019. The new accounting policies are disclosed in note 2.20.

On adoption of Ind AS 116, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 9.00%.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 47: OPERATING LEASE (Contd.)

(a) Practical expedients applied :

In applying Ind AS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at April 01, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

(b) Measurement of lease liabilities:

(₹ in Crore)

Operating lease commitments disclosed as at March 31, 2019 *	
Discounted using the lessee's incremental borrowing rate at the date of initial application	
Add: finance lease liabilities recognised as at March 31, 2019	-
(Less): short-term leases not recognised as a liability	-
(Less): low-value leases not recognised as a liability	-
Add / (less): contracts reassessed as lease contracts	-
Add / (less): adjustments as a result of extension and termination options ^	26.63
Add / (less): adjustments relating to changes in the index or rate affecting variable payments	-
Lease liability recognised as at April 01, 2019	26.63

* The Group'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 or can be terminated at the option of the Group during the tenure of the lease term. Further the Group has not entered into any material financial lease. Accordingly there were no future minimum lease payments under non-cancellable operating leases required to be disclosed under the previous standard Ind AS 17.

^ The Group has extension and termination options available in the lease contracts and the majority of extension and termination options are exercisable by the Group. Accordingly the Group on adoption of Ind AS 116 Leases has recognised such lease liabilities by measuring present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019.

(c) Adjustments recognised in the balance sheet on April 01, 2019

The change in accounting policy affected the following items in the balance sheet on April 01, 2019:

- Right-of-use assets – increased by ₹188.32 Crore
- Prepayments – decreased by ₹161.69 Crore
- Lease liabilities – increased by ₹26.63 Crore

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 48: EMPLOYEE BENEFIT PLANS

48.1 Defined contribution plan:

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

The Group'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 Group's superannuation scheme for qualifying employees is administered through its various superannuation trust funds. The Group'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 Group has no further obligation in respect of such plans beyond the contributions made.

The Group's contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to ₹39.79 Crore (Previous year - ₹37.15 Crore) 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 Group operates through various gratuity trust, a 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 Group 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 Group. In case of death while in service, the gratuity is payable irrespective of vesting.

The Group 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 Group to actuarial risks such as: asset volatility, interest rate risk, longevity risk and salary risk as described below :

Asset volatility

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

Interest risk

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

Longevity risk

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

Salary risk

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at March 31, 2020. 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 purpose of the actuarial valuation were as follows.

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.93%	7.92%
Salary escalation rate	8.50%	8.50%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 48: EMPLOYEE BENEFIT PLANS (Contd.)

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

Balances of defined benefit plan

	As at March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	289.52	244.20
Fair value of plan assets	235.02	225.81
Net (asset) / liability [Refer note 31]	54.50	18.39

(₹ in Crore)

- (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:

	Funded plan - Gratuity	
	As at March 31, 2020	As at March 31, 2019
(1) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	244.20	239.34
Current service cost	12.24	11.49
Interest cost	19.34	18.62
Actuarial (gains) / losses from changes in demographic assumptions	2.39	-
Actuarial (gains) / losses arising changes in financial assumptions	21.64	(2.00)
Actuarial (gains) / losses from experience adjustments	19.92	9.75
Liability transferred in	0.16	-
Liability transferred out	(0.35)	(0.52)
Benefits paid directly by employer	(2.80)	(2.80)
Benefits paid	(27.22)	(29.68)
Obligation at the end of the year	289.52	244.20
(2) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	225.81	228.29
Interest income	17.88	17.76
Return on plan assets (excluding interest income)	(0.65)	(1.85)
Contributions received	19.20	11.29
Benefits paid	(27.22)	(29.68)
Plan assets at the end of the year, at fair value	235.02	225.81
(3) Gratuity cost recognized in the statement of profit and loss		
Current service cost	12.24	11.49
Interest cost, net	1.46	0.86
Net gratuity cost recognized in the statement of profit and loss [Refer note 37]	13.70	12.35
(4) Gratuity cost recognized in the other comprehensive income (OCI)		
Return on plan assets (excluding interest income)	0.65	1.85
Actuarial (gains) / losses	43.95	7.75
Net (income) / expense for the year recognized in OCI	44.60	9.60

(₹ in Crore)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 48: EMPLOYEE BENEFIT PLANS (Contd.)

(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 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 March 31, 2020	As at March 31, 2019
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(11.37)	(6.86)
50 basis points decrease in discount rate	12.37	7.34
50 basis points increase in salary escalation rate	10.43	2.52
50 basis points decrease in salary escalation rate	(13.03)	(11.46)

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 19 years (Previous year - 13 years).
- (i) Expected contribution to the plan for the next annual reporting period is ₹54.60 Crore (Previous year - ₹18.39 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 March 31, 2020	As at March 31, 2019
1 st following year	32.13	36.29
2 nd following year	22.52	20.65
3 rd following year	32.91	36.13
4 th following year	29.19	31.76
5 th following year	27.60	26.97
sum of years 6 to 10 th	96.03	95.14

48.3 Other long-term employee benefit obligations :

The leave obligation covers the Group's liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 49: AUDITORS REMUNERATION (INCLUDING TAXES)

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Audit fees	1.24	1.15
Other services- certificates etc.	0.56	0.30
Reimbursement of expenses	0.25	0.25
	<u>2.05</u>	<u>1.70</u>

NOTE 50: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Gross amount required to be spent by the Group	20.76	20.35
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above [Refer note 40]	20.76	20.49
	<u>20.76</u>	<u>20.49</u>
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornascent Care Institute	17.24	2.70
(ii) UNM Foundation	2.11	4.75
	<u>19.35</u>	<u>7.45</u>

NOTE 51: DONATIONS INCLUDE POLITICAL CONTRIBUTIONS AS UNDER

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Electoral Bonds	35.00	25.00
	<u>35.00</u>	<u>25.00</u>

NOTE 52: EARNINGS PER SHARE

	Year ended March 31, 2020	Year ended March 31, 2019
Basic earnings per share (₹)	24.43	18.70
Diluted earnings per share (₹)	24.43	18.70

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 March 31, 2020	Year ended March 31, 2019
Profit for the year attributable to the Company used in calculation of basic earnings per share (₹ in Crore)	1,174.15	898.94
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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: OPERATING SEGMENTS

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

The Group's operations are wholly confined within India and as such there is no reportable geographical information.

NOTE 54: CERTIFIED EMISSION REDUCTION (CERs)

	Year ended March 31, 2020	Year ended March 31, 2019
No. of CERs inventory	3,052	9,93,052
No. of CERs under certification	3,91,411	-
Inventories of CERs are valued at cost or market price whichever is lower.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES

(a) Names of related parties and description of relationship

1.	Parent Company	Torrent Private Limited @
2.	Associates	Power Grid Corporation of India Limited, Wind Two Renergy Private Limited, Wind Four Renergy Private Limited (upto June 04, 2019), Wind Five Renergy Private Limited (upto August 30, 2019), Nani Virani Wind Energy Private Limited (upto December 15, 2018), Ravapar Wind Energy Private Limited (upto December 15, 2018), Khatiyu Wind Energy Private Limited (upto December 15, 2018)
3.	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, TPG Gratuity Trust, TPG Superannuation Fund, TPL (DGEN) Gratuity Trust, TPL (DGEN) Superannuation Fund
4.	Key management personnel	Samir Mehta Markand Bhatt (upto September 30, 2018) Jinal Mehta
5.	Non-executive directors	Sudhir Mehta Pankaj Patel Samir Barua Kiran Karnik (upto March 31, 2019) Keki Mistry Bhavna Doshi Dharmishta Raval Pankaj Joshi (upto December 17, 2019) Sunaina Tomar (w.e.f. February 13, 2020) Varun Mehta
6.	Relatives of key management personnel *	
7.	Enterprise controlled by relatives of key management personnel *	Munjal Bhatt Architects (upto September 30, 2018)
8.	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

@ Torrent Private Limited changed to Torrent Investments Private Limited w.e.f. April 15, 2020.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19
Nature of transactions										
Sale of cables	-	-	-	-	-	-	0.97	2.46	0.97	2.46
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	0.16	2.43	0.16	2.43
Torrascent Care Institute	-	-	-	-	-	-	0.81	0.03	0.81	0.03
Sale of land	-	-	-	-	-	-	-	91.00	-	91.00
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	91.00	-	91.00
Sale of electricity	-	-	0.23	0.28	0.23	0.28	9.57	9.97	9.80	10.25
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	9.54	9.93	9.54	9.93
Executive and non-executive directors	-	-	0.23	0.28	-	-	-	-	0.23	0.28
UNM Foundation	-	-	-	-	-	-	0.03	0.04	0.03	0.04
Munjial Bhatt Architects	-	-	-	-	-	-	-	*	-	*
Interest Income	6.29	-	-	-	-	-	-	-	6.29	-
Wind Two Rerengy Private Ltd.	6.29	-	-	-	-	-	-	-	6.29	-
Dividend paid	5.38	2.34	-	-	-	-	427.32	128.71	432.70	131.05
Torrent Private Ltd.	-	-	-	-	-	-	427.32	128.71	427.32	128.71
Power Grid Corporation of India Ltd.	5.38	2.34	-	-	-	-	-	-	5.38	2.34
Services provided (rent income including tax)	-	-	-	-	-	-	0.40	0.07	0.40	0.07
UNM Foundation	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Torrascent Care Institute	-	-	-	-	-	-	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.	-	-	-	-	-	-	0.37	0.04	0.37	0.04
Services received / remuneration paid	0.76	1.62	-	-	-	-	1.33	0.94	2.09	2.56
Munjial Bhatt Architects	-	-	-	-	-	-	-	0.47	-	0.47
Power Grid Corporation of India Ltd.	0.76	1.62	-	-	-	-	-	-	0.76	1.62
Varun Mehta	-	-	-	-	-	-	1.33	0.47	1.33	0.47
Transmission income	43.53	46.41	-	-	-	-	-	-	43.53	46.41
Power Grid Corporation of India Ltd.	43.53	46.41	-	-	-	-	-	-	43.53	46.41
Shared expenditure charged to	0.27	0.03	-	-	-	-	-	-	0.27	0.03
Wind Two Rerengy Private Ltd.	0.24	-	-	-	-	-	-	-	0.24	-
Wind Five Rerengy Private Ltd.	0.03	-	-	-	-	-	-	-	0.03	-
Power Grid Corporation of India Ltd.	-	0.03	-	-	-	-	-	-	-	0.03
Transfer of gratuity / leave liability to / (from)	-	-	-	-	-	-	0.29	0.68	0.29	0.68
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	(0.20)	-	(0.20)	-
Torrascent Care Institute	-	-	-	-	-	-	0.07	0.10	0.07	0.10
Mahesh Gas Ltd.	-	-	-	-	-	-	0.01	0.25	0.01	0.25
Torrent Gas Private Ltd.	-	-	-	-	-	-	0.41	0.33	0.41	0.33
Managerial remuneration @	-	-	21.23	41.61	-	-	-	-	21.23	41.61
Samir Mehta	-	-	10.00	10.00	-	-	-	-	10.00	10.00
Markand Bhatt	-	-	-	21.84	-	-	-	-	-	21.84
Jinal Mehta	-	-	11.23	9.77	-	-	-	-	11.23	9.77

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

	Associates				Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.20		Year ended 31.03.19		Year ended 31.03.20		Year ended 31.03.19		Year ended 31.03.20		Year ended 31.03.19	
	Year ended 31.03.20	Year ended 31.03.19			Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19
Commission to non-executive directors ^	-	-	-	-	-	-	6.26	5.91	-	-	6.26	5.91
Sudhir Mehta	-	-	-	-	-	-	5.00	5.00	-	-	5.00	5.00
Samir Barua	-	-	-	-	-	-	0.30	0.16	-	-	0.30	0.16
Kiran Karnik	-	-	-	-	-	-	-	0.16	-	-	-	0.16
Keki Mistry	-	-	-	-	-	-	0.18	0.12	-	-	0.18	0.12
Pankaj Patel	-	-	-	-	-	-	0.17	0.09	-	-	0.17	0.09
Bhavna Doshi	-	-	-	-	-	-	0.29	0.16	-	-	0.29	0.16
Pankaj Joshi #	-	-	-	-	-	-	0.09	0.06	-	-	0.09	0.06
Dharmishtha Raval	-	-	-	-	-	-	0.23	0.16	-	-	0.23	0.16
Sitting fees to non-executive directors ^	-	-	-	-	-	-	0.52	0.68	-	-	0.52	0.68
Samir Barua	-	-	-	-	-	-	0.15	0.14	-	-	0.15	0.14
Kiran Karnik	-	-	-	-	-	-	-	0.12	-	-	-	0.12
Keki Mistry	-	-	-	-	-	-	0.07	0.06	-	-	0.07	0.06
Pankaj Patel	-	-	-	-	-	-	0.06	0.10	-	-	0.06	0.10
Bhavna Doshi	-	-	-	-	-	-	0.12	0.12	-	-	0.12	0.12
Dharmishtha Raval	-	-	-	-	-	-	0.10	0.12	-	-	0.10	0.12
Pankaj Joshi #	-	-	-	-	-	-	0.02	0.02	-	-	0.02	0.02
Donation	-	-	-	-	-	-	-	-	6.00	-	6.00	-
UNM Foundation	-	-	-	-	-	-	-	-	6.00	-	6.00	-
Contribution towards CSR	-	-	-	-	-	-	-	-	19.35	7.45	19.35	7.45
Tornascent Care Institute	-	-	-	-	-	-	-	-	17.24	2.70	17.24	2.70
UNM Foundation	-	-	-	-	-	-	-	-	2.11	4.75	2.11	4.75
Contribution to employee benefit plans (net)	-	-	-	-	25.88	18.46	-	-	-	-	25.88	18.46
TPL (Ahmedabad) Gratuity Trust	-	-	-	-	11.80	10.27	-	-	-	-	11.80	10.27
TPL (Ahmedabad) Superannuation Fund	-	-	-	-	6.00	5.28	-	-	-	-	6.00	5.28
TPL (Surat) Gratuity Trust	-	-	-	-	5.50	0.34	-	-	-	-	5.50	0.34
TPL (Surat) Superannuation Fund	-	-	-	-	1.19	1.11	-	-	-	-	1.19	1.11
TPL (SUGEN) Gratuity Trust	-	-	-	-	0.35	0.21	-	-	-	-	0.35	0.21
TPL (SUGEN) Superannuation Fund	-	-	-	-	0.46	0.47	-	-	-	-	0.46	0.47
TPL (DGEN) Gratuity Trust	-	-	-	-	0.20	0.04	-	-	-	-	0.20	0.04
TPL (DGEN) Superannuation Fund	-	-	-	-	0.34	0.40	-	-	-	-	0.34	0.40
TPG Gratuity Trust	-	-	-	-	-	0.32	-	-	-	-	-	0.32
TPG Superannuation Fund	-	-	-	-	0.04	0.02	-	-	-	-	0.04	0.02
Investment in non-convertible debentures	-	78.30	-	-	-	-	-	-	-	-	-	78.30
Wind Two Renergy Private Ltd.	-	17.94	-	-	-	-	-	-	-	-	-	17.94
Wind Four Renergy Private Ltd.	-	31.18	-	-	-	-	-	-	-	-	-	31.18
Wind Five Renergy Private Ltd.	-	29.18	-	-	-	-	-	-	-	-	-	29.18
Redemption of non-convertible debentures	64.54	-	-	-	-	-	-	-	-	-	64.54	-
Wind Four Renergy Private Ltd.	20.33	-	-	-	-	-	-	-	-	-	20.33	-
Wind Five Renergy Private Ltd.	44.21	-	-	-	-	-	-	-	-	-	44.21	-
Loan Given	153.02	-	-	-	-	-	-	-	-	-	153.02	-
Wind Two Renergy Private Ltd.	153.02	-	-	-	-	-	-	-	-	-	153.02	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19
Loans received back										
Wind Two Renergy Private Ltd.	0.80	-	-	-	-	-	-	-	0.80	-
	0.80	-	-	-	-	-	-	-	0.80	-

^ Excluding Goods and Services Tax.

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

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

Footnote:

Refer note 45 (c) (i) for novation agreement with lender for short term finance facilities obtained by associates.

(c) Key management personnel compensation

	Year ended March 31, 2020	Year ended March 31, 2019
Short-term employee benefits	2123	38.78
Long-term employee benefits	-	2.83
	2123	41.61

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at 31.03.20	As at 31.03.19	As at 31.03.20	As at 31.03.19	As at 31.03.20	As at 31.03.19	As at 31.03.20	As at 31.03.19	As at 31.03.20	As at 31.03.19
Balances at the end of the year										
Current liabilities										
Torrent Power Services Private Ltd.	-	-	-	-	18.76	31.41	0.49	-	19.25	31.41
UNM Foundation	-	-	-	-	-	-	-	-	-	-
Tomascent Care Institute	-	-	-	-	-	-	-	-	-	-
Mahesh Gas Ltd.	-	-	-	-	-	-	0.07	-	0.07	-
Torrent Gas Private Ltd.	-	-	-	-	-	-	0.01	-	0.01	-
Sudhir Mehta	-	-	-	-	-	-	0.41	-	0.41	-
Samir Mehta	-	-	-	-	5.00	5.00	-	-	5.00	5.00
Samir Barua	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Markand Bhatt	-	-	-	-	-	-	-	-	-	-
Jinal Mehta	-	-	-	-	2.50	2.50	-	-	2.50	2.50
Samir Barua	-	-	-	-	0.30	0.16	-	-	0.30	0.16
Kiran Kamik	-	-	-	-	-	0.16	-	-	-	0.16
Keki Mistry	-	-	-	-	0.18	0.12	-	-	0.18	0.12
Pankaj Patel	-	-	-	-	0.17	0.09	-	-	0.17	0.09
Bhavna Doshi	-	-	-	-	0.29	0.16	-	-	0.29	0.16
Pankaj Joshi #	-	-	-	-	0.09	0.06	-	-	0.09	0.06
Dharmishta Raval	-	-	-	-	0.23	0.16	-	-	0.23	0.16
Investment in equities										
Tomascent Care Institute	-	-	-	-	-	-	0.06	0.06	0.06	0.06
UNM Foundation	-	-	-	-	-	-	0.03	0.03	0.03	0.03
Investment in non-convertible debentures										
Wind Two Renergy Private Ltd.	103.78	277.31	-	-	-	-	-	-	103.78	277.31
Wind Four Renergy Private Ltd.	103.78	97.21	-	-	-	-	-	-	103.78	97.21
Wind Five Renergy Private Ltd.	-	91.23	-	-	-	-	-	-	-	91.23
Loans (current)										
Wind Two Renergy Private Ltd.	0.07	-	-	-	-	-	-	-	0.07	-
Loans (non-current)										
Wind Two Renergy Private Ltd.	157.88	-	-	-	-	-	-	-	157.88	-
Trade and other receivables										
Tomascent Care Institute	10.68	11.71	-	-	-	-	0.83	0.77	11.51	12.48
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	0.83	0.74	0.83	0.74
Power Grid Corporation of India Ltd.	10.68	11.71	-	-	-	-	-	-	10.68	11.71

Sitting fees and Commission of 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW

(a) Capital management

The Group 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 Group'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 Group's management reviews the capital structure of the Group 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 Group'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 year is as follows.

	(₹ in Crore)	
	As at March 31, 2020	As at March 31, 2019
Debt	8,897.90	9,454.67
Total equity	9,706.94	10,552.13
Debt to equity ratio	0.92	0.90
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 group has complied with financial covenants specified as per the terms of borrowing facilities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

(b) Categories of financial instruments

(₹ in Crore)

	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Cash and cash equivalent	91.16	91.16	116.07	116.07
Bank balance other than cash and cash equivalents	189.10	189.10	211.93	211.93
Investment in bonds and debentures	115.89	115.89	287.50	287.50
Trade receivables	1,279.75	1,279.75	1,229.69	1,229.69
Loans	191.57	191.57	31.81	31.81
Other financial assets	1,926.42	1,926.42	1,909.99	1,909.99
	3,793.89	3,793.89	3,786.99	3,786.99
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	607.59	607.59	626.86	626.86
Investment in equity instruments #	0.06	0.06	0.06	0.06
	607.65	607.65	626.92	626.92
Financial liabilities				
Measured at amortised cost				
Borrowings	7,799.58	7,862.20	8,876.50	8,907.49
Trade payables	1,147.62	1,147.62	919.09	919.09
Other financial liabilities	2,822.85	2,822.85	2,417.93	2,417.93
	11,770.05	11,832.67	12,213.52	12,244.51

Other than equity instruments in 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2020	As at March 31, 2019		
Investment in mutual fund units	607.59	626.86	Level 1	Quoted bid prices in an active market
	<u>607.59</u>	<u>626.86</u>		

(₹ in Crore)

(2) Financial liabilities at amortised cost

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2020	As at March 31, 2019		
Fixed rate borrowings (Non-convertible debentures)	1,527.62	1,125.99	Level 2	Inputs other than quoted prices that are observable
	<u>1,527.62</u>	<u>1,125.99</u>		

(₹ in Crore)

(d) Financial risk management objectives

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations, routine and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group'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 Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Foreign currency risk

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

Unhedged foreign currency exposures

Nature of transactions	Currency	(in Crore)	
		As at March 31, 2020	As at March 31, 2019
Financial liabilities			
Trade payable	USD	0.43	0.93
Trade payable	EURO	2.37	1.71
Capital liability (*7,430 EURO)	EURO	*	0.01
Trade payable	CHF	-	0.02

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group 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 Group's fixed and floating rate borrowings:

	(₹ in Crore)	
	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings ^	1,485.64	1,119.46
Floating rate borrowings ^	7,415.54	8,635.26
	<u>8,901.18</u>	<u>9,754.72</u>
^ 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.

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Impact on profit before tax - increase in 50 basis points	(37.08)	(43.18)
Impact on profit before tax - decrease in 50 basis points	37.08	43.18

Credit risk

Trade receivables

(1) Exposures to credit risk

The Group 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

(2) Credit risk management

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Group 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 March 31, 2020 and March 31, 2019. However, the Group is dependent on the domestic market for its business and revenues.

The Group'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, Group generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements

The Group 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 Group 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 March 31, 2020

	(₹ in Crore)	
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,307.42	88.93
More than 6 months but less than or equal to 1 year	75.19	38.77
More than one year	132.94	108.10
	<u>1,515.55</u>	<u>235.80</u>

As at March 31, 2019

	(₹ in Crore)	
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,194.93	28.56
More than 6 months but less than or equal to 1 year	83.47	26.18
More than one year	104.66	98.63
	<u>1,383.06</u>	<u>153.37</u>

(5) Movement in the expected credit loss allowance

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	153.37	135.93
Movement in expected credit loss allowance on trade receivable calculated, net	82.43	17.44
Closing balance [Refer note 14]	<u>235.80</u>	<u>153.37</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Other financial assets

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

Liquidity risk

Liquidity risk is the risk that the Group 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 Group 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 Group'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 Group can be required to pay. The tables include both interest (accrued upto March 31, 2020) and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

As at March 31, 2020

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings ^	-	3,238.30	4,584.45	7,822.75
Trade payables ^	-	73.88	61.40	135.28
Other financial liabilities	-	22.93	27.48	50.41
	-	3,335.11	4,673.33	8,008.44
Current financial liabilities				
Borrowings	3.28	-	-	3.28
Trade payables	1,037.91	-	-	1,037.91
Other financial liabilities ^	2,795.87	-	-	2,795.87
	3,837.06	-	-	3,837.06
Total financial liabilities	3,837.06	3,335.11	4,673.33	11,845.50

^ Gross amount including unamortised expense.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

As at March 31, 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 ^	-	3,208.70	5,402.08	8,610.78
Trade payables ^	-	64.99	76.68	141.67
Other financial liabilities	-	0.24	-	0.24
	-	3,273.93	5,478.76	8,752.69
Current financial liabilities				
Borrowings	300.05	-	-	300.05
Trade payables	809.75	-	-	809.75
Other financial liabilities ^	2,422.93	-	-	2,422.93
	3,532.73	-	-	3,532.73
Total financial liabilities	3,532.73	3,273.93	5,478.76	12,285.42

^ Gross amount including unamortised expense.

NOTE 57: IMPACT OF COVID 19 PANDEMIC

The spread of COVID-19 disease has severely impacted economies, businesses and social set ups across the globe and in India. The spread of COVID-19 and the consequent lock-downs, disruptions in transportation and supply chains, travel bans, quarantines, social distancing and other such emergency measures have caused widespread disruptions in the economy and businesses. The resultant situation is a VUCA situation - Volatile, Uncertain, Complex and Ambiguous and continuously evolving, with no clear visibility of the near to medium term future outlook. In this backdrop, the Group has considered various internal and external information available up to the date of approval of consolidated financial statements in assessing the impact of COVID-19 pandemic in the consolidated financial statements for the year ended March 31, 2020.

The Group is predominantly engaged in the business of generation, distribution and transmission of electricity. Since electricity has been categorised as an essential service, the Group is in a position to generate and supply power to its customers in the cities of Ahmedabad, Gandhinagar, Surat and Dahej SEZ in Gujarat, Bhiwandi, Shil, Mumbra and Kalwa in Maharashtra and Agra in Uttar Pradesh.

However, the disruption has caused a dramatic reduction in immediate electricity demand, mainly in commercial and industrial categories. Based on current assessment, this situation will likely prevail throughout FY 2020-21, with a gradual pick up in electricity demand after the lockdown and associated restrictions are eased.

Management has carried out a detailed assessment of its liquidity position for the next one year from the date of approval of the consolidated financial statements and of the recoverability and carrying values of Property, Plant & Equipment, Trade receivables, Inventory, and Investments as at the balance sheet date.

Based on the Group's liquidity position at March 31, 2020 and review of cash flow projections (after applying sensitivity analysis) over the next twelve months, the management believes the Group will have sufficient liquidity to operate its businesses in the ordinary course.

Management has performed an impairment assessment of Property, Plant & Equipment and has concluded that no significant adjustments are required to the carrying values of such assets, beyond the impairment charge recorded in these consolidated financial statements.

Based on assessment of the management, an adequate provision for doubtful debts pertaining to its franchised distribution business units has been made in the consolidated financial statements, after factoring an anticipated reduction in collection efficiency in those areas. In case of licensed distribution business, no additional bad debt provision is required due to largely unaffected collection efficiency and availability of adequate security deposits from customers.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 57: IMPACT OF COVID 19 PANDEMIC (Contd.)

Management has performed a physical inventory verification for most of its locations around the year end and for some locations at a date subsequent to the year end in order to obtain comfort over existence and condition of Inventory after applying roll forward and Roll back, procedures as appropriate. No additional provision is required to the carrying amount of inventory on account of COVID 19 as the inventory has been moving in the ordinary course post the year end.

Group's investments are in Overnight debt Funds and in Inter-corporate deposits which are carried at their fair values or amortised cost at March 31, 2020. Management does not foresee any risk of non-recoverability of such investments.

Management believes that it has taken into account all the known impacts arising from COVID 19 pandemic in the preparation of the consolidated financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Group, if any. The eventual outcome of the impact of the COVID 19 pandemic on the Group's business may be different from that estimated as on the date of approval of these consolidated financial statements.

NOTE 58: PROVISION FOR ONEROUS CONTRACTS

The Group has made provisions of ₹189.78 Crore in respect of certain onerous contracts, towards potential damages and provisions of ₹23.03 Crore in respect of other project related costs, arising from expected delays or failure to set up certain wind power generation capacities, awarded to the Group in a prior period under a competitive bidding process.

NOTE 59: CHANGE DUE TO TRANSITION TO IND AS - 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

- (a) During previous year, the Group has adopted Ind AS 115, Revenue from Contracts with Customers, from April 01, 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 Group 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 Group has adopted Ind AS 115 retrospectively with the cumulative effect of initial application recognized in the opening retained earnings on April 01, 2018. The Group 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 Group has not recognized those truing up adjustment claims which are subject of dispute and for which the Group is in appeal with regulatory authorities.

Due to the application of Ind AS 115, as at April 01, 2018, Retained Earnings are higher by ₹647.12 Crore, unbilled revenue higher by ₹637.15 Crore and sundry payables lower by ₹9.97 Crore.

- (b) Movement in recoverable from consumers and liabilities towards consumers

Particulars	(₹ in Crore)	
	As at March 31, 2020	As at March 31, 2019
Opening balance	1,435.11	441.42
Add: Transition to Ind AS 115	-	647.12
Add: Income accrued during the year as per tariff regulations / orders	2,491.78	2,542.79
Less: Amount billed during the year to the consumers as per tariff orders	(2,428.17)	(2,196.22)
Closing balance	<u>1,498.72</u>	<u>1,435.11</u>
Disclosed under		
Unbilled revenue [Refer note 18]	1,506.47	1,459.83
Sundry payables [Refer note 29]	(7.75)	(24.72)
	<u>1,498.72</u>	<u>1,435.11</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 60: SCHEME OF ARRANGEMENT

The Board at its meeting dated November 05, 2019, has approved the Scheme of Arrangement ("Scheme") for transfer and vesting of Cable Business Undertaking of the Company to TCL Cables Private Limited, a wholly owned subsidiary (w.e.f. November 05, 2019) of the Company, on a going concern basis by way of slump sale with effect from the appointed date of April 01, 2020 for a lump sum consideration of ₹214.50 Crore (to be adjusted for change in working capital), under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company has got the approval of BSE Limited and National Stock Exchange of India Limited. The Company has filed the application to National Company Law Tribunal (NCLT) for its approval. The Scheme is subject to requisite regulatory and other approvals, pending which no adjustments are required to be made in the financial statements for year ended March 31, 2020.

The key financial data as per books pertaining to the Cables Business Undertaking (including inter unit transactions) for the relevant periods presented in the Statement of results are as follows:

	(₹ in Crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	440.03	358.02
Profit before tax	20.95	1.58
Total assets	280.43	277.93
Total liabilities	30.76	40.94

NOTE 61:

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

NOTE 62: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on May 18, 2020.

Signature to Note 1 to 62

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Pradip Kanakia
Partner
Membership No.: 039985

Sanjay Dalal
Chief Financial Officer

Rahul Shah
Company Secretary

Bengaluru, May 18, 2020

Ahmedabad, May 18, 2020

FORM AOC-1

Statement pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014:

(a) Statement containing salient features of the financial statement of subsidiaries

1.	Name of Subsidiary Company	Torrent Power Grid Limited	Torrent Pipavav Generation Limited	Torrent Solargen Limited	Jodhpur Wind Farms Private Limited	Latur Renewable Private Limited	TCL Cables Private Limited
2.	Financial year ended on	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
3.	Share capital	90.00	50.00	80.05	111.00	110.00	2.00
4.	Reserves and surplus	40.23	(15.11)	(74.69)	5.40	5.85	0.01
5.	Total assets	202.34	94.31	943.35	469.78	458.85	2.03
6.	Total liabilities (excluding share capital and reserves and surplus)	72.11	59.42	937.99	353.38	343.00	0.02
7.	Investments	32.39	-	69.06	2.01	-	1.93
8.	Turnover (Revenue from operations)	43.66	-	20.22	65.43	69.27	-
9.	Profit / (loss) before taxation	18.85	(1.61)	(99.14)	10.27	14.89	0.01
10.	Provision for taxation (including deferred tax)	0.37	-	(18.76)	3.00	3.88	*
11.	Profit / (loss) after taxation	18.48	(1.61)	(80.38)	7.27	11.01	0.01
12.	Other comprehensive income (net of tax)	(0.02)	-	-	-	-	-
13.	Total comprehensive income	18.46	(1.61)	(80.38)	7.27	11.01	0.01
14.	Proposed dividend	9.90	-	-	-	-	-
15.	Extent of shareholding (in percentage)	74.00%	95.00%	100.00%	100.00%	100.00%	100.00%
Footnote :							
1. Torrent Pipavav Generation Limited is yet to commence its operations.							
* figures below ₹50,000							

FORM AOC-1 (Contd.)**(b) Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Companies**

Name of Associates		Wind Two Renergy Private Limited	(₹ in Crore)
1.	Latest audited balance sheet date	March 31, 2020	
2.	Date on which the associate was associated or acquired	December 12, 2017	
3.	Shares of associate held by the company on the year end		
	(i) Numbers	-	
	(ii) Amount of investment in associates	-	
	(iii) Extend of holding (in percentage)	0%	
4.	Description of how there is significant influence	The Company has acquired certain rights which include the right to nominate directors on the board. Considering the said facts and based on the requirements of Ind AS, Company has significant influence in the above companies.	
5.	Reason why the associate is not consolidated	As the Company does not have equity interest in the companies, the Company does not have any share in the profit, loss or comprehensive income of the entities and accordingly, there is no impact on the Consolidated Statement of Profit and Loss.	
6.	Networth attributable to shareholding as per latest audited balance sheet	-	
7.	Profit / (loss) for the year	-	
	(i) Considered in consolidation		
	(ii) Not considered in consolidation	(3.39)	
Footnote :			
1.	During the year, Wind Four Renergy Private Limited and Wind Five Renergy Private Limited have ceased to be associates of the Company. There is no impact of this development on the consolidated financial results for the year ended March 31, 2020.		

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Sanjay Dalal
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 18, 2020

5 YEARS' HIGHLIGHTS - CONSOLIDATED

Particulars	UoM	2019-20	2018-19	2017-18	2016-17	2015-16
TECHNICAL DATA						
Generation Capacity	MW	3,879	3,703	3,721	3,556	3,334
Units Dispatched by Generating Stations	MUs	12,168	10,004	9,671	7,543	9,362
Units Purchased	MUs	7,219	8,125	8,046	8,986	7,504
Units Sold	MUs	18,310	16,678	15,957	14,454	14,673
No. of Consumers	Mn	3.65	3.32	3.23	3.12	3.03
KEY FINANCIALS						
Total Income	₹ in Crore	13,818	13,341	11,776	10,191	11,998
EBITDA	₹ in Crore	3,734	3,389	3,381	2,651	3,336
Profit Before Exceptional Items and Tax	₹ in Crore	1,475	1,264	1,401	587	1,297
Total Comprehensive Income (after Non-controlling interests)	₹ in Crore	1,145	893	956	423	893
Equity Share Capital	₹ in Crore	481	481	481	481	481
Other Equity (Reserves and Surplus)	₹ in Crore	8,673	8,490	7,239	6,411	5,990
Loan Funds (Gross)	₹ in Crore	8,901	9,755	9,337	8,810	8,565
Fixed Assets	₹ in Crore	18,137	18,373	18,263	17,136	15,343
KEY FINANCIAL RATIOS						
EBITDA / Total Income	%	27.02	25.40	28.71	26.01	27.80
Net Profit Margin #	%	8.22	7.41	9.59	4.47	8.65
Return on Net Worth *#	%	11.05	9.54	12.62	5.57	13.22
Return on Capital Employed *#	%	9.32	8.23	9.62	7.31	11.21
Long Term Debt Equity Ratio *		0.92	0.90	1.01	1.06	1.10
Earnings Per Share	₹	24.43	18.70	19.61	8.93	18.73
* Deferred Tax Liability is included as a part of Equity						
# Excluding Exceptional Items						

NOTES

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NOTES

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NOTES

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Caring Actions With Compassionate Human Touch



Torrent Group sees its businesses as being a symbiotic part of the larger civil society; the businesses flourish because of society and therefore carry the responsibility of sharing its prosperity with the disadvantaged and other affected sections of the society. The Group not only spends the statutory outgo of 2% of its net profits on CSR activities but goes beyond, both in terms of committing higher financial resources and employee participation in CSR activities. In furtherance of its objective of wider community development, under the umbrella of REACH (Reach Each Child) programme, "Rangtarang" an integrated medical complex was built adjacent to SUGEN Power Plant at an aggregate capital cost of ₹135 Crore. "Rangtarang" houses "Balsangam", a new 150 bed paediatric hospital and "Sumangal", a multispeciality day care clinic for all. Everyday more than 400 beneficiaries, otherwise deprived of access to good medical facilities, from around 500+ surrounding villages take benefit of free-of-cost medical facilities. The other CSR programmes of the Group are "Shardashish" - refurbishing and upgrading primary & secondary schools, "Shiksha Setu" - aimed at enhancing teaching and learning outcomes in municipal / government schools, "Pratiti" - building and maintaining public gardens in Ahmedabad and "Abhivyakti" - promoting arts and culture amongst the citizenry. Caring Actions go beyond general CSR activities and also involve working towards maximising customer satisfaction, fair and ethical work environment for employees and conducting businesses in a socially responsible manner.



Committed Actions Through Efficient And Ethical Governance

The main pillar of a sustainable business is good governance – running the business efficiently and ethically. Good governance ensures long term growth in business to the benefit of all stakeholders - capital providers, customers, suppliers, employees and the society. Torrent Group adopts high standards in business governance – having an Independent Board providing oversight to Management, Holistic Risk Management, Rational Capital Allocation & Efficient Operations, Strong Compliance Practices and High Standards of Probity among those charged with running the business. Our Core Values and Code of Conduct are the beacons for ethical governance and accountability.

Our Core Values		
 Integrity	 Passion for Excellence	 Participative Decision-Making
 Concern for Society & Environment	 Fairness with Care	 Transparency

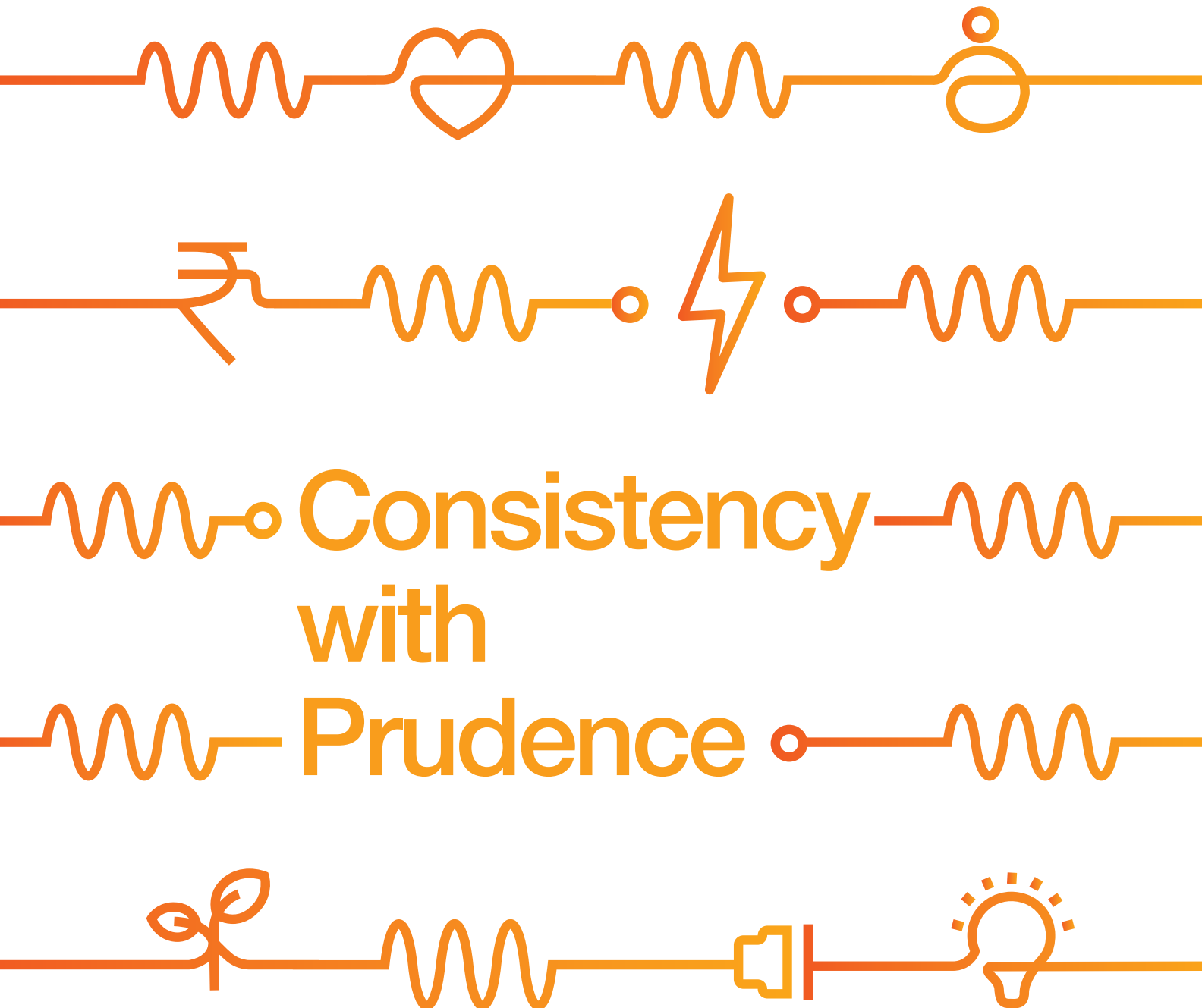


TORRENT POWER LIMITED

CIN : L31200GJ2004PLC044068

'Samanvay', 600, Tapovan, Ambawadi, Ahmedabad- 380015,
Gujarat, India

Phone: +91 79 26628300, Website: www.torrentpower.com,
Email: cs@torrentpower.com



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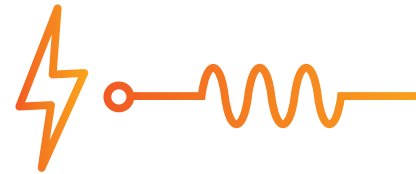
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Highlights FY 2020-21

A Year of Resilient Performance



₹20,365 CR
Market Cap
[3 year CAGR – 23%]

₹28,174 CR
Enterprise Value
[3 year CAGR – 11%]

700 MW
Solar projects won through
auctions during FY 2020-21
[PPA for 400 MW signed]

₹12,173 CR
Revenue from Operations

₹3,607 CR
EBITDA

₹1,300 CR
Total Comprehensive Income

12.42%
Return on Net Worth
vs. 11.05% in FY20

10.01%
Return on Capital Employed
vs. 9.32% in FY20

1.98
Net Debt to EBITDA
vs. 2.18 in FY20

0.73
Debt to Equity Ratio
vs. 0.92 in FY20

₹1,358 CR
Capital Expenditure

₹62 CR
Expenditure towards
community

Emerged as the successful bidder for 51% stake in licensed distribution operations in the UT of Dadra and Nagar Haveli and Daman and Diu.

First power distribution company in India to achieve the prestigious 5-star rating in the health & safety audit conducted by British Safety Council



Consistency with Prudence

Energy drives a nation’s progress and powers its aspirations, prospects and development. As one of India’s leading private sector energy companies, we are proud of contributing to India’s future. We have earned the distinction of being one of the best-run power utilities in the country by virtue of our prudent approach to business that has allowed us to deliver consistent outcomes to our stakeholders.

An unbridled passion for excellence and deep-rooted concern for society & environment helped Torrent Power grow steadily. We have delivered consistent results over the years by managing operations efficiently, enhancing customer services and enhancing social & economic benefits while minimising environmental impact.

Even during the challenging FY 2020-21, we emerged with increase in profitability, while ensuring 24x7 power supply in the regions we operate. Prudent practices such as standardisation, stringent monitoring & refining of processes and use of modern technology have resulted in significant improvement in reliability, reduction in restoration time, and improvement in quality of power across geographies.

With consistent efforts over the years, we have today evolved into a lifeline that continues to uninterruptedly empower lives and businesses.



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Gensu Plant



At a Glance

Powering with Promise

Torrent Power Limited is a leading integrated power utility in India with all-round experience in generation, transmission and distribution of power. Our operations are spread across the states of Gujarat, Maharashtra, Uttar Pradesh and Karnataka.


We have aggregate operational generating capacity of 3,879 MW with a unique mix of coal-based, gas-based, solar and wind power plants. Our advanced technology and efficient operations have enabled us to achieve new benchmarks in excellence in our generation as well as distribution assets. The licensed areas of Ahmedabad, Gandhinagar, Surat and Dahej SEZ offer to its customers best-in-class power availability of >99.9% along with T&D losses of ~5.5%, one of the lowest across the globe. We maintain a 24x7 power supply in our areas of operations and take pride in our operational track record and customer service. We are currently focused on significantly scaling up our Renewable Business and developing electricity supply infrastructure at Dholera SIR and streamlining operations at franchised area of Shil, Mumbra and Kalwa.

Through operational excellence and service, our licensed distribution utility was assessed as the first Indian power distribution company to achieve the prestigious 5-star rating in the health & safety audit conducted by British Safety Council, an independent body for workplace safety assessment. Today, we are well-aligned to contribute as per the Sustainable Development Goals set out by the United Nations.




View of Amgen Plant

Torrent Power – Quick Facts




3,879 MW

Operational generation capacity




815 MW

Renewable generation capacity under development




3.71 MN

Total consumers




14.5 BN

Units power distributed in licensed and franchised area




5.5%

T&D loss at Licensed Distribution, among the lowest in the country




>99%

Power reliability, among the highest in the country



24X7

Power availability in its areas of operations



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Integrated to Deliver Excellence

WIND

- Jamnagar, Gujarat
Wind (49.6 MW)
- Kutch, Gujarat
Wind (251.6 MW)
- Rajkot, Gujarat
Wind (50.9 MW)
- Bhavnagar, Gujarat
Wind (50.4 MW)
- Osmanabad, Maharashtra
Wind (126 MW)
- Gulbarga and Raichur, Karnataka
Wind (120 MW)

GAS

- Kamrej, Surat, Gujarat
SUGEN and UNOSUGEN (1,530 MW)
- Dahej, Bharuch, Gujarat
DGEN (1,200 MW)

COAL

- Sabarmati, Ahmedabad, Gujarat
Amgen (362 MW)

SOLAR

- Patan, Gujarat
Solar (51 MW)
- Kamrej, Surat, Gujarat
Solar (87 MW)

POWER GENERATION

DISTRIBUTION LICENSEE

DISTRIBUTION FRANCHISEE

AGRA, UTTAR PRADESH

AHMEDABAD, GUJARAT

DAHEJ SEZ, GUJARAT

SURAT, GUJARAT

BHIWANDI, MAHARASHTRA

SHIL-MUMBRA-KALWA, MAHARASHTRA

DHOLERA SIR, GUJARAT



Credos

Our Core Values

We believe in and build upon six core values of Integrity, Passion for Excellence, Participative Decision Making, Concern for Society & Environment, Fairness with Care and Transparency.

Each of these timeless values act as our pillars of strength and ensure our longevity.

 Integrity	 Passion for Excellence	 Participative Decision-Making
 Concern for Society & Environment	 Fairness with Care	 Transparency

 INTEGRITY When truth is paramount Thoughts and actions entail doing the right thing at all times and in all circumstances, whether or not anyone is watching. This requires inner courage and conviction, no matter what the consequences are. It is honouring one's commitments and being accountable for one's actions, end-to-end.	 PASSION FOR EXCELLENCE When best is not enough Passion for excellence means not doing extra-ordinary things, but doing ordinary things in all pursuits exceedingly well. Passion and excellence are forces that fuel each other on the exclusive path to leadership. As we are what we repeatedly do, excellence then is not an act, but a habit.	 PARTICIPATIVE DECISION-MAKING Involvement that engenders effectiveness An ideal organisation facilitates participation and involvement of each of its members in various decision making processes, thus ensuring their commitment to such decisions as well as their outcome. It provides a platform for seeking and nurturing constructive ideas from individuals, teams and units which eventually yields exceptional results.
 CONCERN FOR SOCIETY AND ENVIRONMENT When every smile matters Concern for Society & Environment is a sense of responsibility and contribution to society that defines our existence. It entails making a difference in the quality of lives and environment surrounding us. It is important to encourage fellow-members on collective as well as individual basis to fulfil the responsibility of leaving behind a world rich in flora and fauna and rich in time tested values and ideals and above all, rich in social fervour for our future generations.	 FAIRNESS WITH CARE Harnessing equality Fairness and Care towards all fellow members are inextricably linked. Weaving the threads of equality, irrespective of caste, creed, religion and gender, into the day to day fabric, ensures fairness for each and every individual. Empathic care recognises the needs and aspirations of all. Only such fairness and care eventually lead fellow members to the dawn of eternal success.	 TRANSPARENCY Openness that builds enduring trust Transparency implies openness. It is the opposite of secrecy. It encourages more informed decision making and aids in creating enduring trust among all stakeholders.

Our Core Values,
that are timeless and well founded,
ensure our longevity

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Board of Directors

Leadership with a Difference

Our Board of Directors is the highest authority in matters of governance and management of the Company. We are led by a team of finest experts chosen from diverse backgrounds and qualifications to ensure a balance between industry knowledge, expertise and diversity. The Board and its Committees are fully equipped to effectively guide us to achieve excellence and create value for all our stakeholders.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- C

 Chairperson
- M

 Member



Sudhir Mehta,
Chairman Emeritus
Non-Executive Director (Promoter)
M



Samir Mehta
Chairperson (Promoter)
M



Pankaj Patel
Independent Director
C C



Samir Barua
Independent Director
C M C



Keki Mistry
Independent Director
M



Bhavna Doshi
Independent Director
M C M



Dharmishta Raval
Independent Director
M M



Jinal Mehta
Managing Director (Promoter)
M M



Sunaina Tomar
Non-Executive Director, Nominated by Govt. of Gujarat (a shareholder) (Resigned wef June 15, 2021)



Usha Sangwan
Independent Director (Appointed wef May 21, 2021)



Chairman's Message

Braving Every Storm

with Consistency and Prudence



Dear Stakeholders,

FY 2020-21 has been a unique and unexpectedly challenging year in all respects. In fact, it has also been a period of learning and transforming. The pandemic reinforced the importance of 24x7 power supply, not only for emergency and essential services sectors such as healthcare, but also for the everyday functioning of businesses with increase in adoption of the work-from-home model.

At Torrent Power, we served as an enabler of this shift, providing round-the-clock electricity to all our consumers. We proactively adapted to the changing times, taking strategic measures to combat various challenges that arose across our operations, workforce, and communities. Despite these testing times, we remain optimistic about creating a strong and resilient future for all our stakeholders, and advancing towards a sustainable tomorrow.

A DYNAMIC EXTERNAL ENVIRONMENT

Over the last year, the global energy sector has undergone a great deal of change, particularly with respect to tackling the threat of climate change and the unprecedented disruptions caused by the COVID-19 pandemic. The impact the pandemic has had on lives and livelihoods is far-reaching, perhaps irrevocable and the world is now recovering from its devastating effects, albeit in myriad ways across different

geographies. Sustainable and uninterrupted power is key to this recovery as the governments around the world announce and execute large-scale public expenditure programmes and revive commercial activity. Even as power companies respond to this need, energy transition, which lays emphasis on non-conventional sources of energy, will shape the way they plan, operate and execute business.

Two extremely positive developments have stood out with regard to India's energy system. First being, India's success in bringing electricity connections in mission mode, to hundreds of millions of its citizens in recent years. This has truly set the ground for the country's next phase of growth, powering the urban and rural economy alike. Second encouraging development is the way in which India has grasped the transformative potential of renewable energy (RE) across the country and is working towards a 175 GW RE target by 2022. This aligns with the country's future goals and dovetails into the global agenda of decarbonisation.

Indian power sector saw a boom since the late 1990s, and has been responsible for more than 10% of the increase in global energy demand since 2000. Per capita energy demand has grown by more than 60% since then. However, Indians still consume less energy on per capita basis than their counterparts elsewhere in the world, and much less than in advanced economies. There has been a paradigm

Although the past year has been an exceptionally difficult one, we have strived to grow consistently and prudently on all fronts. We have proven our mettle as an integrated power company.

shift in the consumption pattern since the onset of the pandemic. India saw a 5% fall in energy demand from 2019 levels with the onset of the pandemic. Coal and oil sector took the biggest hit although the natural gas demand has been resilient, as low prices have offset some of the forces driving down demand. Renewables have done fairly well, with a growth of 15% from wind and solar.

FY 2020-21 AT TORRENT POWER

Despite significant impact of the pandemic on our distribution franchisee business and limited impact on our generation and licensed distribution business, we achieved 13% increase in Total Comprehensive Income for the reporting year. This was mainly due to certain factors such as higher recovery of carrying cost pertaining to earlier years due to favourable orders and decrease in interest costs, among others. Post lockdown and subsequent disruptions, economic revival has resulted in an increase in demand for electricity in all our distribution areas, with demand in Q4 FY 21 at higher levels than the comparable quarter of previous year.

The pandemic has brought its own set of challenges from an operations point of view. While we continue to work to ensure business continuity, we took immediate adaptive measures, setting a contingency plan in action and digitising our systems. This helped us ensure the same high quality of power supply and world-class services with limited manpower and a disrupted supply chain, and, at the same time, ensuring health and safety of employees, vendors and customers. Despite operating across widely dispersed and distributed geographies, our strong foundation and sound principles ensured for us a remarkable recovery (after an initial decline in revenues) as volumes increased and the situation is gradually returning to normal. Along with this, our robust business continuity and emergency response mechanism made it possible for us to supply uninterrupted power. We continued delivering uninterrupted power to our consumers even amid the destructive 'Tauktae' storm in May 2021.

During the year, Torrent Power emerged as the highest bidder for the sale of 51% stake in a power distribution company having distribution license for a term of 25 years in Dadra and Nagar Haveli and Daman and Diu. The company covers an area of 603 sq km and serves around 1.5 lakh customers. The acquisition of this stake will significantly strengthen our position as one of the leading power distribution companies in the country. The takeover of the operations is currently sub-judice. We also submitted a bid for 100% stake in the power distribution licensee in the Union Territory of Chandigarh, the result of which is awaited.

Starting with a 50 MW wind power plant in 2012, we continue to expand our renewables portfolio. As of FY 2020-21, we have executed renewable projects, aggregating to around

787 MW, spanning solar and wind energy. An additional 815 MW renewable capacity is also being added to our portfolio through projects won under competitive bidding.

ADVANCING TOWARDS A SUSTAINABLE FUTURE

Although the past year has been an exceptionally difficult one, we have strived to grow consistently and prudently on all fronts. We have proven our mettle as an integrated power company. We believe in growing with others and we understand the impact of our activities on the environment as well as on the lives of our stakeholders. We ensure that decisions are taken keeping in mind the best interests of everyone, including the environment. We have taken measures to reduce our emissions, recycle our precious resources and move towards more cleaner sources of energy. Key facts and figures on our journey to sustainability have been furnished throughout this Report.

Adhering to our commitment to ensure the safety of all our stakeholders, we have become the first power distribution company in India to achieve the prestigious 5-star rating in the health & safety audit conducted by the British Safety Council.

In FY 2020-21, we continued to deliver significantly for our communities, who form an integral part of the Torrent ecosystem. Under the aegis of our Group, our CSR activities have been focused on the three thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. One of the major CSR programmes is REACH, focusing on paediatric care. It brings me immense pleasure to note that it is making significant positive impact within the communities we interact with.

PARTNERING INDIA'S GROWTH

Looking ahead, I can see India's power sector continuing to play an enabling role in the country's future ambitions, with additional emphasis on energy transition. At Torrent Power, we are confident of being a partner in this transition and growth story. Our focus is to grow our renewables, transmission and distribution portfolio.

I would like to take this opportunity to express my sincere gratitude to our shareholders, bankers, customers, Board of Directors and our committed employees for their unrelenting dedication, support, and commitment. As we power through our next phase of growth, I look forward to your continued cooperation.

Best wishes,
Samir Mehta
Chairman

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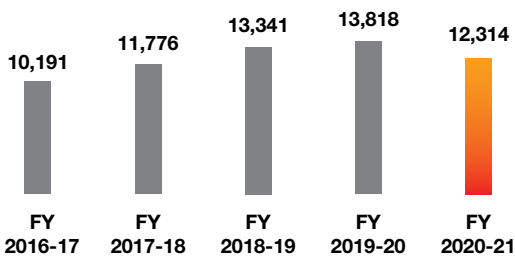
Striking the Right Balance

At Torrent Power, we are conscious that the financial fitness of an enterprise is the key to ensure its long-term viability. We thus continue to make the best use of our resources while scaling up the business to generate prudent returns.

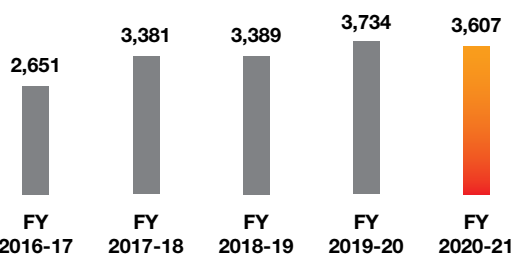
We value the trust of our shareholders as well as our stakeholders and we strive to create value for them, irrespective of the external challenges. This year was not different. Despite the enormous challenges, we present to our shareholders a healthy balance sheet, which in fact one of the best in the Indian power sector.

Over the years, rational capital allocation decisions have led to strong cash flow generation and consistent returns for our shareholders. This is evident from the high return on Net Worth of 12.42%, low Net Debt to EBITDA ratio of 1.98 and a 13% rise in our Total Comprehensive Income (TCI) in FY 2020-21, which was an extremely challenging year due to the pandemic. Our timely risk management actions during the year ensured minimum disruption to business while enabling us to create maximum value for our stakeholders. We continue to channelise our efforts towards expanding our distribution, transmission and renewable portfolio with a focus on ensuring sustainable future.

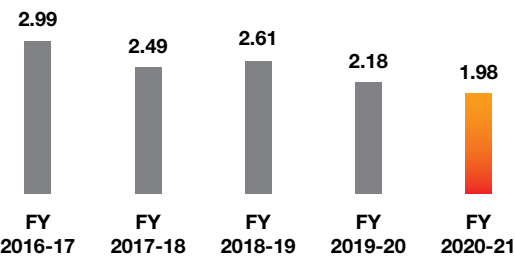
Total Income (₹ in Crore)



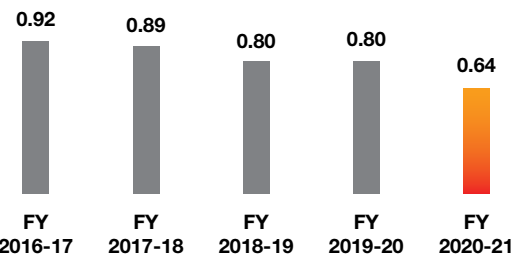
EBITDA (₹ in Crore)



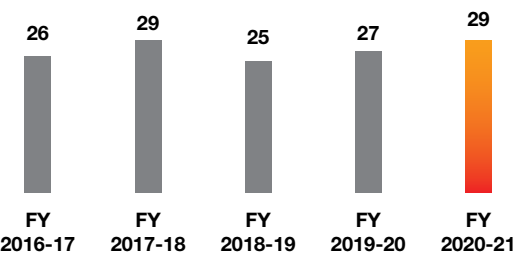
Net Debt to EBITDA



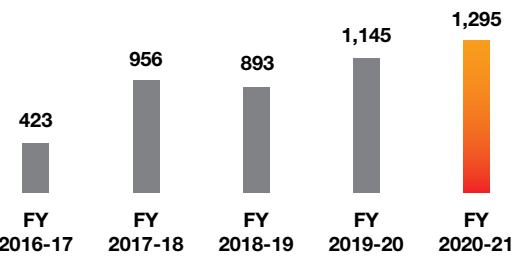
Net Debt to Equity



EBITDA Margin (in %)

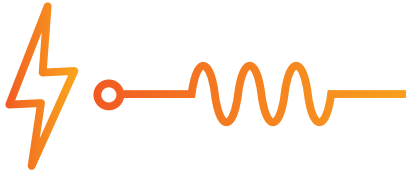


TCI* (₹ in Crore)



*Without Minority Interest

Note: From 1st April 2018, we adopted Ind AS 115, Revenue from Contracts with Customers, hence the numbers of previous periods are not comparable.



Operational Performance

Building blocks of the growth engine

The strength of our operations is upheld by our world-class generation assets demonstrating excellent operational records and our distribution assets, one of the best-run power utilities in the country.

Together with minimal T&D losses, we have always ensured power availability come rain, shine or storm. Over the years, we have maintained a stable performance trajectory, building on our experience and expertise. Our operational excellence is also reflected in our success stories in turning around our Bhiwandi and Agra franchised distribution areas; amongst the most important success stories in the Distribution segment.

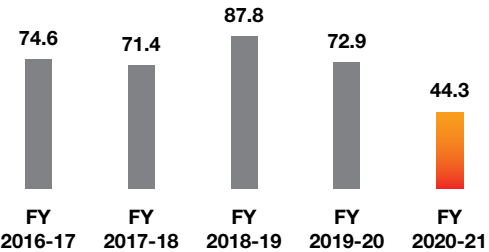
Torrent Power’s growth engine is powered by stringent customer satisfaction benchmarks driven by improved quality of power. These qualities form the foundation on which we build our pursuit of long-term growth.



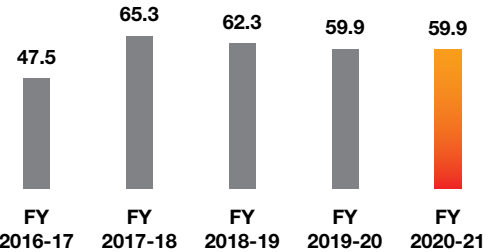
Sugan & Unosugen Plant

Thermal PLF (in %)

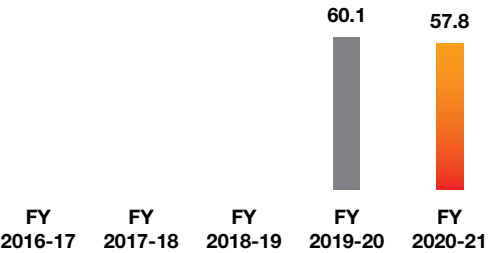
AMGEN



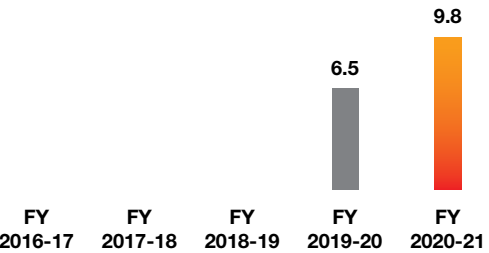
SUGEN



UNOSUGEN*



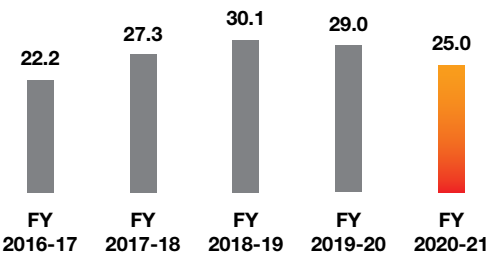
DGEN*



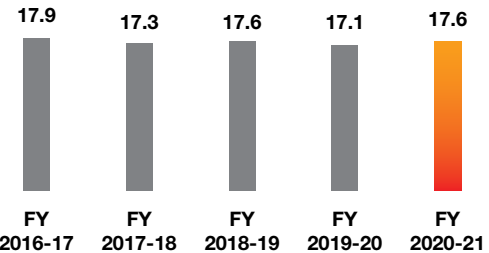
*UNOSUGEN & DGEN were stranded for want of demand till FY 19

Renewable PLF (in %)

Wind



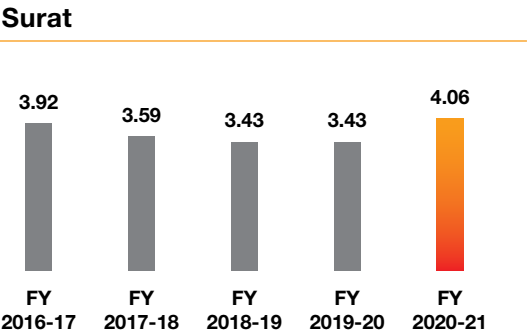
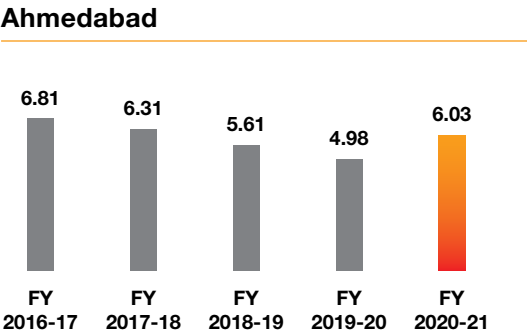
Solar



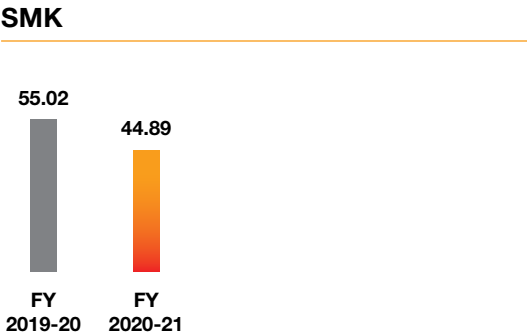
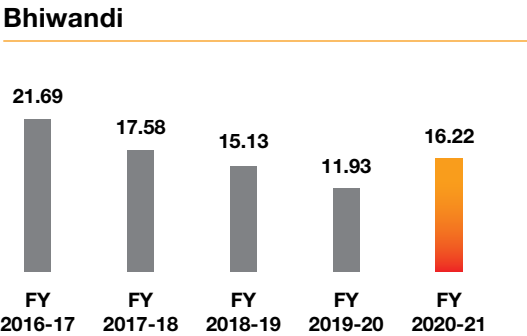


Operational Performance (Contd.)

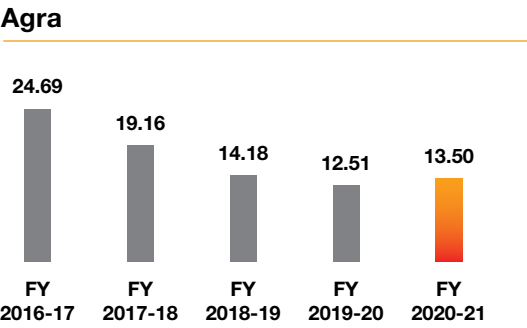
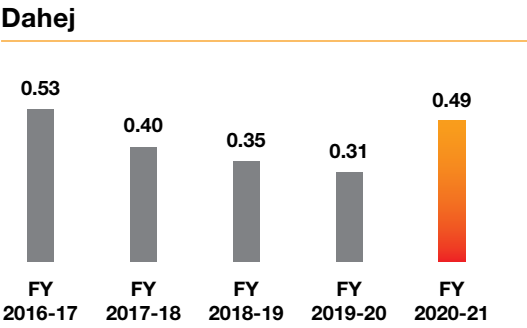
T&D Loss – Licensed Distribution (in %)



T&D Loss – Franchised Distribution (in %)



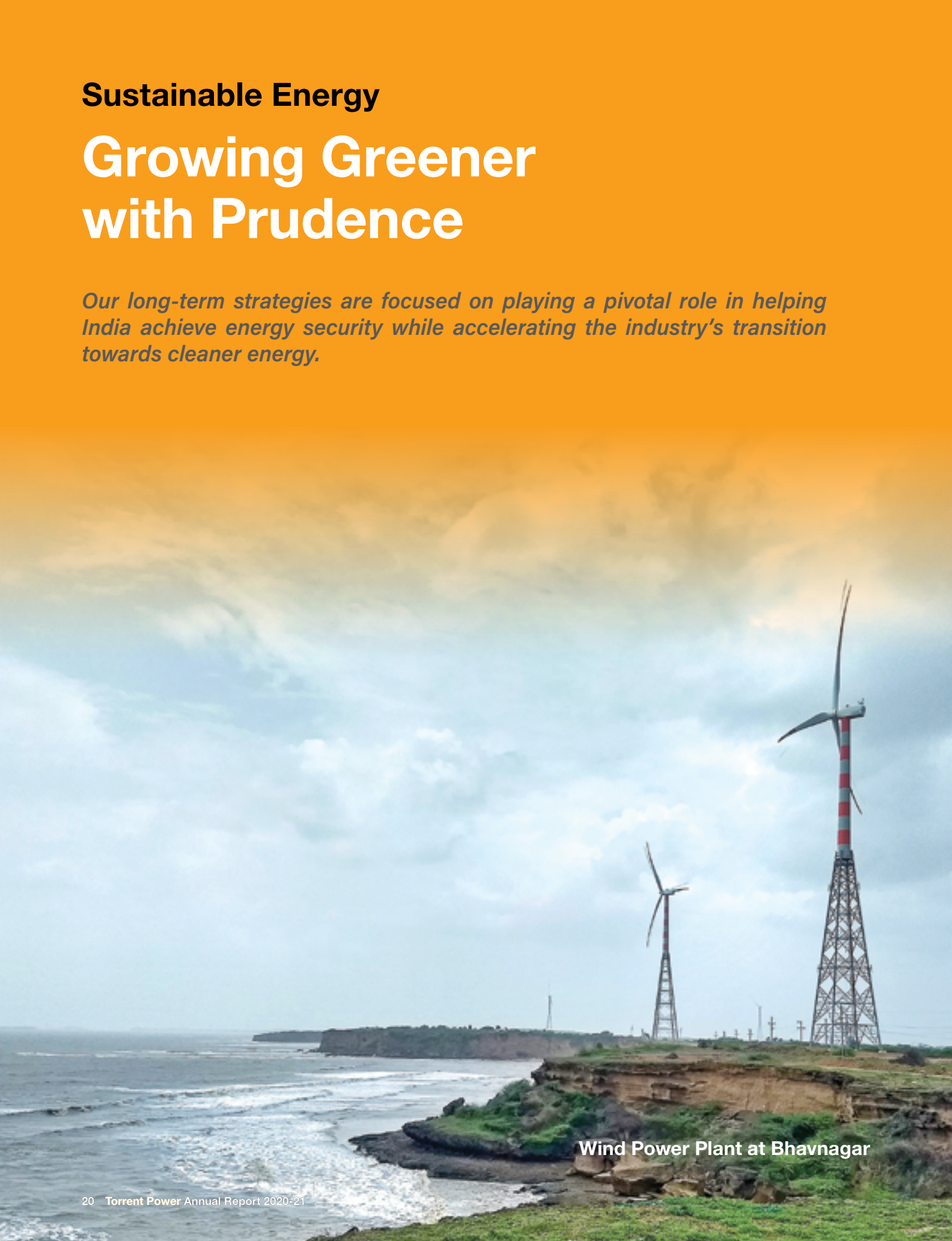
^ Taken over wef March 01, 2020



Sustainable Energy

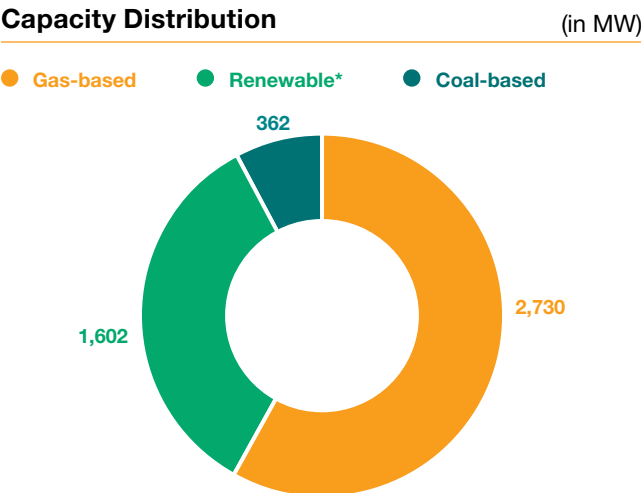
Growing Greener with Prudence

Our long-term strategies are focused on playing a pivotal role in helping India achieve energy security while accelerating the industry’s transition towards cleaner energy.



Wind Power Plant at Bhavnagar

With 90% of the total generation capacity based on clean fuel (renewable and gas), environmental well-being remains one of the focus areas for investment decisions. Renewable capacity forms a significant part of our generation portfolio and will continue to grow its share in the coming years.



Note: * 815 MW renewable capacity under development

We see enormous growth potential in renewables with increased focus of stakeholders on sustainable growth, which is pushing the world towards tapping green energy sources.

We commenced our journey into the renewable energy segment in 2012 with the installation of 49.6 MW wind power project in Gujarat. Since then, we have grown consistently and have a robust portfolio under our belt. We plan to aggressively grow our renewable generation capacity in the coming years. So far, our renewable portfolio growth has been organic but going ahead our focus will be to grow inorganically as well.

GROWING SHARE OF RENEWABLES

We currently have an operational capacity of 787 MW in renewables, with 9 projects spread across various locations

in Gujarat, Maharashtra and Karnataka. These comprise 649 MW of wind power projects and 138 MW of solar power projects with an asset base of over ~₹5,000 Crore. As much as 100% of our solar projects and 54% of our wind energy projects have attractive preferential feed-in tariffs based on long-term (25 years) Power Purchase Agreements (PPA) with Company-operated distribution utilities. The remaining 46% of the wind projects are competitively won projects that are backed by long-term PPAs (25 years) with credible central and state agencies. These projects thus ensure stable cashflow for us.

We have adopted the most advanced, best-in-class technology at our plants, which had a PLF of 17.61% for solar and 24.99% for wind during FY 2020-21. To ensure optimum results, we have deployed best practices with regard to operations and plant maintenance in association with reputed service providers to ensure high plant availability.

GROWTH OPPORTUNITIES

We are consistently on the lookout for opportunities to make our portfolio greener and more sustainable. We have recently won 700 MW solar projects at auctions conducted by various Discoms/state agencies, of which a 300 MW tender is sub-judice. We are also actively procuring land for solar project development. Our decisions on each project are backed by in-depth research and understanding of market trends, and we ensure strong project management in association with an array of reliable suppliers and developers to deliver each project with perfection. We also have a robust risk management system in place to identify, tackle, reduce and eliminate risks at every stage of our operation. Ample opportunities are also available for us to grow our renewable portfolio inorganically. We are committed to playing our part in the global action against climate change and maximise returns for our shareholders.

700 MW

Solar projects won through auctions (PPA for 400 MW signed)



Charanka Solar Plant

Corporate Overview
Performance Review
Operational Excellence
ESG
Statutory Reports
Financial Statements

Sustainable Energy (Contd.)



Twilight view of SUGEN and UNOSUGEN

GAS-BASED GENERATION

The substantial investment of the Company in the generation segment is in Gas based power plants which is about 2,730 MW.

Committed to environment protection and energy efficiency, we have set up gas-based plants that produce clean energy with the latest technology. The single shaft, combined cycle configuration with modular concept deployed at SUGEN, UNOSUGEN and DGEN, is unique in India. These plants have emission levels which are much below the regulatory requirements.

Leveraging the best available technology of Combined Cycle Power Plant based on Advanced F-class gas turbines, our gas-based projects have high performance efficiency and low environmental impact in terms of emissions along with high flexibility of operations to meet the grid demand and best efficiency even at part load. These projects have been set up in partnership with the internationally reputed OEM supplier, Siemens AG, making them comparable to the best in the world. The efficiency of our plants has been better

than the targets set by Bureau of Energy Efficiency under the Perform Achieve Trade cycles earning Energy Certificates. The start-up reliability and speed of coming online of these assets, to meet the grid demand, has also been one of the best in India effectively supporting stability of the grid.

The plants are maintained based on SOPs drawn in line with best practices. Plant availability >97% (including planned and unplanned outages) clearly demonstrates high standards of operation and maintenance. In fact, availability loss due to forced shutdown is also below 0.4%, which is one of the best globally in the sector.

>97%

Plant availability for gas-based plants

CASE STUDY

We work with reliable suppliers and institutions to import gas at the most efficient costs.

FUEL SUPPLY MANAGEMENT

Ensuring fuel for our gas-based plants is critical for the organisation and hence our focus has been on keeping fuel supply uninterrupted. Here are some of the steps we have taken to ensure fuel security for our gas-based plants:

- Domestic gas supply for SUGEN plant was allocated from KG-D6 field (since 2009) and GAIL PMT field (since 2008) for 70% of total installed capacity. For the balance capacity, RLNG supply agreement was executed with Indian Oil Co. Ltd. (IOCL). However, we faced an issue with the gas supply from KG-D6 field (since 2011) and GAIL PMT (since 2009), resulting in low PLF and consequent financial impact. This is when we realised the need to import LNG for sustained operations of our gas-based plants.
- To understand the vagaries of LNG import, we imported our first cargo jointly with Hazira LNG Pvt. Ltd. (now Shell Energy India Pvt. Ltd.) in March 2015.
- To address the issue of re-gas capacity constraints at LNG terminals, we decided to book long-term re-gasification capacity at PLL's Dahej terminal and executed a long-term agreement in October 2015 for storage and regasification of up to 1 MTPA capacity of imported LNG for 20 years starting from 2017.
- We further focused on the direct import of LNG cargos starting with an international competitive bidding tender in 2016 for supply of LNG cargos in 2017, again floated tender in 2017 for supply of LNG cargos for 3 years starting from 2018 to 2020 and had

also converted some of the cargos into fixed prices from Brent linked prices. Riding the learning curve, we now have a robust system in place and are regularly importing LNG cargos as per our requirement.

- We also merged two Gas Transportation Agreements (GTAs), viz. SUGEN and UNOSUGEN GTAs to one common GTA with better terms and conditions to make the management smoother and flexible, while minimising the Ship or Pay and pipeline penalty charges.
- In order to maintain LNG inventory level at Petronet LNG Terminal at Dahej before arrival of next cargo, we implemented solutions such as selling of RLNG to convert the challenge into opportunity by participating in the tenders of different buyers across different industries and execution of required GTAs. To further enhance and effectively mitigate the challenge, we have registered with Indian Gas Exchange to gain rights to buy and sell gas and the transactions have also been effected since then.
- In order to maintain a continuous and regular flow of LNG, we strategically manage our orders in advance, based on the market conditions. Further, to diversify supply risk we have started participation in competitive bidding and buying domestic gas from domestic suppliers.
- We also have a dedicated natural gas pipeline for gas transportation from Petronet LNG's Dahej LNG terminal to DGEN plant.

Responding to the challenges of sourcing fuel to keep operating our gas-based generation plants, we have been able to reinvent ourselves, find innovative solutions, and successfully source gas at optimum cost. Torrent is one of the few companies in the country that has ventured into the international LNG market to procure LNG, procured natural gas from domestic sources and consequently successfully operated its gas based generation plants, round the clock supplying clean electricity to the state and the country.

Service Efficiency

Consistency is the Cornerstone of our Service

From improving the reliability and quality of power supplied, the minimisation of transmission and distribution loss to ensuring that customers get safe and legal connections, we are setting new benchmarks for private players in the sector while raising and living up to the exacting standards for ourselves, that enhance customer satisfaction.



Plug Point at Ahmedabad

24X7 RELIABILITY

Continuity in power supply is a must for any nation to ensure high GDP growth rate. We pride ourselves in having the best reliability indices in three of Gujarat’s most prosperous cities – Ahmedabad, Gandinagar and Surat – since taking over from the erstwhile Ahmedabad Electricity Company Limited (AEC) in 1998 and Surat Electricity Company Limited (SEC) in 1996.

We have made large, long-term investments to build necessary infrastructure and a robust, flexible network to ensure maximum power availability. We have evolved continuously, identifying gaps and taking necessary actions to overcome the issues. We have taken up Extra-High Voltage (EHV) level, High Tension (HT)/Low Tension (LT) level projects along with system improvement projects to optimise system efficiency and ensure uninterrupted 24x7 power supply. Some of the projects are enumerated below:

EHV Projects

- Creation of a Ring-Main-System at the 33kV level projects by interconnecting them through an underground cable network.
- Developing state-of-the-art unmanned substations with distribution automation and Supervisory Control and Data Acquisition (SCADA) to monitor and control field devices at remote sites and ensure seamless transfer of loads from our control room.
- Conventional air-insulated substations are replaced with gas-insulated substations, having lower land footprint, to minimise outages due to harsh climatic conditions and exposure to the elements.

HT/LT Projects

- Undergrounding of feeders and conversion of radial 11kV feeders into Ring-Main-System.
- Design and implementation of a Standard Network Development guideline to ensure a future-fit network, with minimum joints and stress points.
- Automated Meter Reading (AMR) for high-value customers to closely monitor network parameters at their end.
- Introduction of Compact substations as a standard offering.

System and Process Improvement Projects

- Monitoring of network parameters and advance planning to meet projected load growth.
- Installation of meters on transformers to monitor network parameters and consumer mapping with regard to the transformers to analyse consumption trends.
- Use of Geographical Information System and integrating it with SAP to map network assets and consumers, which aid faster location and restoration of faults.

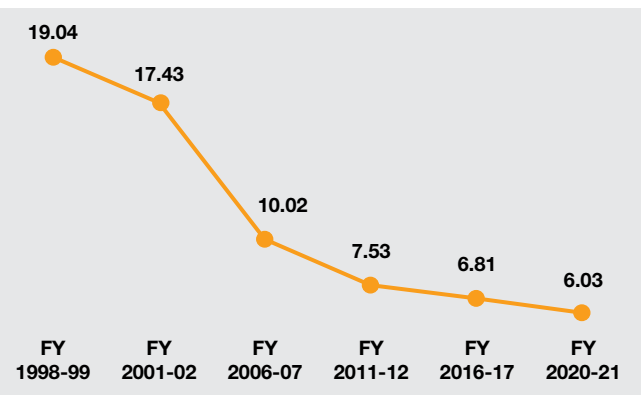
- Introduction of Field Force Automation (FFA) enabling field team to visualise the network, reduce commute time and improve turnaround time in the event of outage/complaint.

REDUCTION IN T&D LOSSES

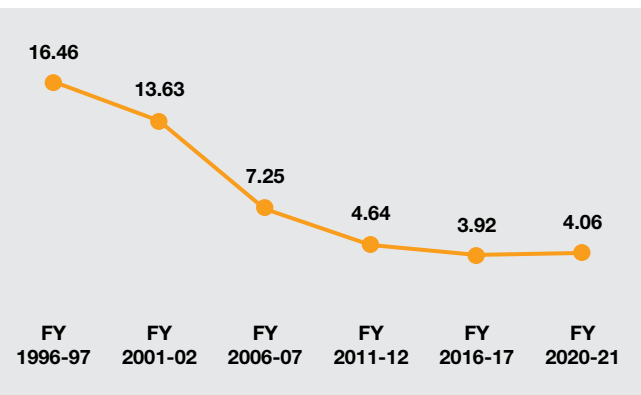
We have one of the lowest T&D losses in India, thereby helping us to keep our tariff competitive.

One of the biggest challenges faced by the power sector is the power loss incurred during transmission and distribution. At the time of takeover from the erstwhile AEC and SEC, which were among the better managed distribution areas in the country, Ahmedabad and Surat still had a distribution loss of 19.04% and 16.46%, respectively. Collection efficiency was also low at 92% and 86%, respectively. The underlying issues for higher AT&C losses were illegally electrified slum pockets, metering irregularities, high theft, lack of systematic & comprehensive revenue protection systems and inadequate IT systems & distribution network. We strategically solved each of these problems to reach the level of optimisation we are at today. Prudent and long-term management decisions, consistent performance and a single-minded determination to succeed, coupled with stringent monitoring and refining of process and use of modern technology helped us achieve our goals.

Ahmedabad T&D (%)



Surat T&D (%)





CASE STUDY

How Torrent Power became the most reliable power supplier in Ahmedabad, Gandhinagar and Surat

We first broke down the reasons for AT&C losses into technical losses, commercial losses and theft of energy and devised measures to tackle these. We adopted a multi-pronged approach to turnaround the performance. The major thrust areas were:

- Improve reliability and quality of supply and reduce technical losses
- Customer-friendly initiatives to reduce theft of energy (including ease of getting a new connection)
- Enhance system efficiency to plug leakages and optimise operations to reduce commercial losses

Improving Reliability and Quality of Supply

New and efficient technologies were introduced to strengthen the system while increasing capacity, such as increasing the number of 33kV and 11kV substations to improve the HT/LT ratio, increasing transformer capacity, increasing the number of 11kV feeders to relieve overload, managing the number of customers at each substation and creating redundancy in the LT network. At the same time, the network was analysed and its weak links were identified. Network improvement included undergrounding of overhead lines, replacement of cables and revamping of metering installations while building interlinkages to create a seamless Ring-Main-System for ensuring quality and uninterrupted power supply to consumers.

Sr.	Performance Parameters	UoM	Ahmedabad		Surat	
			At the Time of Takeover - 1998	Now	At the Time of Takeover - 1996	Now
1	Maximum Demand	MW	601	1,578	274	623
2	No. of 11kV Feeders	Nos.	280	1,281	125	431
3	No of DTs	Nos.	3,032	8,914	835	2,673
4	DTs capacity	MVA	1,037	3,874	507	1,558

Safe and legal connections for consumers

A large number of slum dwellers in Ahmedabad did not have access to legal power connections due to lack of

proper documentation, leading to power theft. Torrent Power launched first-of-its-kind Special Electrification Programme that involved a door-to-door campaign encouraging them to take a legal connection offering a simplified documentation process and instalments towards the Service Line Charges. Today over 3.5 Lakh customers have been energised as part of this scheme. To increase transparency, we were the first electric utility to introduce the concept of Fixed Service Line Charges (FSLC), revealing the cost of the electric connection upfront to the consumer and enabling them to plan their projects and activities accordingly. Along with this, Power Supply Centres (PSC) were set up with smaller command areas to ensure faster processing of applications, timely resolution of customer complaints and fault, and closer monitoring of losses.

Enhancing System Efficiency

We undertook a Mass Meter Replacement programme (MMR), where old and defective meters were replaced with high quality electronic meters, which were tamper resistant. Meters were also installed at Distribution Transformers to identify those with high losses. A Revenue Assurance Group (RAG) was formed to monitor the high loss transformers, liaise closely with the police and other government agencies to conduct raids and prevent theft of energy. We also pushed for rationalisation of tariff and minimising cross subsidy in line with the National Tariff Policy to eliminate the disparity in cost per unit borne by industries and commercial establishment which indirectly drove them to misuse power by under-declaring their load or resort to theft of energy in order to reduce production costs.

Sr.	Performance Parameters	UoM	Ahmedabad		Surat	
			At the Time of Takeover - 1998	Now	At the Time of Takeover - 1996	Now
1	SAIFI	Nos.	46.30	2.70	24.90	1.14
2	SAIDI	Hrs	43.21	2.10	24.50	1.22
3	Distribution Losses	%	19.04	6.03	16.50	4.06
4	Collection Efficiency	%	92.00	99.85	86.00	98.77

CONSISTENT CUSTOMER SERVICE

Our customers are at the core of our business and providing the best service to them is our priority. We have the following best-in-class, customer-centric systems:

- Digitally-enabled customer service centres called Plug Points to provide an integrated customer care service with a SAP-based Customer Relationship Management (CRM) software to ensure seamless, real-time flow of information
- 24x7 active call centres enabled with Interactive Voice Response (IVR) service to register a complaint without interacting with a representative
- Digital technology offering a bouquet of online payment options and fully functional online application-processing module
- With rating of 4.1 stars, our mobile application is one of the highest rated utility applications on the Play Store with unique features that allow customers to register no power complaints, submit their own meter reading, check the credentials of visiting personnel, submit safety concerns, video chat with customer service representatives in regional language, book an appointment at the Plug Point and much more
- 65% of customers pay their bills online and avail incentives like waiver of registration charges while registering application online, free online statement of account services, etc.
- Special portal where Automated Meter Reading (AMR) data is shared on a daily basis with high-value consumers to help them keep track of consumption and billing parameters



1 MILLION+ Torrent Power Application downloads



CASE STUDY

How we turned around power distribution in Bhiwandi and Agra

We became the first Distribution Franchisee of the country in 2006 when Maharashtra State Electricity Distribution Company Limited (MSEDCL) introduced electricity reforms and awarded Bhiwandi Circle. The consistent track record of exemplary performance in its Licensee Business and success in managing Bhiwandi operations, helped TPL in appointment as a franchisee of Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL) at Agra in 2010.

Both the Distribution Franchisees (DFs) had an overloaded, dilapidated, unsafe and poorly maintained network. The metering to cash system was in shambles and there was rampant power theft. Bhiwandi faced up to seven hours of power cuts everyday and the AT&C losses were as high as 57%. Within a short period of 4 years, we brought about a significant turnaround, with AT&C losses dropping to 18%. In fact the Distribution Franchisee Model came to be known as the Bhiwandi Model. Agra which was burdened with AT&C Losses of 61% at the time of takeover also showed a remarkable turnaround.

Demographic profile of customers and the state of the network were very different in both the locations but the techno-commercial issues at both locations were quite similar. We analysed the gaps and devised strategy for the turnaround.

Here is what we did:

- Invested in automation and SCADA control system for the EHV network and distribution automation in the LV network
- Ring-Main-Unit was developed at both EHV and HV level to ensure redundancy and proper load balancing
- At Bhiwandi, undergrounding of 22kV overhead lines and installation of HT capacitor banks with 160 MVAR capacity was undertaken to enhance safety and reliability
- **T&D Loss Reduction**
 - Installation of static meters with tamper-resistant features along with DT metering and indexing of consumers to monitor consumption and usage patterns
 - Route sequencing to ensure 100% meter reading
 - Set up a special taskforce to assess bills, replace defective meters, ensure recovery of arrears and ensure 100% collection efficiency
 - Camps to address customer grievances and provide resolutions on the spot
 - Operationalised a taskforce to ensure constant vigilance and avoid meter tampering
 - Special Electrification Scheme – Apni Bhiwandi Ujjwal Bhiwandi movement and the Taj Sa Roshan Apna Agra scheme – to encourage consumers to take safe and legal connections

Before



Meter replacement at Bhiwandi

After



Customer care centre



Bill collection van



Customer care centre

Customer Service Initiatives

- Set up customer care centres powered by a modern and seamless CRM
- 24x7 call centres manned by own employees to ensure real-time problem solving
- Introduced Field Force Automation (FFA) to increase efficiency of the field staff and reduce turnaround time
- Established mobile collection vans, 24x7 collection kiosk and multiple collection centres for easy bill payment

- Customer portal and mobile app were launched to facilitate online interactions, including application processing, complaint registration, payments, among others.
- Regular status updates to customers about payment schedules, outage and status of their complaints via SMS and WhatsApp messages

The Bhiwandi and Agra stories have been widely cited as important success stories in India's Power sector by respected national and international institutes.



Environment

Committed to conserve and preserve

We are conscious of the fact that we depend heavily on natural resources to operate our business. Being a responsible player, we take the onus of proactively taking steps to mitigate our impact on the environment.



Aerial view of township at Sugen Plant

Our key focus areas in environmental stewardship include decarbonisation of our energy footprint and regulating our water and air emissions. Complete recycling of fly ash, reduction in resource consumption and decreasing emissions are some of our ways to combat climate change.

Our gas-based power plants have been set up with the then best available modern technology of Combined Cycle Power Plant based on Advanced F-class gas turbines. The distinct and beneficial characteristics of this technology are high efficiency (more than 1.5 times of coal power plants) and low environmental impact in terms of emissions (less than half the CO₂ emissions of coal power plants, negligible SO_x and very low NO_x emission rate of less than 25 ppm, which is well below the regulatory standards of 50 ppm). Use of the single shaft configuration in these power plants has ensured high flexibility of operation to meet the grid demand and best efficiency even at partial loads. Water conservation practices have reduced our average rate of consumption to 1.1 m³/MWh at our gas plants, which is less than about 1/3rd of a coal fired power plant.

We have taken several initiatives such as large-scale replacement of conventional luminaires with LED devices, installation of rooftop solar panels and solar water heaters, recycling wastewater, segregation of lighting circuits for reducing power consumption, rainwater harvesting, use of

recycled paper and packaging material, etc. at our plants to enhance our efforts towards environmental conservation.

We maintain 43% green cover, which is 10% more than the statutory requirement; and the green periphery plantation stands at 50 meters, which is much higher than norm of 30 meters. Around 1,500 pre-existing trees at the project site were transplanted with a healthy survival rate of 77% and about 1.5 lakh new trees have been planted. Such abundant green cover is also home to a large and rare variety of birds and other living creatures. Organic farming is carried out in vacant areas across the plant.

We also strive to minimise impact of our project operations on wildlife. Regular monitoring of environmental parameters internally as well as by agencies approved by the Gujarat Pollution Control Board (GPCB) serves as a validation for our high environmental practices. While preserving the environment, we have ensured development of mangroves in an area of ~50 hectares in the coastal region near the DGEN project.

43%
Green cover against the norm of 33%

Environmental stewardship across the value-chain



GENERATION

- 100% utilisation of fly ash generated from coal plant
- ~90% generation capacity based on cleaner fuel
- ~70% capacity registered under the Clean Development Mechanism (CDM) of UNFCCC
- Annual reduction of ~8.5 million tonnes of CO₂ possible from gas-based power plants
- Re-use of treated effluent water in horticulture



DISTRIBUTION

- ~12.5% of power requirement sourced from Renewable Energy
- Reduction in T&D from >50% to ~15% at Bhiwandi and Agra, thereby reducing energy requirement
- Use of recycled paper for energy bills and stationery
- Installation of solar rooftop for captive consumption



OUR CERTIFICATIONS:

- ISO 14001 (Environment Management System) implemented at most of the units
- Some of our offices and employee residential townships have been certified by Indian Green Building Council (IGBC) with Platinum certification

Energy Conservation



Rooftop Solar for captive consumption

We have taken measures to conserve energy at our facilities by using energy-efficient technology and implementing energy-saving SOPs and practices.

Solar rooftop systems have been installed at most of the units for captive consumption with a focus on ecological conservation.

Various procedures have been put in place to improve heat rate and reduce auxiliary power consumption at our generating stations. To reduce import power, transformer tap setting has been optimised at one of the renewable units. This has resulted in ~100 kWh import saving per day.



Energy conservation with VFD

Optimisation of nitrogen plant operation at DGEN resulted in energy saving of ~82,125 kWh per annum, as well as reducing system start counters and thereby increasing reliability.

High efficiency energy meters and star-rated distribution transformers are installed for T&D loss reduction, thereby saving natural resources. As part of DSM scheme, energy audits as well as peak load shifting programmes have been carried out for benefit of the consumers.

New offices and substations are designed to ensure maximum use of natural light and to the extent possible are equipped with motion sensor-based lighting systems and star-rated air conditioners.



LED luminaries



Floating solar panel at SUGEN reservoir

GHG Emissions



SUGEN and UNOSUGEN with low CO₂ emissions

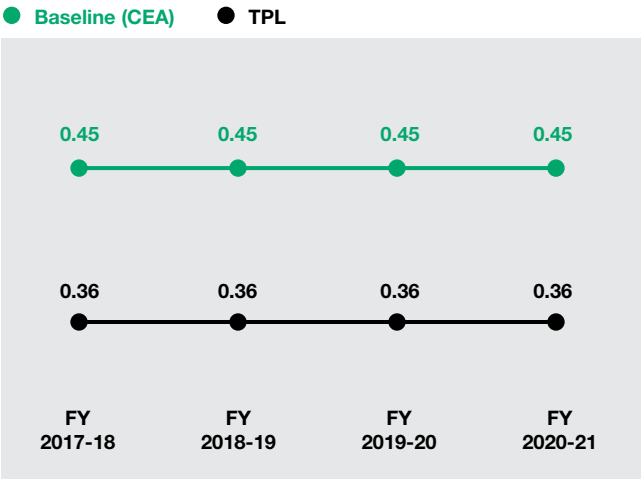
In line with the global agenda towards climate action (COP-21), we are reducing our carbon emissions gradually through increase in renewable portfolio.

~18 MILLION tCO₂

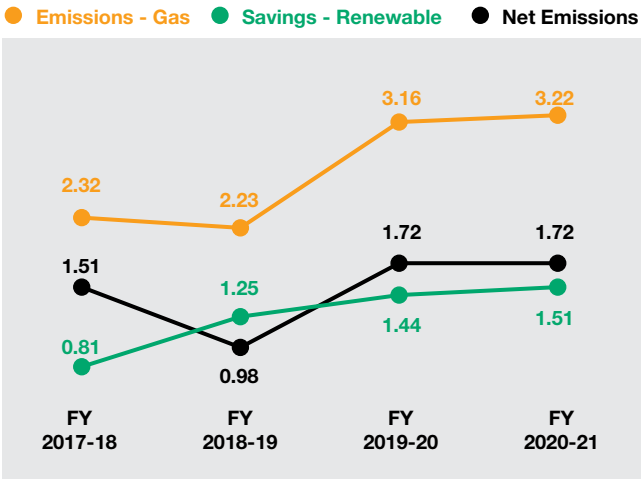
Total emissions reduction till date since CDM registration

We have 4 projects registered with the United Nations Framework Convention on Climate Change (UNFCCC) under Clean Development Mechanism (CDM). The SUGEN project was one of the largest and pioneering power generation projects approved under CDM globally in 2007. Annual emission reduction of ~8.5 Million tCO₂ can be achieved by generation of power through these projects. We have already achieved ~18 Million tCO₂ emissions reduction (approved by UNFCCC) as per the compliance reports filed till date.

GAS PLANTS - GHG Emissions (in tCO₂/MWh)



Net Carbon Emissions (in million MT)

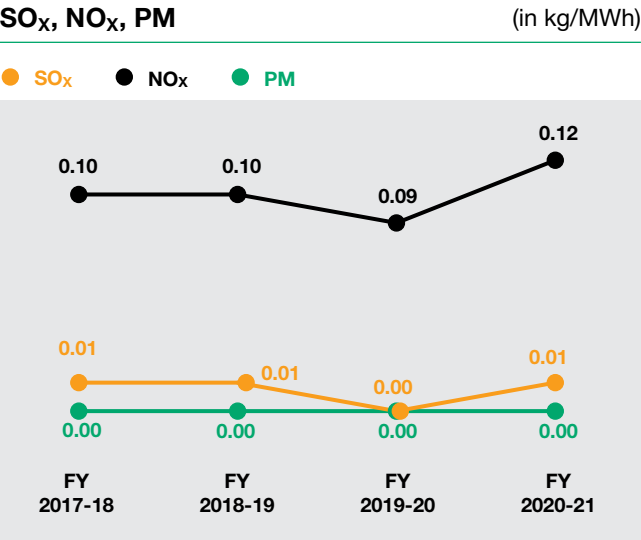


Environment (Contd.)

Air Emissions

In addition to GHG, we are conscious about other air pollutants released from our operations. While operating our plants, we generate minimum particulate matter (PM), sulphur oxide (SO_x) and nitrogen oxide (NO_x).

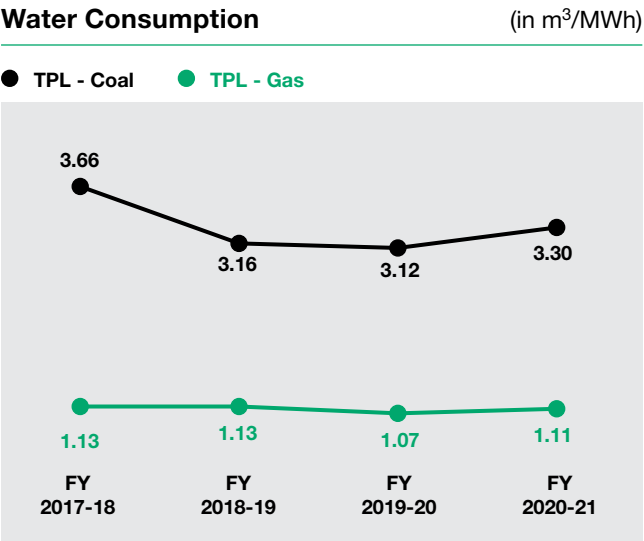
We continue to monitor and effectively manage these emissions. Emissions from our generation stations are well within the permissible limits as prescribed by Central Pollution Control Board and the State Pollution Control Board for FY 2020-21.



DGEN - Lowest air emissions in its class

Water

Water is required mainly for cooling purposes in our thermal power plants. We take cognizance of the fact that water may soon become a scarce resource and have mechanisms in place to ensure judicious consumption of water.



Currently, the consumption of water at our facilities is well below the statutory limits. We have taken proactive measures to reduce the linear flow of water through our system by introducing water treatment plants at our facilities. Usage of water is optimised by optimising the Cycle of Concentration in cooling water and recycling of waste water. Water is recycled and reused for various secondary purposes such as gardening, sprinkling, among others. Our DGEN and SUGEN plants have recorded zero liquid discharge since April 2016 and August 2017, respectively. Rainwater harvesting initiative at DGEN plant collected 1.5 Lakh m³ of water in FY 2020-21.

New offices and substations, to the extent possible, are equipped with contact-less water taps and waterless urinals. Installation of water meter to monitor the water usage is undertaken at few units.



Efficiently utilizing water for cooling at SUGEN

Waste Management

As a responsible corporate citizen, we believe in enhancing the circularity of our system, based on the 'Reduce-Reuse-Recycle' principle.

We have established processes to treat the generated waste and make every effort to minimise the quantity of waste sent to the landfill. We recycle 100% of the fly ash generated from the coal-based plant. Our distribution units undertake oil filtration of power and distribution transformers for reutilisation of oil. Wet waste is composted and used as manure. More than 90% of our PVC scrap is recycled and reused at our Cables unit. Sludge recovered from raw water is compacted through Chamber Filter Press and is used for landfill.

Hazardous waste such as used oils, batteries, e-wastes, bio-medical wastes, among others are disposed of only through SPCB authorised Treatment, Storage and Disposal Facilities (TSDF) and recyclers. Similarly, plastic and paper waste are handed over to authorised recyclers.

We have substituted materials to decrease the amount and kind of waste generated. One such example is the use of steel cable drums instead of wooden ones. Apart from this, we monitor our daily and monthly consumption of resources and implement methods to reduce our consumption as much as possible.

>90%

PVC scrap at Cables unit is recycled and reused

100%

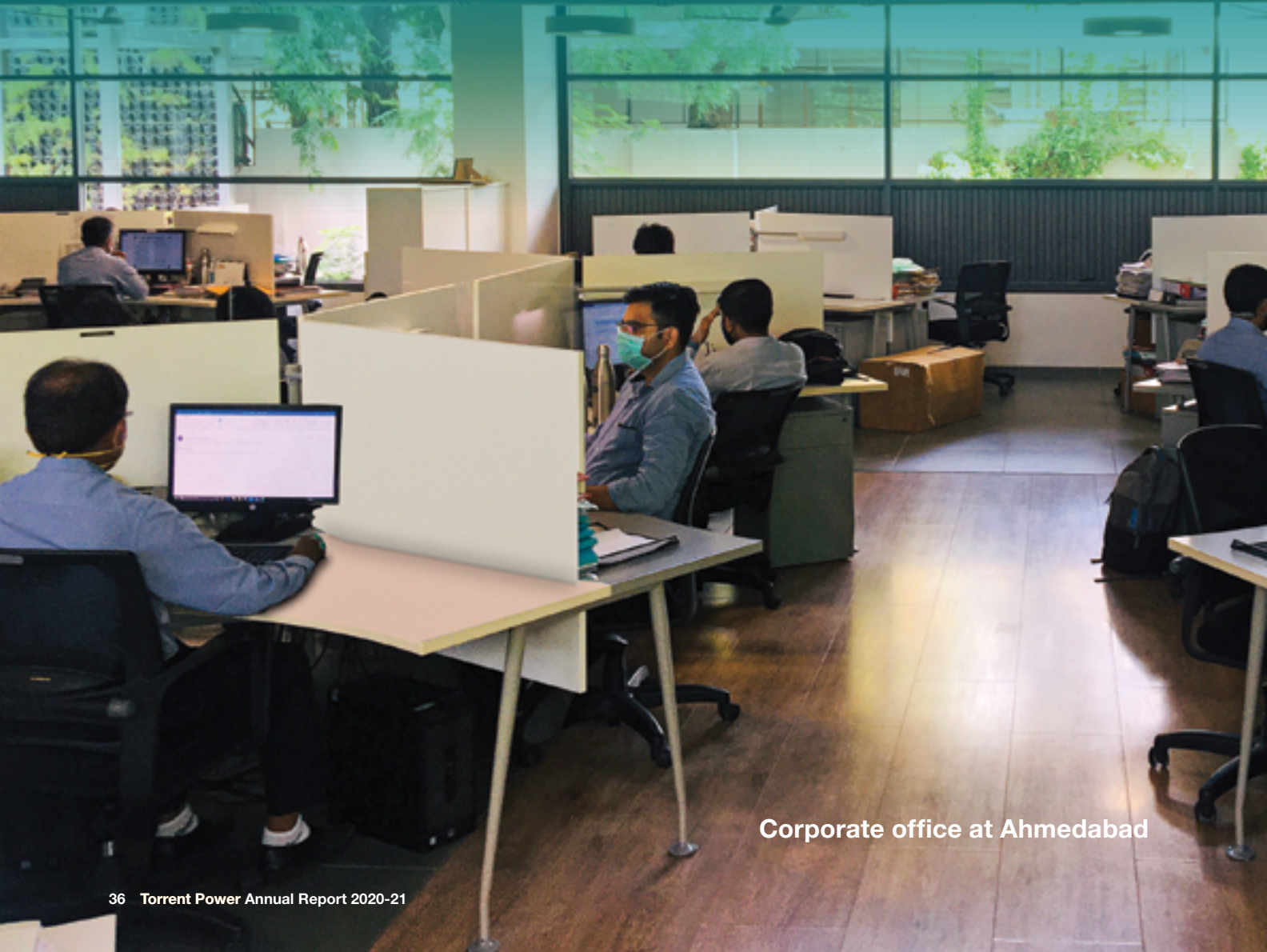
Fly ash generated by coal-based plants is recycled



People

Nurturing a Productive Workforce

We believe that people perform to the best of their potential when extended a conducive and nurturing work environment. At Torrent Power, we have always undertaken employee-oriented activities and initiatives adhering to this philosophy.



Corporate office at Ahmedabad

7,803

Employees

9%

Women employees

36 YEARS

Average age

We strive to provide our workforce with the right exposure, freedom at work, unmatched leadership and the opportunity to grow at a rapid pace, ensuring a smooth professional journey for them. We design our programmes to target the enhancement of technical, managerial as well as behavioural skills of our employees using interesting and motivating assignments to enable and empower them to become better

decision-makers. Providing maximum hands on exposure as well as close interactions with senior professionals enables our workforce to gain valuable experience. Our units also house recreation clubs, sports complexes, medical units, etc. Various social events and celebrations are organised periodically to add to the charm of life at Torrent Power.



Founder's Day Celebration

Pre-COVID

HR Strategy



SKILLS AND CAPABILITY

- Competency development
- Succession planning
- Gap identified skill development
- Uniform HR practices across the Company



WELLNESS

- Mediciam coverage (inclusive of COVID-19 cover)
- Focus on safety and well-being of employees
- Financial benefits in case of accidents or demise benefits to family members



EQUAL OPPORTUNITY

- Focus on gender diversity
- Enhanced women representation
- Maternity leave
- Tenure-based additional leave
- Balanced work life
- Safe work environment
- Creche facility



COMPENSATION

- Entry salary at par with industry
- Objective performance review
- Recognition and felicitation programme



WORK HYGIENE

- Whistle Blower Policy
- Code of Conduct
- Implementation of POSH
- Equal benefits for all contractual workers



Key Focus Areas



LEADERSHIP AND TALENT DEVELOPMENT



HEALTH AND SAFETY



DIVERSITY AND INCLUSION



PERFORMANCE CULTURE

LEADERSHIP AND TALENT DEVELOPMENT

We believe in creating and developing a robust human resource pipeline. Talent development is thus an ongoing process within the organisation. The programmes commence at the time of joining and continue throughout a person’s tenure and are designed to inculcate our values and foster a sense of collaboration.

Training and Development

We have an engaged, agile and future-ready workforce and we impart them training to help them keep pace with the ever-changing technological and other developments. The training programmes are conducted by external experts or in-house team after identification of knowledge gaps among employees and programmes are designed to guide their learning curve. Training helps to upskill the employees and identify our future leaders, with a penchant for continuous learning and application. Additionally, organisational value workshops are conducted to ensure cultural alignment of

the new recruits. Towards operational excellence, 5S and Kaizen practices have been implemented and are celebrated at various units.

77%

Employees underwent training in FY 2020-21

Differently-abled at Work

We trained 22 differently abled persons (with hearing and speech impairments) in routine cleaning of solar panels at the GENSU solar plant, thus providing them a dignified livelihood. Specific training in use of cleaning equipment and work ethics is being provided to them. Special supervisors with knowledge of sign language are employed.

Leadership Development

Training sessions are organised by the HR team, customised as per the needs of the employees at the managerial positions. These sessions are based on a pragmatic approach with high applicability in their day-to-day work. The results of these programmes are monitored. Selected employees are promoted to higher levels and further given need-based training sessions to enhance their managerial and administrative skills. External training sessions are conducted for developing specific competencies. Internal promotions, transfers and job rotation have also been an essential factor in helping budding talents to become future leaders by experiencing different functions.



Ongoing training session

HEALTH AND SAFETY

The well-being of our employees is our top priority and creating a safe and healthy workplace is of utmost importance to us. We foster a culture that makes the workspace a safe working environment for all, mentally and physically.

Health

We ensure that the health of our employees is taken care of. To this end, health check-ups are conducted for all the employees on a periodic basis, followed by a doctor consultation and if needed, further assistance in specific cases. We have a full-time doctor available at all generation facilities to take care of any employee illness or unforeseen incidents. Our employees and their families are provided with medical insurance to meet any kind of hospitalisation expenses. We have also extended mediclaim limits to cover parents/parents-in-law of employees on voluntary basis. Enhanced limit of insurance coverage is provided in case of critical illness, on need basis.

Safety

We have taken measures to make our workplaces safe for our workforce. All employees and contractors undergo health and safety training on periodic basis. Precautions are taken to prevent accidents. In case of unfortunate accidents, the Company substantially compensates the personnel or their families as per Conviction for Safety Policy (CSP) of the Company. A small voluntary contribution taken from employees goes a long way in helping fellow colleagues.



Safety training session

3

CSP Committee meetings held during FY 2020-21

10

Claims of accident cases on duty were appropriately compensated

We also intend to make the workplace discrimination and harassment free. We have adopted a policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A mandatory programme is conducted annually to create awareness on this Policy.

ZERO

Complaints pertaining to sexual harassment

People (Contd.)

Work-life Balance

We understand the importance of balancing work with personal life. To promote this culture, we provide a total of 30 days leave annually with mandatory availment of 14 days per year. We provide compensatory off in case employees had to work extra hours and incentive leaves for long-term association. Within our organisation, we try to maintain a positive work ambience, provide a quality work place, and encourage celebration of events and festivals.

Safety Initiatives taken during FY 2020-21

We implemented several initiatives throughout the year to foster a better workplace and work culture. We established a comprehensive safety review mechanism at the department and unit levels along with implementing a safety scorecard mechanism. We organised departmental safety awareness drives for our frontline workers and contract employees. Our senior officers make periodic site rounds and provide counselling to the field staff in safety-related matters. To foster a culture of safety, we implemented a Consequence Management Framework for a fair and transparent process for initiating disciplinary decision with an intention to foster a safe culture. The staff was provided special training with a focus on workstation ergonomics and hazard management. We have set up a transparent system for sharing near-miss incidents for awareness and emphasis on taking necessary precautions. Mock drills were conducted for various emergency scenarios to ensure effective implementation of Emergency Response Plan. We celebrated National Safety Week by organising activities for the involvement of officers, staff and contractors. We conduct quarterly Safety Committee Meetings and ensure that our senior management walks the talk, setting an example for all our employees. We have detailed SOPs in place for each process and follow good safety practices. To make sure that all safety measures are implemented, we depute a contractual safety officer based on risk involved in an activity.

Special Benefits during Pandemic

The organisation took various measures during pandemic to ensure safety of its employees. A special online web page was also launched for the employees to monitor and track their daily health status. Majority of our employees, wherever possible, were given the facility to work from the safety of their homes. Operations were managed through staggered shifts and alternate days working wherever possible. Flexible time with a window of 2 hours was also implemented. Employees and their families were covered under COVID-19 insurance of upto ₹5 lakh in Group Medisave Policy, which helped many employees in getting access to quality healthcare. Employees who worked at the office/site during lockdown period were given additional incentive. Compensation was given to dependents of employees who expired due to COVID-19 as per the policy.



MHealth Webpage



Session on COVID-19 precautionary measures

Precautionary Measures during Pandemic

Since many employees worked from home, our IT systems and security were quickly rejigged to ensure continued productivity. A safe ecosystem was provided to those employees who had to work on field. Workspaces were made COVID-safe, and employees were given detailed SOPs to be followed stringently. Virtual meetings were encouraged in place of physical meetings. Social distancing norms were implemented in the form of displays, walkways and signages and were followed strictly. The health status of employees was tracked regularly, and support was provided wherever needed. Regular temperature checks were carried out at all entrances of the office premises and face mask was made mandatory. Awareness drive on measures to be taken and a session with a renowned psychiatrist was conducted to ensure a stress-free work environment for all employees to help them deal with the ongoing pandemic.

Travel and Stay Policies

The travel and stay policies were revised from time to time, based on the impact of COVID-19 in different regions. All the visits were tracked. For the initial few months, air travel was restricted, and subsequently adjacent seat was also booked to avoid close contact.

Hospitalisation and Treatment Support

Guidelines related to COVID-19 safety particularly in relation to hospitalisation were issued for effective treatment. We also coordinated with pathological labs for employees to get COVID-19 tests at discounted rates. Periodic antigen testing and RT-PCR testing was carried out for all staff members and contractual support staff. Counselling of COVID-positive employees and their family members, monitoring their health condition, diet, medical check-up and follow up was done on a regular basis through the unit doctor. We also conducted COVID-19 vaccination drive for Torrentians for their ease and convenience.



Fire fighting awareness program



Workplace sanitisation



Vaccination drive



Antigen testing

People (Contd.)

DIVERSITY AND INCLUSION

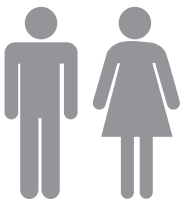
3 OUT OF 9

Directors are females

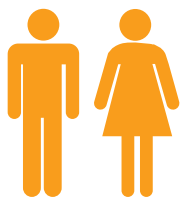
15.6%

Female employees recruited in FY 2020-21

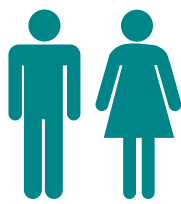
AGE DIVERSITY



36%
< 30 years



41%
30 to 45 years



23%
> 45 years



Sangini Event

Pre-COVID

Gender diversity

We promote an inclusive and diverse work environment that provides a gamut of perspectives and cultivate an empowered, multi-faceted, fair, safe, respectful, balanced and globally agile work environment. We have implemented certain initiatives to make our workplace more conducive to female employees and encourage a better gender ratio. We provide engagement activities and facilities designed especially for our female employees. Our programme named “Sangini”, held virtually this year, provides a platform for women employees to learn from the experts on health-related topics, work-life balance, personal effectiveness and growth. We also celebrated Women’s Day virtually in appreciation of our female workforce. Our workplace is designed to be safe and comfortable for female employees and employees are made aware of our stringent POSH policies. We provide a conducive maternity policy and creche facility wherever possible to encourage women to return to work following pregnancy.



Creche Facility

Engagement

Engagement activities are done with a view to break monotony and build & maintain employee morale so as to create conducive and comfortable work environment for all its employees. Raas Garba, Khel Mahotsav, Yog Shivr are few such events which enable better networking among Torrentians and even their families. This year, to avoid social gathering and prevent the spread of virus, few events were not conducted.



Yog Shivr

PERFORMANCE CULTURE

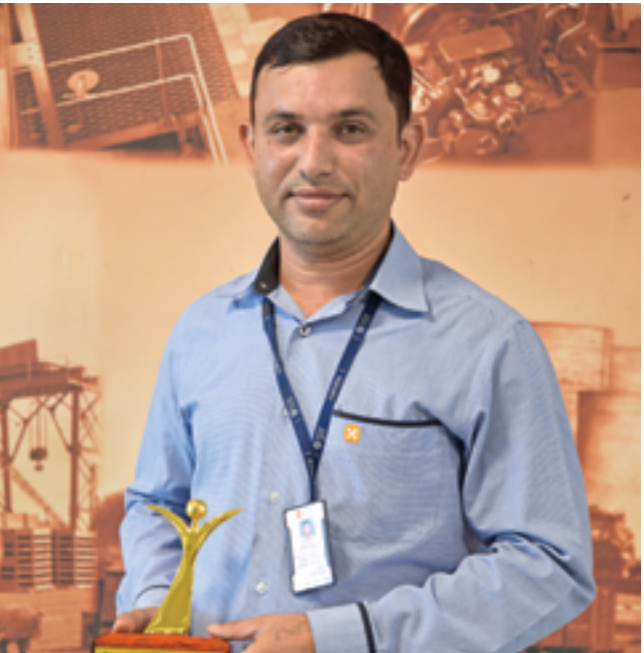
We believe that there is no shortcut to success, and we appreciate hard work, determination and performance. It contributes to personal and organisational growth. We also attribute our retention rate to the meritocratic culture and employee empowerment initiatives. Several members of Torrent Power’s senior leadership are homegrown, and this encourages employees to stay with the organisation and grow to reach better heights. This is further enhanced by people policies that bind them to the organisation.

Rewards

The annual performance management system is a comprehensive mechanism to review an employee’s performance for the year, provide feedback and offer them performance-linked compensation rise.

Recognition

Every year, Torrent Group celebrates its Founder’s Day, to pay respect to the visionary Founder Chairman, Shri U N Mehta. During this event, we recognise and honour two most eligible employees (one from Pharma and one from Power/Gas) with ‘Torrentian of the Year’ award based on their contributions towards the organisation. These are the individuals who have exhibited professional competence, gone beyond the call of duty, are dependable and committed towards the organisation.



Parimal Kavaiya - Torrentian of the Year 2021 (Winner from Torrent Power)

HR Practices that reinforce the Torrentian culture

COMMITMENT	COMPETENCE	CONSISTENCY
Low attrition	Adaptability	Consistent performance
Job satisfaction	Skill development	Consistent practices
Job enrichment	Opportunity to shoulder higher responsibilities	
	Confidence building	

Communities

Giving Back to Society

We recognise our responsibility towards people and the planet, and thus strive to create long-term social and economic value. Being a leading energy company, we realise our enormous responsibility towards ensuring the welfare of local communities from whom we gain the social license to operate. This commitment is aligned with our strategy to drive sustainable growth for all our stakeholders.



Our thrust areas for carrying out CSR initiatives are Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern.



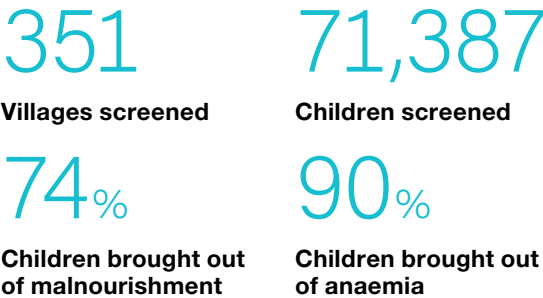
a movement, not an activity

Driven by the belief of Chairman Emeritus, Sudhir Mehta: ‘Children are the future of our nation and this future must be well preserved’, the flagship CSR programme of the Group REACH – Reach EAch CHild was initiated in the year 2016 under the aegis of Tornascent Care Institute, a section 8 company. REACH has three major pillars: (a) SHAISHAV (b) JATAN and (c) MUSKAN



SHAISHAV – GRASSROOT INTERVENTIONS

Medical camps were conducted in 351 villages, which screen across SUGEN, Dahej and Indrad in Gujarat. Medical health check-ups and consequent follow up activities were carried out for children in the age group between six months and six years. Children identified with malnourishment were provided with therapeutic food, free of cost. To overcome the challenges of the children not consuming food due to monotony of taste, alternate diet biscuits called Mauji were introduced through in-house research, keeping the same energy and protein constituents. These biscuits also have longer shelf life and sustaining nutritional values. These biscuits were found palatable and had desired results and were also provided to severely as well as moderately malnourished children. Of the children under our care, 74% could overcome malnourishment. Free iron supplements were provided to anaemic children, who attended the programme and more than 90% were completely brought out of anaemia. Additionally, 73% of the children with specific/chronic ailment were provided with referral services after convincing their parents to avail medical intervention from trained consultants of reputed hospitals.



Children relishing the taste of Mauji biscuits Pre-COVID



Paediatric checkup Pre-COVID

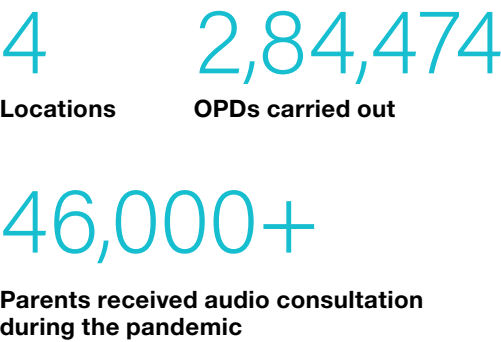
Communities (Contd.)



JATAN – GREENFIELD ACTIONS

In 2017, day care paediatric centres were established at locations; SUGEN, Dahej, Balasinor and Indrad, providing free specialist consultation, basic laboratory services and branded medicines to the underprivileged. These centres are closer to the beneficiaries especially in remote areas having inadequate healthcare facilities. During the pandemic, the services from these centres were stopped to avoid virus exposure, however, tele-consultation services were initiated at Dahej and SUGEN since September, 2020 to take care of community patients. As of March 31, 2021, 2,84,474 OPDs have been carried out across the centres. For treatment of routine ailments, people were hesitant to approach relevant medical experts and preferred to get treated by local untrained practitioners. This has been overcome by providing mobile medical services at their doorstep. During the pandemic, audio consultations were conducted across all four locations for spreading awareness on recommended

food to increase immunity and general hygiene. In addition to camps, children in the age group till eighteen years were attended medically at paediatric centres unlike camps where age group was six months to six years.



ShaishavMitrs spreading smiles

Pre-COVID



Distribution of sanitary kits

Pre-COVID



MUSKAN

To help in developing increased confidence as well as self-esteem among adolescent girls, we have conducted mass awareness programmes on health and hygiene in 125 camp villages, covering more than 5,000 adolescent girls. Free sanitary pads are being provided on a monthly basis along with health and hygiene related information and counselling to gradually eradicate psychological and social taboos. The Group has been continuously focused on creating awareness to prevent the occurrence of the common diseases, which is a pre-requisite for sustainable health and hygiene. Challenges like ineffectiveness of the programme, sometimes due to clear verbal communication and/or low grasping, among others were reduced using electronic media such as text messages, whatsapp etc.



Reaching out to the REACH beneficiaries

Pre-COVID

ShaishavMitrs

For carrying out such mass level activities, instead of involving outside agencies, the Group has envisaged a unique concept of engaging ‘ShaishavMitrs’ employees as volunteers, contributing to various areas with their multi-faceted skills. Direct involvement of employees has resulted in developing a sense of ownership and hence a seamless relationship with beneficiary population.



Communities (Contd.)



social healthcare initiative of
Torrent Group



STATE-OF-THE-ART 150-BED PAEDIATRIC
SECONDARY CARE HOSPITAL (FREE OF COST)
(पूर्ण तयानिःशुल्क) AT SUGEN

Torrent Group has built and dedicated integrated medical complex; Rangtarang at SUGEN, catering to medical requirements of nearby 500 villages. Rangtarang comprises Sumangal, a multi-disciplinary clinic for patients of all age groups and Balsangam, a 150-bed, state-of-the-art paediatric hospital, spread over 20,000 sq m with 14 wings. Diagnostic facility, imaging facility, clinical facility, medication and surgical procedures are provided free of cost to the underprivileged. This project has been developed in technical collaboration with Sheffield Hospital UK. The hospital has modern facilities with high-end equipment comprising multi-specialty Out-patient Departments (OPD), Indoor Patient (IP), Emergency Ward (with defined criteria), Intensive Care Units, Operation Theatres, Diagnostic facilities like imaging and pathology laboratory, including Haematology, Biochemistry, Clinical Pathology and Micro-Biology, Blood Storage, Pharmacy, CSSD and other facilities. A specially customised software is being developed to manage the patient database.



Balsangam at SUGEN

WAY AHEAD

- To motivate patients to come to centres by adopting pull strategy against earlier push strategy
- Going forward on the outreach programme, carrying out intensive awareness programmes on malnourishment/general hygiene/anaemia in existing 351 camp villages (telecasting videos using mobile van, distributing handbills/pamphlets, SMS, WhatsApp messages, among others) and motivate patients to come to Rangtarang
- To increase phase-wise coverage for malnourished and anaemic children in additional 149 villages in Phase 1 and another 500 villages in phase 2 by using details from Anganwadis
- To extend 'Muskan' to another 174 villages across 3 locations (Indrad, Dahej, SUGEN) from current number of villages to all camp villages. Biodegradable and reusable sanitary napkins (can be reused upto 1.5 years) to be distributed to 100 beneficiaries as part of a pilot project to address the issue of napkin disposal. Further, based on feedback from the beneficiaries, cost analysis, environment impact, etc. this pilot project may be scaled up
- Studies/surveys are underway at remote/underprivileged areas near Four Centres – SUGEN, Dahej, Balasinor and Indrad with an objective to understand the existing facilities at these places, and check feasibility to expand medical facilities/infrastructure by setting up other 3 to 4 sub-centres, which may subsequently turn into PHCs



Making education interesting by using right blend of traditional pedagogies with innovative technologies Pre-COVID



Shikshasetu

We started this initiative in 2011 with an aim to provide quality learning to students and improve age appropriate skills at the level of primary education. This is a unique initiative to enhance quality education among underprivileged children at 21 government and trust-sponsored schools by bridging the gaps between teaching and learning processes at schools using modern technological methods. This initiative was implemented across schools in Banaskantha, Mehsana, Surat districts and urban slums in Ahmedabad. As a part of this initiative, the government teachers were trained to teach using innovative and interactive pedagogies so that students gain better clarity while learning. A total of 15 computer labs were established and more than 230 teachers and 6,500 students were reached through MindSpark, an e-learning programme and teacher training programme in Phase 1. Based on the learnings of Phase 1, additional facilities, such as smart digital classrooms, skill based adaptive self learning for five subjects through tablets, enhancing effective teaching & learning methodologies and soft skills of teachers and sensitisation of parents towards education were implemented in Phase 2. This was implemented in 13 schools across the four locations. Students were evaluated through an online assessment tool and overall improvement of 20.30% was observed over a period of three years. The programme not only mobilised educational institute but also the parent community for conducive and participative educational environment. As a part of capacity building for the teachers, online training sessions were arranged periodically.

11,000+
Students impacted

25+
Schools

53.2%
Improvement in learning
level in Phase 1

20.3%
Overall improvement
in 3 years of Phase 2

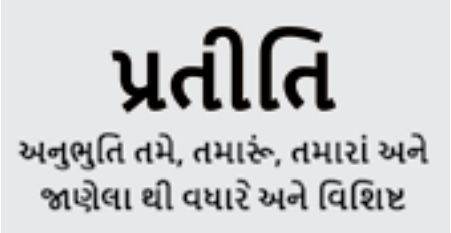


Children at Shardashish School Pre-COVID

Shardashish School at
AMGEN Power Plant

The school is situated in the premises of Amgen power plant's housing colony at Sabarmati in Ahmedabad. Majority of the students come from economically disadvantaged background from nearby slum areas. The school receives grants-in-aid from the government authorities to meet its expenses. We contribute to fund the deficit in the school expenditure in excess of government grants.

Communities (Contd.)



Pratiti - Development and maintainence of public parks

Torrent Group, along with India’s best known landscape design firms developed six parks in Ahmedabad, measuring ~33,000 sq m, for public use in the first phase. The second phase of development is ongoing. The project has been received very well by the public and has set an example for public space development. We are also maintaining these gardens.

6 ~33,000 sq m
Public parks Area covered



Swati Bungalow Park Pre-COVID



Sindhuhavan Park



Ranip Park Pre-COVID

COVID-19 Contribution

Torrent Group committed ₹100 Crore to support the government’s efforts to fight the pandemic and its fallout on less privileged sections of society. This included donation to the PM Cares fund and various initiatives, such as providing essential medicines to various government hospitals free of cost, contributions to state government relief funds and grassroot NGOs, PPE kits to healthcare workers and distribution of food grains/ration kits.

SUPPLYING LIFE-SAVING OXYGEN DURING THE PANDEMIC

The disparity between the supply and demand of oxygen was eased by providing liquid medical oxygen (LMO) at various hospitals. 50 PSA (pressure swing adsorption) medical oxygen production plants are being set up at 50 government hospitals across Gujarat, Uttar Pradesh, Maharashtra, Rajasthan, Punjab, Tamil Nadu and Telangana. Two cryogenic tankers of 18 MT each along with 1,000 oxygen cylinders were also deployed. Overall, Torrent Group distributed 200 oxygen concentrators and installed an oxygen generation plant with a bottling facility in Ahmedabad to supply oxygen free of cost to surrounding areas.



Donation of oxygen concentrators



Distribution of food grains

Governance

Key to Sustained Business Growth

At Torrent Power, corporate governance is about upholding the highest standards of transparency, integrity and accountability. Our Board of Directors acts as custodians of good governance, and our senior management undertakes its strategic execution under the Board’s guidance.



Corporate office at Ahmedabad

It has been our abiding belief that while implementation of the minimum governance framework is a pre-requisite, superior governance practices are vital for growing a successful business and retaining stakeholders’ trust. Our values are ingrained in our culture and practices. For us, adhering to corporate governance norms is more than just complying with the letter of the law. It stems from our commitment to ethical business conduct.

Core governance principles underlying Board composition, Board functions and Committee responsibilities:

Principles of Governance - Transparency, Integrity and Accountability



Composition of Board

The Board is strengthened by diversity in terms of experience, skills and gender of individuals. The Board consists of persons of professional eminence and experience bringing to table diverse knowledge and ability.

>75%

Non-Executive Directors

>55%

Independent Directors

33%

Women Directors



Functions of the Board

The Board looks after overall functioning, ensuring smooth movement of business as well as providing guidance and strategic direction, managing policies and assessing their effectiveness, while ensuring the long-term interests of stakeholders and our Company.



Board Committees

Board Committees provide a platform for the Board to deal with specific issues that require specialised areas of expertise. With the support of the Board and its committees, we are focused on improving our performance efficiency.



AUDIT COMMITTEE

100% Independent Directors

RISK MANAGEMENT COMMITTEE

67% Independent Directors



NOMINATION AND REMUNERATION COMMITTEE

67% Independent Directors

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

67% Independent Directors

STAKEHOLDER RELATIONSHIP COMMITTEE

33% Independent Directors

Additionally, all the above Committees are chaired by Independent Directors.



Governance (Contd.)



HOLISTIC RISK MANAGEMENT

We understand that no process is without risks. Therefore, minimising risks by identifying risks and making policies to mitigate these risks is imperative. We have a robust risk management framework in place to ensure systematic approach. Our Risk Management Policy lays down detailed procedures for risk identification, assessment, monitoring, review and reporting. The policy also entails roles and responsibilities of the Board, Risk Management Committee (RMC), Chief Risk Officer, Risk Champions and Risk Co-ordinators. The process is reviewed and monitored by the functional heads.

The RMC meets twice a year to review the internal and external risks together with their potential impacts and likelihood of occurrence.

RATIONAL CAPITAL ALLOCATION AND EFFICIENT OPERATIONS

Our Board of Directors gives a strategic direction to our operations and functioning. Their foresight and guidance have helped us in making strategic and timely decisions that enabled us to achieve operational excellence. Decisions are made keeping in mind the best interests of our shareholders, customers and all other stakeholders. We have been able to achieve significant growth in operations owing to the rational decisions made by the top management which has led us to where we stand today.

STRONG COMPLIANCE PRACTICES

We are in compliance with all mandatory requirements of corporate governance applicable to us. We have a formalised system in place to track, monitor and document legal compliances applicable to us. The Board periodically reviews compliance reports (of all the laws applicable to the Company), prepared by the management.

HIGH STANDARDS OF PROBITY

We believe in executing operations honestly and ethically. Our top management has laid down stringent rules and policies to avoid malpractices. Our policies are formulated to strongly discourage unethical or dishonest practices, and strict punishments and penalties are prescribed for any such instances.

INVESTOR GRIEVANCES REDRESSAL

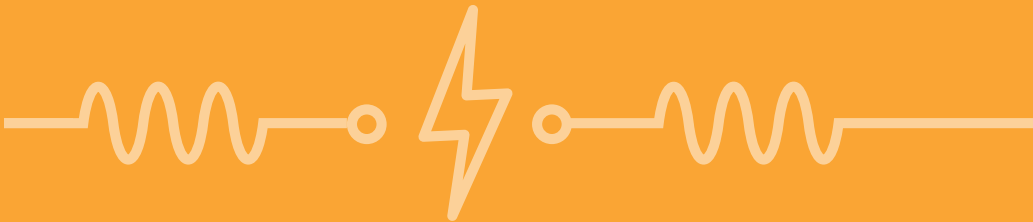
We have in place, an open communication channel for investors to present their grievances. In case any complaints are received, they are resolved to the satisfaction of the complainants within a reasonable period. Proper documentation and reporting of these complaints are made and recorded.

VIGIL MECHANISM

We believe in conducting our affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. We are committed to develop a culture where it is safe for all the stakeholders to raise concerns about any misconduct or unacceptable practice. The Board has adopted a Whistle Blower Policy for the Company, under which we have institutionalised a mechanism for the stakeholders to disclose their concerns and grievances for appropriate action.

CODE OF CONDUCT

The Code of Conduct lays down important values that shape our value system and business practices. The Code provides guidance to all, including members of the Board and employees in recognising and dealing with important ethical issues, fostering a culture of honesty and accountability. Members of the Board and employees are required to comply with and strictly adhere to the standards of conduct contained in the Code and underlying policies and procedures. Members of the Board and senior management are additionally required to affirm to the Board their compliance with the Code.



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Notice

NOTICE is hereby given that 17th Annual General Meeting of the Members of **TORRENT POWER LIMITED** (herein after the “**Company**”) will be held on Friday, August 06, 2021 at 9:30 am IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following:

ORDINARY BUSINESS

1. Adoption of Standalone Financial Statements

To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, the Auditor’s Report and the Board’s Report thereon, by passing the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, the Auditor’s Report and the Board’s Report thereon be and are hereby considered and adopted.”

2. Adoption of Consolidated Financial Statements

To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Auditor’s Report thereon, by passing the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Auditor’s Report thereon be and is hereby considered and adopted.”

3. Confirmation of interim dividend and declaration of final dividend

To confirm payment of interim dividend and declare final dividend for the Financial Year ended March 31, 2021 by passing the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** payment of interim dividend of ₹5.50 per equity share for the Financial Year ended March 31, 2021 be and is hereby confirmed and final dividend of ₹5.50 per equity share as recommended by the Board of Directors for the same Financial Year be and is hereby declared.”

4. Re-appointment of Jinal Mehta as a Director

To appoint a Director in place of Jinal Mehta, who retires by rotation and being eligible, offers himself for re-appointment by passing the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Jinal Mehta (DIN: 02685284), who retires by rotation and being eligible, offers himself for

re-appointment be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

5. Ratification of Remuneration of Cost Auditors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provision of Section 148 of the Companies Act, 2013 (“the Act”) read with the Companies (Cost Records and Audit) Rules, 2014, the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, rules or notifications of the Act including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, the Cost Auditors appointed by the Board of Directors of the Company to conduct audit of cost records of the Company for FY 2021-22 be paid remuneration of ₹12,40,000/- plus applicable taxes and out of pocket expenses incurred by them during the course of cost audit.”

6. Appointment of Usha Sangwan as an Independent Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV to the Companies Act, 2013 (“the Act”) and other applicable provisions of the Act and the rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), Usha Sangwan (DIN: 02609263), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 21, 2021 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 consecutive years commencing from May 21, 2021 upto May 20, 2026 (both day inclusive) and shall not be liable to retire by rotation.”

7. Commission to Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 2020-21

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions, if

any, of the Companies Act, 2013, rules made thereunder and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby accorded to remuneration by way of annual commission of ₹5 Crore to Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 2020-21.”

8. Issuance of Non-Convertible Debentures on a private placement basis

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 71, 180 and other applicable provisions, if any, of the Companies Act, 2013 and all applicable rules made thereunder for the time being in force (“the Act”), the Memorandum of Association and the Articles of Association of the Company, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI regulations, circulars and guidelines for the time being in force and Foreign Exchange Management Act and Reserve Bank of India directives, circulars and guidelines for the time being in force, approval of the Members be and is hereby accorded for issuance of Non-Convertible Debentures (“the NCDs”) by way of offer or invitation, upto an aggregate amount of ₹2,000 Crore, on a private placement basis to the following identified investor classes viz.

- (a) Qualified Institutional Buyers as defined in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (b) Banks other than scheduled commercial banks, companies, bodies corporates, Foreign Portfolio Investors (category III) registered with SEBI, financial institutions (including Non-Banking Financial Companies), pension / gratuity / provident / superannuation funds;

in one or more tranches, within the overall borrowing limits approved for the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds and things as may be necessary for or incidental to the above resolution.”

By Order of the Board
For Torrent Power Limited

May 20, 2021
Ahmedabad

Rahul Shah
Company Secretary

Registered Office:
“Samanvay”,
600 Tapovan,
Ambawadi, Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Phone: +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

NOTES

- 1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“the MCA”) vide its Circular No. 02/2021 dated January 13, 2021 permitted the companies to hold the Annual General Meeting (“AGM” or “meeting”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as “the MCA Circulars”). In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and the MCA Circulars, AGM of the Company for FY 2020-21 is being held through VC / OAVM. Registered Office of the Company shall be deemed to be the venue for AGM. **The detailed procedure for participation in the meeting through VC / OAVM is as per Note No. 26 and 27.**

- 2. Since AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for AGM.
- 3. Members attending AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 4. Members of the Company who are Institutional Investors are encouraged to attend and vote at AGM through VC / OAVM. Corporate Members intending to authorise their representatives to participate and vote through e-voting on their behalf at AGM are requested to send a certified copy of the Board Resolution / authorisation letter to the Company.
- 5. Members can join AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 Members on a first come first served basis. This



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- will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend AGM without any restriction.
6. The statement pursuant to Section 102 of the Act and Regulation 36(3) of the Listing Regulations is annexed hereto and forms part of this Notice.
7. The dividend, if declared, would be paid after the conclusion of said AGM to those Members whose names appear in the Register of Members of the Company maintained by Registrar and Share Transfer Agent ("RTA") and Register of Beneficial Owners maintained by the Depositories under Section 11 of the Depositories Act, 1996, at the end of the business hours on Friday, June 25, 2021.
8. The final dividend, if declared at AGM, payment of such dividend will be made on or before September 03, 2021, subject to deduction of tax at source.
9. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at the prescribed rates. For the prescribed rates of Income Tax for various categories, please refer to the Finance Act, 2020 and amendments thereto.
- The Company had published advertisement for detailed instructions for deduction of Tax on Final Dividend for FY 2020-21 in "The Financial Express" (English – All India editions and Gujarati – Ahmedabad edition) on June 25, 2021 and the same were also uploaded on the website of the Company at <https://www.torrentpower.com/pdf/download/CommunicationtoShareholderTaxonFinalDividend.pdf> and website of the Stock Exchanges.
10. In terms of Section 124 of the Act, amount of dividend not encashed or claimed within 7 years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Government of India ("GoI"). Accordingly, the unclaimed dividend in respect of FY 2013-14 of the erstwhile Torrent Cables Ltd. (since amalgamated into the Company) and the Company will be due for transfer to the said Fund in September, 2021. Members who have not encashed their dividend warrants for FY 2013-14 are requested to approach the Company for payment.
- Further, pursuant to the provisions of Section 124 of the Act and IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all shares on which dividend has not been paid or claimed for 7 consecutive years or more are required to be transferred to the Demat

Account of the IEPF Authority. The Company has sent intimation to all such Members who have not claimed their dividend for 7 consecutive years. All such Members are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to the Demat Account of IEPF Authority and no claim shall lay against the Company. The Members thereafter need to claim their shares from IEPF Authority by filing IEPF Form-5 and by following such procedures as prescribed therein.

11. Nomination facility is available for the Members as per Section 72 of the Act. Members of the Company have an option to nominate any person as their nominee to whom their shares shall vest in the unfortunate event of death of Member. It is advisable to avail this facility, especially by the Members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to Depository Participant (DP).
12. Members are encouraged to utilise the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. For further information, Members are requested to approach the RTA of the Company.
13. **Trading in equity shares of the Company is compulsorily in dematerialised mode by all the Members. Also, as per provisions of the Listing Regulations, transfer of listed securities shall not be processed unless the securities are in dematerialised form. This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Members holding shares in physical form are requested to convert their holding(s) to dematerialised form to eliminate all risks associated with physical shares.**
14. **With a view to conserve natural resources, we request the Members to update and register their email addresses with their DPs or RTA, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars, etc. electronically.**

Members may register their Email addresses and Bank details by following below process:

Physical Holding	By clicking on the below link, the Member may register his / her email address, mobile number and bank details: https://web.linkintime.co.in/EmailReg/Email_Register.html After clicking the above link, the Member have to fill the relevant details in the respective fields and attach self attested copy of PAN, address proof and cancelled cheque leaf.
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Demat Holding	By clicking on the link below, the Member may register his / her email address and mobile number: https://web.linkintime.co.in/EmailReg/Email_Register.html For registration of bank details, the Member may contact their respective DPs.
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15. Members who hold shares in physical form in multiple folios, in identical names or joint holding in same order of names, are requested to send the share certificates to RTA, for consolidation of such multiple folios into a single folio.
16. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs in case shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
17. Members are requested to intimate changes, if any, pertaining to name, postal address, email address, telephone / mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to their DPs in case shares are held by them in electronic form and to RTA in case shares are held by them in physical form.
18. All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of AGM of the Company and will also be available electronically for inspection by the Members during AGM. Members seeking to inspect such documents can send an email to cs@torrentpower.com.
19. In compliance with the MCA Circulars and the SEBI Circulars dated May 12, 2020 and January 15, 2021, the Notice of AGM along with Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company's RTA / DPs. Members may note that the Notice and Annual Report will also be available on the Company's website i.e. www.torrentpower.com, websites of the Stock Exchanges i.e. BSE Ltd. and National Stock Exchange of India Ltd. at www.bseindia.com and www.nseindia.com respectively and on the website of Central Depository Services Ltd. (CDSL) at www.evotingindia.com.
20. In terms of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and the MCA Circulars, the Company has provided e-voting facility through CDSL. This facility is being provided to the Members holding shares in physical or dematerialised form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice.

The information and other instructions regarding remote e-voting and e-voting during AGM are detailed in Note No. 26 and 27.

21. Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) and failing him Jitesh Patel, Practicing Company Secretary (Membership No. A20400) have been appointed as the Scrutiniser to scrutinise the voting during AGM and remote e-voting process in a fair and transparent manner.
22. Results of voting shall be declared by the Chairperson or a person so authorised by him in writing on receipt of consolidated report from the Scrutiniser. The results declared along with the Scrutiniser's Report shall be placed on the Company's website i.e. www.torrentpower.com and on the website of CDSL and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
23. **The resolutions shall be deemed to have been passed on the date of AGM, subject to the same being passed with requisite majority.**
24. Since AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
25. **Members who would like to express their views / have questions may send their views / questions 7 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at cs@torrenttower.com and register as a speaker. Only those Members who have registered as a speaker will be allowed to express their views / ask questions during the meeting.**
26. **Process regarding remote e-voting and e-voting during the meeting, and attending the meeting through VC / OAVM:**
- i. Remote e-voting period begins on **Monday, August 02, 2021 at 9:00 am and shall end on Thursday, August 05, 2021 at 5:00 pm**. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date July 30, 2021** may cast their vote electronically. E-voting module shall be disabled by CDSL for voting thereafter.
- ii. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- A. For Individual Members holding shares in Demat mode:**
- a) In terms of the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, the Individual Members holding securities in demat mode are required to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and email address with their DPs in order to access e-voting facility.



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b) Login method

Member having Demat account with	Login Method
CDSL	<p>CDSL Easi / Easiest facility</p> <p>If Members are already registered for Easi / Easiest facility:</p> <ol style="list-style-type: none">Visit web page of Easi by https://web.cdslindia.com/myeasi/home/login.Member will have to enter their existing “USER NAME” and “PASSWORD”. After successful authentication, the Member will be able to see “E-VOTING” menu.On clicking the “E-VOTING” menu, the Member will be able to see the e-voting page.Click on options available against the Company name or E-voting Service Provider (ESP) – CDSL and the Member will be redirected to e-voting website of CDSL for casting vote before and during the meeting and joining the meeting. <p>If Members are not registered for Easi / Easiest facility:</p> <ol style="list-style-type: none">Visit the web page at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.Enter 16 digit “DEMAT ACCOUNT NUMBER” and “PASSWORD” as: “PAN” and first 4 digits of the “DOB” (DDMM) of first holder.Tick check box of “TERMS AND CONDITIONS” and click on “CONTINUE”.“OTP” will be sent on the registered mobile number of Member.Enter the “OTP” and click on “CONTINUE”.Registration form will appear, fill the form to create “USER NAME” and “PASSWORD” and answer to secrete question and click on “CONTINUE”.Upon successful registration, please follow steps given in points 1 to 4 above (Members are already registered for Easi / Easiest facility). <p>E-voting website of CDSL</p> <ol style="list-style-type: none">Visit e-voting website of CDSL at www.cdslindia.com.Select “E-VOTING” and enter “DEMAT ACCOUNT NUMBER” and “PAN”.System will authenticate Member, by sending “OTP” on registered mobile & email as recorded in the Member’s Demat Account.After successful authentication, the Members will be able to see the e-voting page.Click on options available against the Company name or ESP – CDSL and the Member will be redirected to e-voting website of CDSL for casting vote before and during the meeting and joining the meeting.
NSDL	<p>NSDL IDeAS Facility</p> <p>If Members are already registered for IDeAS facility:</p> <ol style="list-style-type: none">Visit e-Services website of NSDL at https://eservices.nsdl.com.On homepage of e-Services, click on “BENEFICIAL OWNER” under “LOGIN”, available under “IDeAS” section.A new screen will open. Enter “USER ID” and “PASSWORD”. After successful authentication, the Member will be able to see e-voting services.Click on “ACCESS TO E-VOTING” under e-voting services and the Member will be able to see e-voting page.Click on options available against the Company name or ESP – CDSL and the Member will be re-directed to CDSL e-voting website for casting vote before and during the meeting and joining the meeting. <p>If Members are not registered for IDeAS e-Services:</p> <ol style="list-style-type: none">Visit the web page at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.Enter 8-character “DP ID” followed by 8-digit “CLIENT ID” and registered mobile number.Select any of the following options for verification of demat account:<ol style="list-style-type: none">Option 1: Bank account – enter last 4 digit of bank account.Option 2: OTP – enter 6 digit OTP sent on registered mobile number.Fill your personal information and click on “SUBMIT”.Upon successful registration, please follow steps given in points 1 to 5 above (Members are already registered for IDeAS facility). <p>E-voting website of NSDL</p> <ol style="list-style-type: none">Visit e-voting website of NSDL at https://www.evoting.nsdl.com/.On homepage of e-voting system, click on “LOGIN” icon, available under “SHAREHOLDER / MEMBER” section.A new screen will open and the Member will have to enter “USER ID” (i.e. 8-character “DP ID” followed by 8-digit “CLIENT ID”) and “PASSWORD” / “OTP” and a verification code as shown on the screen.After successful authentication, the Member will be able to see e-voting page.Click on options available against the Company name or ESP – CDSL and the Member will be redirected to e-voting website of CDSL for casting vote before and during the meeting and joining the meeting.

Member having Demat account with	Login Method
Logging through their DPs	<ol style="list-style-type: none">Member can login using the “LOGIN CREDENTIALS” of Demat account through their DPs registered with NSDL / CDSL for e-voting facility.After successful login, the Members will be able to see “E-VOTING OPTION”. Once the Member clicks on “E-VOTING OPTION”, he / she will be redirected to NSDL / CDSL Depository site.After successful authentication, the Member will be able to see e-voting page.Click on option available against the Company name or ESP- CDSL and the Member will be redirected to e-voting website of CDSL for casting vote before and during the meeting and joining the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and / or Forget Password option available at above mentioned websites.

c) Casting vote electronically on CDSL e-voting system

- After successfully logging by following the above process, the Members will be able to see EVSN of all companies in which they hold shares and whose voting cycle is active.
- Click on “EVSN” for “TORRENT POWER LIMITED”.
- On the voting page, the Member will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select option “YES / NO” as desired. Option YES implies assent to the resolution and option NO implies dissent to the resolution.
- Click on “RESOLUTIONS FILE LINK” if the Member wishes to view the entire resolution details.
- After selecting the resolution, click on “SUBMIT”. A confirmation box will be displayed. If the Member wishes to confirm, click on “OK”, else to change, click on “CANCEL” and accordingly modify your vote.
- Once the Member “CONFIRM” his / her vote on the resolution, he / she will not be allowed to modify.
- Member can also take a print of the votes cast by clicking on “CLICK HERE TO PRINT” option on voting page.

Helpdesk for the Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no: 18001020990 and 1800224430

B. For the Members, other than the Individual Members holding shares in demat mode and the Members holding shares in Physical mode.

- Visit the e-voting website at www.evotingindia.com.
- Click on “SHAREHOLDERS”.
- Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 character DP ID followed by 8 digits Client ID,
 - Members holding shares in physical form should enter Folio Number registered with the Company.
- Enter Image verification as displayed and click on “LOGIN”.
- If Non-individual Members are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then their existing password is to be used.

- If the Member is a first-time user follow the steps given below:

	<p>For the Non-individual Members holding shares in Demat Form and the other Members holding shares in Physical Form</p> <p>Enter 10 digit alpha-numeric “PAN” (applicable for both demat as well as physical Members)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company / DPs are requested to use sequence number indicated in PAN field of email sent to them.Members who have not registered their email address may obtain sequence number from the Company after registering their email address as per process defined in Note No. 14.
PAN	
Dividend Bank details OR Date of Birth (DoB)	<p>Enter the “DIVIDEND BANK DETAILS” or “DOB” (in dd/mm/yyyy format) as recorded in the Member’s demat account or in the Company records in order to login.</p> <ul style="list-style-type: none">If both the details are not recorded with the DPs or Company please enter “MEMBER ID / FOLIO NUMBER” in Dividend Bank details field as mentioned in instruction (c).



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- g.

After entering these details appropriately, click on “SUBMIT” tab.
- h.

Members holding shares in physical form will then directly reach the Company selection screen. However, the Non-Individual Members holding shares in demat form will now reach “PASSWORD CREATION” menu wherein they are required to mandatorily enter their login password in new password field.

Kindly note that this password is also to be used by Non-individual demat holders for voting for resolutions of any other Company on which they are eligible to vote. It is strongly recommended not to share password with any other person and take utmost care to keep password confidential.
- i.

For the Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j.

Click on “EVSN” for “TORRENT POWER LIMITED” on which the Member chooses to vote.
- k.

On the voting page, the Member will see “RESOLUTION DESCRIPTION” and against the same; option “YES / NO” for voting. Select option “YES / NO” as desired. The option YES implies, assent to the resolution and the option NO implies dissent to the resolution.
- l.

Click on the “RESOLUTIONS FILE LINK” if the Member wishes to view the entire resolution details.
- m.

After selecting the resolution, click on “SUBMIT”. A confirmation box will be displayed. If the Member wishes to confirm, click on “OK”, else to change vote, click on “CANCEL” and accordingly, modify vote.
- n.

Once the Member “CONFIRM” his / her vote on the resolution, he / she will not be allowed to modify.
- o.

Member can also take a print of votes cast by clicking on “CLICK HERE TO PRINT” option on voting page.
- p.

Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to upload the scanned copy of the Board resolution and Power of Attorney, which they have issued in favour of the Custodian, if any, in PDF format in system for the scrutiniser to verify the same.

In case of any queries or issues regarding e-voting, Member may refer the Frequently Asked Questions (‘FAQs’) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call on 022- 23058738 and 022-23058542/43.

27. General Guideline for attending the meeting through VC / OAVM and e-voting on the day of AGM:

- a)

Procedure for e-voting on the day of AGM and attending AGM will remain same as the instructions mentioned above.
- b)

The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- c)

Members are encouraged to join the meeting through Laptops / Desktops for better experience. Further, the Members will be required to allow camera and use Internet with good speed to avoid any disturbance during the meeting.
- d)

Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- e)

Only those Members, who will be present in AGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-voting prior to meeting day and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during AGM.
- f)

If any votes are casted by the Members through e-voting available during AGM and if the same Members have not participated in the meeting through VC / OAVM facility, then the votes casted by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members participating in the meeting.
- g)

Members who have voted through remote e-voting prior to the meeting day will be eligible to attend AGM. However, they will not be eligible to vote during AGM.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 4

Brief profile of Jinal Mehta is set forth in the table below:

Age	38 years
Qualification	Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) in International Business and Finance from University of Technology Sydney (UTS), Sydney, Australia.
Experience / Brief resume	He has more than 14 years of experience across all facets of the power sector – generation, transmission and distribution. He was involved in project and operations phase of 1147.5 MW SUGEN Mega Power Project and 382.5 MW SUGEN Expansion (i.e. UNOSUGEN). Subsequently, he was responsible for the implementation of the 1200 MW DGEN Mega Power Project. He took charge of the Distribution business of the Company in April, 2014 and led significant operational improvements in licensed and franchised distribution businesses, in terms of network modernisation, reduction in AT&C losses, improved customer services and timely regulatory approvals for recovery of costs. Under his leadership, the Company obtained a distribution license for Dholera Special Industrial Region (SIR) and won the franchised distribution area of Shil, Mumbra & Kalwa (SMK). He has been the Managing Director of the Company since April 01, 2018. He leads the Company's efforts at continuous operational improvement and delivering growth.
Date of first appointment on the Board	October 19, 2011
No. of shares held in the Company	8,000
Relationship with other Directors and Key Managerial Personnel	He is son of Sudhir Mehta, Chairman Emeritus and relative of Samir Mehta, Chairperson.
List of directorship of listed entities	Torrent Power Ltd.
Chairmanship / Membership of Committees of the Board in such Companies	Torrent Power Ltd. CSR Committee (Member) Stakeholders Relationship Committee (Member) Committee of Directors (Member)

Jinal Mehta holds 8,000 equity shares of the Company and is related to Sudhir Mehta, Chairman Emeritus and Samir Mehta, Chairperson. Sudhir Mehta, Samir Mehta and Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 5

The Audit Committee at its meeting held on February 09, 2021 recommended and the Board at its meeting held on the same day approved the re-appointment of M/s Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company to conduct the audit of Cost Records of the Company for FY 2021-22 at a remuneration of ₹12,40,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of cost audit.

In accordance with the provision of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company.

The resolution contained in Item no. 5 of the accompanying Notice, accordingly, seeks the Members’ approval to ratify the remuneration to be payable to Cost Auditors of the Company for FY 2021-22 as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 6

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 20, 2021 appointed Usha Sangwan (DIN: 02609263) as an Additional Director (Non-Executive Independent) of the Company w.e.f. May 21, 2021 to hold office upto the date of this Annual General Meeting (“AGM”) of the Company. She is eligible to be appointed as an Independent Director for a term of 5 consecutive years.

Usha Sangwan, 62 years, was the first ever woman Managing Director of LIC of India (“LIC”), the largest life insurer in the World in terms of number of customers. She is post graduate in Economics, a post graduate Diploma holder in Human Resource Management and Licentiate from Insurance Institute of India. She joined LIC in 1981 as a Direct Recruit Officer and handled various important positions during her 37 years of stint in LIC, finally reaching the top position of Managing Director.

She has worked in all core areas of life insurance including Marketing, Personnel, Operations, Housing Finance, Group Business, Direct Marketing, International Operations, Corporate Communications, Investment-Risk Management and Research, Investment – Monitoring & Accounts, Customer Relationship, New Business and Reinsurance, Corporate

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Planning, Estate, Office Services, Health Insurance and HRD. Her expertise lies in analytics, strategy, execution, executing people skill, customer centricity, use of technology particularly in marketing and servicing and setting up of systems.

She has featured in Forbes magazine amongst top 50 Power Business Women of Asia. She has also been awarded Most Powerful Business Woman Award by Business Today for three years consecutively. She was featured in Femina and on the cover page of Bureauocracy. She was honoured by 92.7 Big FM, Colour TV, Dun & Bradstreet and Loksatta among others. She has won many more accolades and awards. She is a member of Women Empowerment Programme of Niti Aayog, Govt of India, member of BCCI Fempower program and a Chartered member of the Assosiation of International Wealth Managers of India. She was also a jury member to select Women Transforming India by Niti Ayog and jury member to select top 100 Women in Finance by AIWMI. She is a consultant to PB Fintech.

Details of her directorship in other companies and membership in the committees of these companies are given below:

Sr. No.	Directorship in Companies	Name of Committees
1.	Godrej Housing Finance Ltd.	Nomination and Remuneration Committee – Chairperson Risk Management Committee – Chairperson IT Strategy Committee – Chairperson Customer Strategy Committee – Chairperson Willful Defaulter Committee - Chairperson Audit Committee – Member Grievance Redressal Committee - Member
2.	Trident Ltd.	Nomination and Remuneration Committee – Chairperson Audit Committee - Member

As per the provision of Section 149(13) read with explanation to Section 152(6) of the Companies Act, 2013 (“the Act”), the period of office of Independent Director will not be liable to determination by retirement of directors by rotation at the AGM.

The Company has received a Notice in writing from a Member of the Company under Section 160 of the Act, proposing her candidature for the office of Independent Director. Usha Sangwan meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

Usha Sangwan fulfils all other conditions as specified in the Act and the Listing Regulations for her appointment as an Independent Director of the Company and is independent of the management. In the opinion of the Board, she possesses

requisite expertise, integrity and experience for appointment as an Independent Director and the Company will benefit from her valuable, experience, knowledge and counsel.

Copy of the draft letter for appointment of Usha Sangwan as an Independent Director setting out the terms and conditions would be available for inspection without any fees in electronic mode upto the date of AGM of the Company and will also be available electronically for inspection by the Members during AGM.

The resolution contained in Item no. 6 of the accompanying Notice, accordingly, seeks the Members’ approval for appointment of Usha Sangwan as an Independent Director on the Board of the Company on the terms and conditions as specified in the draft letter of appointment as an Ordinary Resolution.

Usha Sangwan does not hold any equity shares of the Company. She is not related to any Director of the Company.

Usha Sangwan is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 7

Sudhir Mehta has, with his deep business insight and excellent relationships across the business & regulatory authorities, guided the Executive Directors and the Senior Management in achieving the business objectives, consistent growth and ensuring the highest standard of governance and compliances.

In recognition of his expertise, rich experience, contribution in the Company’s stellar growth, his continuing guidance and mentoring to the Executive Directors and the Senior Management of the Company, the Board approved annual commission of ₹5 Crore for Sudhir Mehta, Non-Executive Director and Chairman Emeritus, subject to approval of the Members.

In terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members by way of a Special Resolution is sought for annual commission of ₹5 Crore to Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 2020-21.

The resolution contained in Item no. 7 of the accompanying Notice, accordingly, seeks the Members’ approval as a Special Resolution.

Sudhir Mehta holds 6,882 equity shares of the Company and is related to Samir Mehta, Chairperson and Jinal Mehta, Managing Director. Sudhir Mehta, Samir Mehta and Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 8

Members of the Company at Annual General Meeting held on August 01, 2019 accorded consent to the Board of Directors to borrow monies (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) and create security on assets of the Company for such borrowing, in such form and manner and on such terms and conditions as the Board may deem fit, such that the total amount borrowed and outstanding at any time does not exceed ₹20,000 Crore and for the said purpose authorised the Board inter-alia, to delegate all or any of the above powers to the Committee of Directors.

Out of above borrowing limit, the Company may, at an appropriate time consider offering or inviting subscriptions for Non-Convertible Debentures (“NCDs”), in one or more series / tranches, on private placement basis, in order to augment long-term resources for financing the ongoing capital expenditure and other general corporate purpose.

Section 42 of the Companies Act, 2013 read with Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a Company which intends to make private placement of its NCDs, shall obtain approval of its Members by means of a Special Resolution. It shall be sufficient if the Company passes a Special Resolution only once in a year for all the offers or invitations for such NCDs during the year.

It is, therefore, found desirable to have the requisite enabling approval in place for meeting the fund requirements of the Company in an efficient manner.

The resolution contained in Item no. 8 of the accompanying Notice, accordingly, seeks the Members’ approval for issuance of NCDs upto an aggregate amount of ₹2,000 Crore, within overall approved borrowing limit of the Company as a Special Resolution. Such approval shall be valid in respect of all offers and invitations for such NCDs to be made in one or more series / tranches, within 12 months from the date of passing of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

By Order of the Board
For Torrent Power Limited

May 20, 2021
Ahmedabad

Rahul Shah
Company Secretary

Registered Office:
“Samanvay”,
600 Tapovan,
Ambawadi, Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Phone: +91 79 26628300
Website: www.torrentpower.com
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Board's Report

Dear Members,

Your Directors are pleased to present Seventeenth Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2021.

1. OPERATIONAL & FINANCIAL HIGHLIGHTS

The Management Discussion and Analysis Report for FY 2020-21 is part of the Annual Report and explains the operating and financial performance of the business for the year.

Summary of the Financial Statements of the Company for the year under review is as under:

Particulars	(₹ in Crore except per share data)			
	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Total Income	12,027	13,687	12,314	13,818
Profit Before Tax and Exceptional Item	1,583	1,546	1,552	1,475
Exceptional Item	-	1,000	-	1,000
Profit Before Tax	1,583	546	1,552	475
Total Comprehensive Income for the year (after non-controlling interest)	1,328	1,209	1,295	1,145
Add: Balance brought forward	4,775	4,587	4,741	4,620
Balance available for Appropriation	6,103	5,796	6,036	5,765
Appropriations				
Transfer to/(from) Specific Reserves	(69)	62	(69)	62
Dividend Paid (including dividend distribution tax for FY 2019-20)	264	959	264	962
Balance carried to Balance Sheet	5,908	4,775	5,841	4,741
Basic and Diluted Earnings per Share (₹ per share)	28	26	27	24

2. SCHEME OF ARRANGEMENT

During the year under review, the Scheme of Arrangement between the Company and TCL Cables Pvt. Ltd., a wholly owned subsidiary of the Company, for transfer and vesting of its Cables Business Undertaking on a going concern basis, with effect from the appointed date being April 01, 2020, by way of slump sale for a cash consideration of ₹256.95 Crore was approved by the National Company Law Tribunal ("NCLT"), Ahmedabad Bench vide its order dated December 17, 2020. The Scheme became operative w.e.f. January 15, 2021.

3. DIVIDEND

The Board Meeting held on May 20, 2021, revised the Dividend Distribution Policy of the Company and the same can be accessed at the Company's website: <https://www.torrentpower.com/pdf/investors/DividendDistributionPolicy.pdf>.

As per the revised Dividend Distribution Policy, the Company shall endeavour to distribute approx. 40% (as per earlier policy - 30%) of its consolidated annual profits after tax as dividend in one or more tranches. The Board of Directors, on February 09, 2021 declared interim

dividend of ₹5.50 per equity share on 48,06,16,784 nos. of equity shares for FY 2020-21.

The Board has recommended final dividend of ₹5.50 per equity share for FY 2020-21. This final dividend along with normal annual dividend distributed as interim dividend of ₹5.50 per equity share works out to total dividend of ₹11.00 per equity share for FY 2020-21 [PY ₹11.60 per equity share (including ₹5.00 per equity share as special dividend)].

The total outflow on account of dividend is ₹528.68 Crore (PY ₹672.11 Crore including dividend distribution tax of ₹114.60 Crore). i.e. 40.67% [PY 33.26% (excluding special dividend of ₹5.00 per equity share)] of consolidated total comprehensive income for FY 2020-21.

4. TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve for the year under review, other than ₹1.87 Crore to certain specific reserves, as described in the Statement of Changes in Equity being part of the Standalone Financial Statements. Further, an amount of ₹70.84 Crore has been transferred from Debenture Redemption Reserve to Retained Earnings pertaining

to partial redemption of debentures during the year under review.

5. FINANCE

During the year under review, finance cost of the Company (on a consolidated basis) was substantially reduced to ₹776 Crore as against ₹955 Crore in FY 2019-20. This is mainly due to lower debt and reduction in interest rates. The Company raised long term debt of ₹900 Crore (including ₹600 Crore in subsidiaries) by way of issuance of secured and unsecured Non-convertible debentures

New long-term debt raised by the Company and its subsidiaries by issuance of NCDs on private placement basis are mentioned below:

Issuer	Description of NCDs	Date of Allotment	Number of NCDs issued	Face Value and Issue Price (₹ in Lakh)	Amount raised (₹ in Crore)	Coupon Rate (p.a.)	Maturity Date (Series wise)
Torrent Power Ltd.	Secured, Rated, Listed, Taxable, Non-Cumulative, Redeemable NCDs	July 06, 2020	3,000	10	300	7.30%	July 06, 2023
Jodhpur Wind Farms Pvt. Ltd.	Unsecured, Rated, Listed, Taxable, Non-Cumulative, Redeemable NCDs	November 13, 2020	3,000	10	300	7.00%	1A: November 13, 2023 1B: November 13, 2024 1C: November 13, 2025
Latur Renewable Pvt. Ltd.	Unsecured, Rated, Listed, Taxable, Non-Cumulative, Redeemable NCDs	November 20, 2020	3,000	10	300	7.00%	1A: November 20, 2023 1B: November 20, 2024 1C: November 20, 2025

Outstanding consolidated long term debt as on March 31, 2021 was ₹7,809 Crore (Refer Note 23 to the Consolidated Financial Statements). Consolidated debt to equity (including deferred tax liability) ratio as at the end of FY 2020-21 was 0.73 (Previous Year: 0.92). The particulars of loans given, guarantees provided and investments made during the year are disclosed in Note 57 to the Standalone Financial Statements.

6. SUBSIDIARIES AND ASSOCIATES

The Board has reviewed the affairs of the Company's Subsidiaries and Associates at regular intervals. In accordance with Section 129(3) of the Companies Act, 2013 ("the Act"), the Company has prepared Consolidated Financial Statements incorporating the Financial Statements of all Subsidiaries and Associates, which form part of the Annual Report. Further, a statement containing salient features of the Financial Statements of the Company's Subsidiaries and Associates is given in prescribed Form AOC-1, which forms part of the Annual Report (Refer [page no. 282](#)).

("NCD"s), mainly to refinance its existing debt at lower interest rates.

The Company has repaid long term debt of ₹1,989 Crore (including prepayments of ₹1,125 Crore), resulting in reducing net long-term debt by ₹1,089 Crore.

CRISIL has reaffirmed long term and short term credit rating of the Company at CRISIL AA/ Stable and CRISIL A1+ respectively. India Ratings has reaffirmed short term rating at IND A1+ to the Commercial Paper Programme of the Company.

The said Form also highlights the financial performance of each of the Subsidiaries and Associates included in the Consolidated Financial Statements.

The details pertaining to the companies that have become or ceased to be the Subsidiary or Associate of the Company during the year are provided in Note no. 41 to the Consolidated Financial Statements, forming part of the Annual Report.

During the year, NCLT, Ahmedabad Bench has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute (Associate Companies) vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date").

In accordance with Section 136 of the Act, the Financial Statements of the Company, Consolidated Financial Statements alongwith separate Audited Financial Statements in respect of Subsidiaries and Associates are available for inspection by the Members at the Registered Office of the Company during the business hours on all



Board’s Report (Contd.)

working days. Any person desirous of obtaining the said Financial Statements may write at cs@torrentpower.com. The Annual Report of the Company and Audited Financial Statements of each of the Subsidiaries and Associates have been placed on the website of the Company at www.torrentpower.com.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Members at their 16th Annual General Meeting (“the AGM”) held on August 06, 2020 approved appointment of Sunaina Tomar, IAS (DIN: 03435543) as the Director of the Company.

The Board Meeting held on May 20, 2021 appointed Usha Sangwan (DIN: 02609263) as an Additional Director (Non-Executive Independent) of the Company w.e.f May 21, 2021 till the commencement of the ensuing AGM. The Board hereby recommends her appointment as the Independent Director for a period of 5 consecutive years from May 21, 2021 till May 20, 2026 (both days inclusive), not liable to retire by rotation. In the opinion of the Board, she possesses requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Director of the Company.

As per the provisions of the Act, Jinal Mehta (DIN: 02685284), Director, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. A brief resume and other relevant details of Jinal Mehta are given in the Explanatory Statement to the Notice convening the AGM.

The Board at its Meeting held on April 08, 2021 appointed Lalit Malik as Chief Financial Officer (CFO) & Whole-time KMP of the Company w.e.f May 01, 2021 in place of Sanjay Dalal, who retired as CFO & Whole-time KMP of the Company w.e.f April 30, 2021.

8. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and they have registered their names in the Independent Director’s Data Bank. The Independent Directors are in compliance with the Code of Conduct prescribed under Schedule IV of the Act and the Code of Business Conduct adopted by the Company.

9. POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION POLICY

The Nomination and Remuneration Committee (“the NRC”) has approved following criteria and process for identification / appointment of the Directors:

- Criteria for Appointment**
- i. Proposed Director (“Person”) shall meet all statutory requirements and should:
 - possess the highest ethics, integrity and values
 - not have direct / indirect conflict with present or potential business / operations of the Company
 - have the balance and maturity of judgment
 - be willing to devote sufficient time and energy
 - have demonstrated leadership and vision at senior levels, and have the ability to articulate a clear direction for the Company
 - have relevant experience with respect to Company’s business (in exceptional circumstances, specialisation / expertise in unrelated areas may also be considered)
 - have appropriate comprehension to understand or be able to acquire that understanding
 - relating to Corporate Functioning
 - concerning the scale, complexity of business and specific market and environmental factors affecting the functioning of the Company
 - ii. The appointment shall be in compliance with the Board Diversity Policy of the Company.

- Process for Identification / Appointment of Directors**
- i. Board members may (formally or informally) suggest any potential person to the Chairperson of the Company, meeting the above criteria. If the Chairperson deems fit, necessary recommendation shall be made by him to the NRC.
 - ii. Chairperson of the Company can himself also refer any potential person meeting the above criteria to the NRC.
 - iii. The NRC will process the matter and recommend such proposal to the Board.
 - iv. The Board will consider such proposal on merit and decide suitably.

Remuneration Policy

The Company has in place a policy relating to the remuneration of the Directors, KMP and other employees of the Company. The policy is available on the website of the Company at https://www.torrentpower.com/pdf/investors/Remuneration_Policy.pdf.

- 10. EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**
- The evaluation of the Board, its Committees and Individual Directors was carried out as per the process and criteria laid down by the Board of Directors.
- The proforma formats for facilitating the evaluation process of the Non-Independent Directors and the Board as a whole and the Committees were sent to all the Non-Executive Directors (except Promoter Director).
- A presentation on functioning of the Board and the Committees, containing the outcome of their evaluation and feedback was reviewed by the Independent Directors in their separate Meeting and by the Board. Based on the feedback, the Board expressed satisfaction on overall functioning of the Board, the Committees and performance of the Directors.
- 11. MEETINGS OF THE BOARD, COMMITTEES & COMPLIANCE TO SECRETARIAL STANDARDS**
- The Board meets at regular intervals, with gap between two meetings not exceeding 120 days. During the year under review, the Board met four times.
- The Board has six committees namely Audit Committee (AC), Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSR), Stakeholders Relationship Committee (SRC), Risk Management Committee (RMC) and Committee of Directors (CoD). A detailed note on the composition of the Board and its Committees (AC, NRC, SRC and RMC) is provided in the Corporate Governance Report, forming part of the Annual Report. Composition of CSR Committee is given in the Report on CSR Activities (Annexure C). CoD is a Board Committee to facilitate routine executive decisions and exercise of authority granted by the Board in various matters. The minutes of all the Committee Meetings are reviewed at every Board Meeting.
- During the year under review, the Company has complied with the provisions of Secretarial Standard 1 (relating to Meetings of the Board of Directors) and Secretarial Standard 2 (relating to General Meetings) issued by the Institute of the Company Secretaries of India.
- 12. DIRECTORS’ RESPONSIBILITY STATEMENT**
- In terms of Section 134(3) of the Act, the Board of Directors states that:
- a) in preparation of the Financial Statements, the applicable accounting standards have been followed and there are no material departures;
 - b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

- Company as on March 31, 2021 and of the profits for the year ended March 31, 2021;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - d) the Financial Statements have been prepared on a going concern basis;
 - e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
 - f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
- 13. AUDITORS**
- Statutory Auditors**
- The Members at the 13th AGM of the Company had appointed M/s. Price Waterhouse Chartered Accountants LLP as the Statutory Auditors of the Company to hold office from the close of the 13th AGM till conclusion of the 18th AGM.
- The Auditors’ Report for FY 2020-21 forms part of the Annual Report and does not contain any qualification, reservation or adverse remark.
- Cost Auditors**
- Pursuant to Section 148(3) of the Act, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai had been appointed as the Cost Auditors of the Company for FY 2020-21 by the Board of Directors for conducting audit of cost records maintained in respect of electricity. Their remuneration was ratified by the Members at the 16th AGM of the Company.
- The Cost Audit Report for FY 2019-20 does not contain any qualification and was filed with the Central Government (within the prescribed time limit) on August 27, 2020 pursuant to Section 148(6) of the Act.
- Secretarial Auditors**
- Pursuant to Section 204 of the Act read with the Rules thereof, the Board of Directors had appointed M/s. M. C. Gupta & Co., Company Secretaries, Ahmedabad, as the Secretarial Auditors of the Company for FY 2020-21. The Secretarial Audit Report for FY 2020-21 is annexed herewith as **Annexure A**.
- There are no adverse observations in the Secretarial Audit Report which call for explanation.



Board’s Report (Contd.)

14. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Statutory Auditors of the Company have audited such controls with reference to the financial reporting and their Audit Report is annexed as Annexure A to the Independent Auditors’ Report under the Standalone Financial Statements and the Consolidated Financial Statements which forms part of the Annual Report.

15. CORPORATE GOVERNANCE

In compliance with Regulation 34 read with Schedule V of the Listing Regulations, the Report on Corporate Governance forms part of the Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance is annexed to the Board’s Report as **Annexure B**.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, the Company incurred CSR expenditure of ₹33.74 Crore, which is 2.50% of the average net profit of the past three financial years as against statutory requirement of 2%. Additionally, ₹1.69 Crore was utilised by the CSR implementing agency out of the surplus arising from funds invested temporarily pending the expenditure. This has resulted in total CSR expenditure of ₹35.43 Crore for the year. The CSR Activities undertaken by the Company were under the thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. The Board in its meeting held on May 20, 2021 revised the existing CSR Policy of the Company to harmonize with the amendments carried out by the Ministry of Corporate Affairs in Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The brief details of the major CSR Activities are described hereunder:

REACH: Driven by the belief of Chairman Emeritus, Sudhir Mehta ‘**Children are the future of our nation and this future must be well preserved**’, the flagship CSR program of the Group “REACH” – Reach EAch CHild was initiated in the year 2016 under the aegis of Tornascent Care Institute, a section 8 company. REACH has three major pillars: **(a) SHAISHAV (b) JATAN and (c) MUSKAN**. Salient achievements are:

- **“Shaishav”** the first pillar of the Programme, targets to establish baseline health status of children in age group of 6 months to 6 years, through medical camps in 351 villages surrounding the industrial establishments of the Group. Till date 71,387 children have been screened, and by providing appropriate treatment more than 74% Malnourished children, more than 90% Anaemic children and 73% children having chronic illnesses were provided appropriate treatment with very encouraging outcomes. During FY 2020-21, inspite of massive challenges posed by

COVID-19 pandemic, maintained an optimum balance of serving the community and at the same time avoiding any exposure by adopting ‘Minimum Human Intervention Model’, weight assessment of 5,307 Malnourished children was carried out, Mauji Biscuits were provided to beneficiaries and encouraging results have been observed. Similarly, on Anaemic front, Iron supplement were provided to 6,765 children without reassessment.

- **“Jatan”**, the second pillar of the Programme, encompasses provision of healthcare services to children upto 18 years. There are three primary paediatric health centers (“PPHCs”) with basic laboratory and day care facility at Dahej, Balasinor and Indrad, while fourth centre near SUGEN power plant was converted into 150 bed paediatric hospital ‘Balsangam’ (part of ‘Rangtarang’ hospital complex) in FY 2019-20. Due to outbreak of COVID-19 pandemic and consequent nationwide lockdown, in H1 FY 2020-21 telephonic conversations with 46,000 parents of the beneficiaries across all four PPHCs were arranged for spreading awareness of consumption of healthy diet to boost immune system and maintain proper hygiene to reduce risk of COVID-19.

With all precautions like sanitizing, social distancing and avoiding direct exposure to the patients, PPHC facilities at Balasinor and Indrad were started from September, 2020 and 7,225 beneficiaries were served. From September, 2020 onwards, started audio visual consultation of patients at PPHC facilities near SUGEN power plant and Dahej, and 4,099 beneficiaries have been served.

- **Under “Muskan”**, the third pillar of the Programme, counselling and support was provided to rural adolescent girls around SUGEN power plant, Dahej and Indrad centers covering menstrual hygiene and sanitation, by providing free health and hygiene kits. However, due to COVID-19 pandemic, this activity was not carried out till August, 2020 and with appropriate safety measures and also to avoid beneficiaries going back to using conventional practice, health and hygiene kits were provided to around 5,000 beneficiaries in 125 villages.

Shiksha Setu: The Teaching and Learning Programme, conducted through UNM Foundation (amalgamated with Tornascent Care Institute w.e.f. the appointed date being April 01, 2020) completed fifth year of Phase 2. This Programme covers 13 government primary schools located near SUGEN power plant, Chhatral, Chhapi, Memadpur and Ahmedabad having 4,500+ students and 150+ teachers of 1st to 8th standard. During FY 2020-21, practice assignments prepared for students containing questions and activities based on skills of previous standards and current curriculum. These assignments were based on learning outcomes prescribed in National Curriculum Framework on the expected skills / knowledge

for each standard and the same was well received by 4500+ students from 3rd to 8th standard and 120+ teachers.

Various virtual workshops on important concepts of Maths, Science and Computer as per revised curriculum were organised for teachers of 6th to 8th standard, in which 78+ teachers from 36 schools of Siksha Setu / Chappi / Memadpur / other schools (around Project schools) participated and benefitted. Continuous interaction was carried out with teachers, students and parents to provide support, counsel and address specific concerns regarding education.

Development and Maintenance of Public Parks: The Company along with one of India’s best known landscape design firm developed an approach for development of urban public parks. Six small sized parks measuring approx. 33,000 sq. mt. have been fully developed and opened for public use since FY 2018-19 and one small sized park was fully developed and opened for public use in FY 2020-21. Another two large parks measuring approx. 66,975 sq. mt. are under development and will be opened for public in FY 2021-22, if situation caused due to COVID-19 allows. Maintenance of above public parks is also funded from CSR funds of the Company.

In addition to above, the Company continued other social activities during the year, as described hereunder:

Creating livelihoods:

- Job opportunities for the local youth commensurate to the education profile and capabilities is a continues process with preference to youth hailing from immediate vicinity, for jobs like Technicians, Healthcare workers, Security Guards, Drivers, Horticulture and Housekeeping. Imparting training to youth hailing from adjacent areas and thereafter, providing them livelihood has been on hold due to the COVID-19 pandemic but will resume once the situation is in control.
- Differently abled persons (with impaired hearing and speech) are provided employemnt once trained for routine cleaning of solar panels at GENSU power plant, thus providing them a dignified livelihood.
- Employment opportunities for uneducated and destitute locals for horticulture, house keeping and canteen work at industrial and office facilities have been a continuous source of goodwill amongst the neighbouring villages.

Community Healthcare: Sumangal- a daycare Clinic for Adults (the erstwhile ‘Swadhar’), a community healthcare facility was integrated into ‘Rangtarang’ hospital complex, which caters to medical requirements of nearby 500 villages by providing specialised consultations in the areas of dental care, ophthalmology, dermatology, gynaecology, physiotherapy and orthopeadic. Due to outbreak of COVID-19 pandemic and consequent nationwide

lockdown, a method of Minimum Human Intervention (Audio calls / Tele- Consultation) evolved wherein there is no / minimum contact with the community and hence, all the safety precautions followed to the maximum extend possible and hence, the community is still being served, and there is a constant rapport with the community. This model maintains an optimum balance between serving the beneficiaries and not putting any employee at the risk of exposure to COVID-19.

The Report on CSR Activities is annexed herewith as **Annexure C**.

Donations

The Company has made donations amounting to ₹26.55 Crore toward various social causes as detailed below:

- ₹10.05 Crore to various organisations engaged in activities related to healthcare, education, arts & culture, science, relief to disaster victims; socio-economic development including de-addiction, skill development, self-help groups, upliftment of women, integrated development of tribes, protection of consumer rights, building of toilets etc.
- ₹5 Crore to the Prime Minister’s Citisen Assistance and Relief in Emergency Situations Fund (PM CARES Fund).
- ₹11.5 Crore to various charitable organisations and Chief Minister’s Relief Fund to fight effects of COVID -19 pandemic and its fallout on poorer sections of the society.

Shardashish School: The Company has earmarked Donation of ₹3 Crore (₹6 Crore donated in FY 2019-20) to UNM Foundation (amalgamated with Tornascent Care Institute w.e.f. the appointed date being April 01, 2020) for construction of new school building and related infrastructure at Shardashish School (earlier known as Urja Vidyalaya) situated in the premises of Amgen power plant’s housing colony at Sabarmati in Ahmedabad. Majority of the students are with economically disadvantaged background from nearby slum areas. The new school building will cater facilities like Computer room, Smart room with Projector, Laboratory, Library, Assembly Hall, additional new classes etc.

17. ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company accords utmost importance to EHS in its various operations. The key developments concerning EHS during FY 2020-21 include:

- Integrated Management System (IMS) to ensure a safe, healthy and environmental friendly working at SUGEN, GENSU and DGEN power plants, which includes Quality Management System (QMS) (ISO 9001:2015), Environment Management System (EMS) (ISO 14001:2015), Occupational Health and Safety



Board’s Report (Contd.)

Standard (ISO 45001:2018), Energy Management System (EnMS) (ISO 50001:2018), Asset Management System (AMS) (ISO 55001:2014), Information Security Management System (ISMS) (ISO 27001:2013) and were periodically certified with surveillance audit by TUV India.

- SUGEN power plant has received “International Safety Award” from British Safety Council for EHS practices and DGEN power plant has been awarded Gold Trophy for FY 2020-21 by ACCQC- Ankaleshwar Chapter Convention of Quality Concept for Five-S (Workplace Management System).
- SUGEN, DGEN and GENSU power plants and all Renewable sites have achieved “reportable Lost Time Accident free” man-hours as on March 31, 2021.
- Employees at DGEN power plant have participated in capability building workshop organised by the PNGRB (the Petroleum and Natural Gas Regulatory Board) covering the PNGRB Regulations.
- Residential townships: Shardashish at SUGEN power plant and Meghdhanush at DGEN power plant are certified as per Environment Management System (EMS) (ISO 14001:2015) and Occupational Health and Safety Management Standard (ISO 45001:2018). Indian Green Building Council (IGBC) has certified Meghdhanush with Platinum certification under IGBC Green Residential Societies Rating System in August, 2020 for the period of three years.
- Rainwater harvesting system resulted in rainwater collection of 1.50 Lakh m3 at DGEN power plant.
- Vertical Garden on outer periphery of building provided at all new PSC buildings, to protect environment and reduce heat load on airconditioning system at Ahmedabad distribution units.
- AMGEN power plant has introduced safety commitment yearly drive to strengthen workplace safety and to nullify any potentiality of safety incidents.
- Safety initiatives like; workplace safety surveys, periodic inspection of tools and tackles, internal / external mock drills for strengthening emergency preparedness, campaign for encouraging near-miss-reporting, basic training on electric safety and its hazards etc. were taken throughout the year by specific shop floor teams for positive engagement of work force in safety to further enhance safety culture.
- Safety improvement initiatives such as installation of emergency key boxes at all locations inside plants, special tool, Laser Distance Meter, Magnetic Insulation Sheet, Portable Electrical Boards were purchased to prevent injury from electric hazard. Electric (battery operated) Bicycles were purchased for environment friendly transportation within plants.

- Ahmedabad, Surat and Dahej distribution units have been awarded Five Star rating from British Safety Council for occupational health & safety practices.
- Dahej distribution unit has been awarded prestigious Sword of Honour by British Safety Council in December 2020 for its commitment to excellence in occupational health and safety.
- Risk Life Assessment (RLA) of civil structures of office premises and EHV substations were done by structural consultant at Surat and Dahej distribution units.
- Amid COVID-19, implemented robust annual shut down safety system with initiatives like safety awareness with practical demonstration, deputation of cross function team in addition to third party safety officers for ensuring safe execution and confirmed safe annual shut down with zero safety incident.
- Specialised training programs were organised on prevention and precaution for COVID-19, such as boosting immune system, yoga for daily life, health management for healthy and positive lifestyle, managing emotions amid COVID-19 era etc., online health talks on common health problems such as hypertension, diabetes, lifestyle diseases, knowledge and competence enhancement for imparting different safety awareness, chemical handling, fire prevention and emergency preparedness etc. Also, E-learning initiatives taken up for EHS training.
- To tackle difficult situation of COVID-19, with proactive and predictive approach adequate necessary measures strategised and implemented like strict surveillance at entrance, frequent sanitization of all work places, barriers installation at work desks / vehicles / cafeteria, compliance of covid protocol with continuous awareness and frequent audits, periodic covid testing of employees, allowing work from home and home to field wherever feasible, contact tracing etc.

Moreover, the Company has in place the “Conviction for Safety” policy, which provides for substantial compensation to the personnel (Employees as well as Contractors) and their families, who are adversely affected by accidents and creating more awareness at the work place about safety and compliance so as to avoid accidents at the work place.

18. VIGIL MECHANISM

The Company has in place a Vigil Mechanism / Whistle Blower Policy pursuant to the applicable statutory requirements. The details of the Vigil Mechanism / Whistle Blower Policy are explained in the Report on Corporate Governance.

19. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company has, during the year under review, credited unpaid / unclaimed dividend to IEPF Authority and equity shares to the demat account of IEPF Authority as per the details mentioned below:

Financial Year	Unpaid / Unclaimed Dividend transferred (in ₹)	No. of equity shares transferred
2012-13 (Final)	72,82,747/-	84,949

During the year under review, the Company has also credited following dividend to IEPF Authority against equity shares already transferred:

Financial Year	Dividend (in ₹)	Amount credited to IEPF* (in ₹)	No. of equity shares already transferred
2020-21 (Interim dividend)	5.50 per share	87,38,110/-	19,83,174

* Net of Tax Deducted at Source (includes Tax + Surcharge + Cess as applicable) which was ₹21,69,347/-.

The Members whose shares and unclaimed dividend have been transferred to the IEPF Demat Account and IEPF account respectively, may claim the shares or apply for refund of dividend by making an application to the IEPF Authority in web Form IEPF-5 (available on <http://www.iepf.gov.in>). The details of the Members whose dividend remained unpaid / unclaimed for 7 consecutive years or more may be accessed at the Company’s website at www.torrentpower.com.

The details of unpaid / unclaimed dividend lying in unpaid dividend accounts as on March 31, 2021 are mentioned below:

Sr. No.	Dividend for Financial Year	Due date for transfer to IEPF	Amount of Unpaid/Unclaimed Dividend (in ₹)
1.	2013-14 (Final) of erstwhile Torrent Cables Ltd.	September 02, 2021	4,69,359.00
2.	2013-14 (Final) of Torrent Power Ltd.	September 02, 2021	17,93,605.00
3.	2014-15 (Final) of erstwhile Torrent Cables Ltd.	September 02, 2022	3,08,692.00
4.	2014-15 (Final) of Torrent Power Ltd.	September 09, 2022	52,55,281.50
5.	2015-16 (Interim) of Torrent Power Ltd.	April 15, 2023	1,60,94,308.50
6.	2016-17 (Final) of Torrent Power Ltd.	September 06, 2024	1,18,20,729.80
7.	2017-18 (Final) of Torrent Power Ltd.	September 06, 2025	1,53,53,685.00
8.	2018-19 (Final) of Torrent Power Ltd.	September 10, 2026	1,18,20,280.00
9.	2019-20 (Interim) of Torrent Power Ltd.	March 19, 2027	2,62,37,007.60
10.	2020-21 (Interim) of Torrent Power Ltd.	March 17, 2028	1,16,99,632.50

Note: Torrent Cables Ltd. was amalgamated into Torrent Power Ltd. w.e.f. October 01, 2015.

The actual amount lying in unpaid dividend accounts along with corresponding equity shares related thereto will be transferred to IEPF Authority within statutory timeline as applicable.

Rahul Shah, Company Secretary, has been appointed as the Nodal Officer of the Company and the details of the Nodal Officer are available on the website of the Company at <https://www.torrentpower.com/index.php/investors/iepf>.

20. BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility Report forms part of the Annual Report.

21. RISK MANAGEMENT

The Company has in place a Risk Management framework for a systematic approach to control risks. The Risk Management Policy of the Company lays down procedures for risk identification, assessment, monitoring, review and reporting. The Policy also lists the roles and responsibilities of the Board, Risk Management Committee , Chief Risk Officer, Risk Champions and Risk Co-ordinators. The Risk Management process is reviewed and monitored by the functional heads.

Management and Discussion Analysis Report of the Annual Report identifies key risks, which can affect the performance of the Company.



Board’s Report (Contd.)

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with the related parties are given in the prescribed Form AOC-2, annexed herewith as **Annexure D** and in the section on the Related Party Transactions in the Report on Corporate Governance.

23. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The details in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are forming part of this Report as **Annexure E**.

24. PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORKPLACE

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

25. THE EXTRACT OF THE ANNUAL RETURN

In terms of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at <https://www.torrentpower.com/index.php/investors/annualreturn>.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134(3)(m) of the Act read with

Companies (Accounts) Rules, 2014 are given in the **Annexure F**, which forms part of this Report.

27. OTHER DISCLOSURES

- During the year under review, the Company has neither accepted nor renewed any fixed deposits.
- During the year under review, there are no changes in the nature of business.
- There are no material changes and commitments affecting the financial position of the Company, which has occurred between end of Financial Year i.e. March 31, 2021 and the date of Board’s Report i.e. May 20, 2021.
- No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company’s operation in future.

28. APPRECIATION AND ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record its appreciation for the continued support received from all stakeholders including government, regulatory authorities and financing institutions. The Board is thankful to the Members and employees for their unstinted support and contribution.

The Directors express their regret at the loss of human life due to COVID-19 pandemic and have immense respect and gratitude for every person who has risked their life and safety to fight this pandemic.

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN: 00061903

May 20, 2021
Ahmedabad

Annexure A

Form No. MR-3
Secretarial Audit Report

For the Financial Year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Torrent Power Limited,
“Samanvay”,
600, Tapovan,
Ambawadi, Ahmedabad – 380015

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Torrent Power Limited (CIN: L31200GJ2004PLC044068) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Torrent Power Limited’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2021 according to the provisions of:

- The Companies Act, 2013 (“the Act”) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**.

vi. The Company has complied with following other laws specifically applicable to the Company:

- Electricity Act, 2003
- Gujarat Electricity Duty Act, 1958
- Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003
- Gujarat Electricity Grid Code, 2013
- Energy Conservation Act, 2001

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



Board’s Report (Contd.)

Annexure “A”

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. No change in the composition of the Board of Directors took place during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. There were no dissenting views on any matter.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review the Company has no specific events / actions having a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. Issued Secured, Listed, Rated, Taxable, Non-Cumulative, Redeemable, Non-Convertible Debentures aggregating to ₹300 Crore through Private Placement basis.

2. Commercial Papers aggregating to ₹700 Crore were issued and redeemed.

3. Pursuant to the Orders of Hon. National Company Law Tribunal (“NCLT”), Ahmedabad Bench dated July 21, 2020 read with Order dated June 30, 2020 in the matter of

the Scheme of Arrangement between the Company and TCL Cables Private Limited (“TCPL”) and their respective Shareholders and Creditors (“the Scheme”) for transfer and vesting of Cable Business Undertaking of the Company to TCPL, Meetings of Equity Shareholders, Unsecured Creditors of Cables Business Undertaking only and Secured Creditors of the Company were convened and held on September 15, 2020. Hon. NCLT has approved the Scheme vide its Order dated December 07, 2020. The said Scheme became effective from January 15, 2021 having appointed date as April 01, 2020.

4. The 16th Annual General Meeting of the Members of the Company was held on August 06, 2020 through VC / OAVM in terms of MCA General Circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 05, 2020.

For M. C. Gupta & Co.
Company Secretaries
UCN: S1986GJ003400

Mahesh C Gupta
Proprietor
FCS: 2047 (CP: 1028)
Peer Review No. 579/2019
UDIN: F002047C000348217

Place: Ahmedabad
Date: May 20, 2021

Note: This Report is to be read with our Letter of even date which is annexed as Annexure “A” and forms an integral part of this report.

To,
The Members,
Torrent Power Limited,
“Samanvay”,
600, Tapovan,
Ambawadi, Ahmedabad – 380015

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. As the employees of the Corporate Office of the Company are working from home due to continuous effect of COVID-19 in India and with a view to meet the statutory timelines, we have relied upon the information and online data provided by the Company, required to conduct the Secretarial Audit and also the clarifications given by the Management. We have conducted the Secretarial Audit based upon the online information so provided

with limitation to access to all the records maintained by the Company, due to inability to have personal visit to Company’s office(s).

4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

6. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the Management. Our examination was limited to the verification of the procedures on test basis.

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M. C. Gupta & Co.
Company Secretaries
UCN: S1986GJ003400

Mahesh C Gupta
Proprietor
FCS: 2047 (CP: 1028)
Peer Review No. 579/2019
UDIN: F002047C000348217

Place: Ahmedabad
Date: May 20, 2021



Annexure B

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of
Torrent Power Limited

We have examined the compliance of conditions of Corporate Governance by Torrent Power Limited ("the Company"), for the year ended March 31, 2021 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 21109553AAAAAA9713

Place: Mumbai
Date: May 20, 2021

Annexure C

Report on CSR Activities for FY 2020-21

1. Brief outline on CSR Policy of the Company:

- Torrent has always been committed to the cause of social service and has consistently channelised a part of its resources and activities, such that it positively impact the society socially, ethically and also environmentally. The Company has taken up various CSR initiatives improving the quality of life of the people and making quality value addition to the society.
- The Company channelizes its CSR Activities in light of its guiding principle as enumerated by its founder - Shri U. N. Mehta: **"Giving back to the society, for all the years of care, support and nurturance that is being bestowed upon the organisation"**.
- The Policy focuses on three thrust areas in which CSR Activities are planned - (a) Community Healthcare, Sanitation & Hygiene (b) Education & Knowledge Enhancement and (c) Social Care & Concern.
- The CSR Activities are conducted, preferably in areas where the Company has industrial or business presence, after approval of the CSR Committee and the Board.
- CSR Activities are implemented directly by the Company or indirectly by Implementing Agencies, which include section 8 company / registered public trust / registered society established by the Company / an external entity engaged in CSR Activities etc.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Bhavna Doshi	Chairperson of Committee, Independent Director	3	3
2	Samir Barua	Member of Committee, Independent Director	3	3
3	Jinal Mehta	Member of Committee, Director	3	3

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

CSR Committee: <https://www.torrentpower.com/index.php/investors/corporateinformation>

CSR Policy: <https://www.torrentpower.com/pdf/investors/AmendedCSRPolicy.pdf>

CSR Projects: https://www.torrentpower.com/pdf/investors/20200528_CSR%20Activities%20FOR%20FY%2020-21_website.pdf

4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable for FY 2020-21

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the Financial year, if any :

Sr. No.	Financial Year	Amount available for set-off from preceding Financial Years (₹ in crore)	Amount required to be set-off for the Financial Year, if any (₹ in crore)
		Nil	

6. Average net profit of the Company as per Section 135(5) : ₹1,349 Crore

7. a) Two percent of average net profit of the Company as per Section 135(5): ₹27 Crore

b) Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years: *

c) Amount required to be set off for the Financial Year, if any: Nil

d) Total CSR obligation for the Financial Year (7a+7b-7c) : ₹27 Crore

* ₹1.69 Crore surplus, arising at implementing agency level from temporary investment of the funds, has not been included in Sr. No. 7 (b).



Board’s Report (Contd.)

8. a) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (₹ in Crore)	Amount Unspent (₹ in Crore)				
	Total Amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (₹ in crore)	Date of transfer	Name of the Fund	Amount (₹ in crore)	Date of transfer
33.74**			Nil		

**Excluding ₹1.69 Crore surplus arising at implementing agency level from temporary investment of the funds.

b) Details of CSR amount spent against Ongoing Projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes / No)	Location of the Project		Project duration*	Amount allocated for the Project (₹ in Crore)	Amount spent in the current Financial Year (₹ in Crore)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (₹ in Crore)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	REACH - Paediatric Healthcare Programme	Community Healthcare, Sanitation & Hygiene (Promoting healthcare including preventive healthcare)	Yes	Various districts in the state of Gujarat like Kamrej, Mandvi, Mangrol, Olpad in Surat, Vagra, Amod in Bharuch, Balasinor in Mahisagar, Jotana, Kadi in Mehsana, Galteshwar, Kapadvanj, Kathlal, Thasra, Nadiad in Kheda, Kalol in Gujarat		3 years	32.83	32.83**	Nil	No	Tornascent Care Institute (section 8 company)	CSR00004202 (received on April 29, 2021)
2.	Development of Public Parks (Phase II)	Social Care & Concern (ensuring environmental sustainability, ecological balance and protection of flora and fauna)	Yes	Ahmedabad district in the State of Gujarat		3 years	-	1.35***	Nil	No	UNM Foundation (section 8 company)	Amalgamated with Tornascent Care Institute and hence, not applied for registration
3.	Shiksha Setu (Quality Education Programme in Rural and Urban Slum Area)	Education and Knowledge Enhancement (Promoting education)	Yes	Sabarmati in Ahmedabad, Kamrej in Surat, Vadgam in Banaskantha, Kadi in Mehsana, in the State of Gujarat		3 years	-	0.37***	Nil	No		

* Excluding year of commencement.

** Contribution to the implementing agency during the Financial Year.

*** Out of the funds lying with the implementing agency prior to FY 2020-21.

Note: CSR spend as mentioned above excludes ₹1.69 Crore surplus arising at implementing agency level from temporary investment of the funds.

c) Details of CSR amount spent against other than Ongoing Projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes / No)	Location of the Project		Amount spent for the Project (₹ in Crore)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Maintenance of Public Parks	Social Care & Concern (ensuring environmental sustainability, ecological balance and protection of flora and fauna)	Yes	Ahmedabad district in the State of Gujarat		0.75*	No	UNM Foundation (section 8 company)	Amalgamated with Tornascent Care Institute and hence, not applied for registration
2.	Shardashish School (for urban slum children)	Education and Knowledge Enhancement (promoting education)	Yes	Sabarmati in Ahmedabad district in the State of Gujarat		0.16	No	Amdavad Vidyut Kelavani Samaj Trust	Registration in progress
Total						0.91			

*₹0.56 Crore is not included above, which was spent additionally during the Financial Year out of the funds lying with the implementing agency prior to FY 2020-21.

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹33.74 Crore*

* CSR spend disclosed under Sr. No. 8 (b) (2) & (3) have not been considered, as spent out of the funds lying with the implementing agency prior to FY 2020-21.

(g) Excess amount for set off, if any: ₹6.74 Crore

Sr. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	27.00
(ii)	Total amount spent for the Financial Year	33.74*
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	6.74
(iv)	Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years, if any	**
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	6.74

* CSR spend disclosed under Sr. No. 8 (b) (2) & (3) have not been considered, as spend out of the funds lying with the implementing agency prior to FY 2020-21.

** Excluding ₹1.69 Crore surplus arising at implementing agency level from temporary investment of the funds.

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)			(5)	
Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in Crore)	Amount spent in the reporting Financial Year (₹ in Crore)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (₹ in Crore)
				Name of the Fund	Amount (₹ in Crore)	Date of transfer	
				Nil			

(b) Details of CSR amount spent in the Financial Year for Ongoing Projects of the preceding Financial Year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project duration	Total Amount allocated for the Project (₹ in Crore)	Amount spent on the Project in the reporting Financial Year (₹ in Crore)	Cumulative Amount spent at the end of reporting Financial Year (₹ in Crore)	Status of the Project - Completed / Ongoing
No Project was classified as an Ongoing Project in the preceding Financial Year								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details):

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital assets (₹ in Crore)	Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.	Details of the capital assets created or acquired (including complete address and location of the capital asset)
March 31, 2021	12.65	Tornascent Care Institute “Samanvay”, 600 Tapovan, Ambawadi, Ahmedabad-380015	Part of expenditure for construction of Hospital building of REACH Project and related road construction. Situated near SUGEN power plant, Off National Highway No. 8, Taluka: Kamrej, District: Surat-394155 (Gujarat)

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

For and on behalf of the Board of Directors

Ahmedabad
May 20, 2021

Samir Barua
Director
DIN: 00211077

Bhavna Doshi
Chairperson CSR Committee
DIN: 00400508

Form for disclosure of particulars of Contracts / Arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm’s length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including value, if any	Justification for entering into such contracts/ arrangements/ transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
				Nil				

2. Details of material contracts or arrangement or transactions at arm’s length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including value, if any	Date(s) of approval by the Board and Audit Committee, if any	Amount paid as advances, if any	Date on which shareholders resolution was passed in general meeting u/s 188(1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
				Nil			

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN: 00061903

Ahmedabad
May 20, 2021

Annexure E

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 2020-21 are as under:

Sr. No.	Name	Designation	Ratio of Remuneration of Director to Median Remuneration of employees	% increase in Remuneration in FY 2020-21
			(Sub-clause (i) of Rule 5(1))	(Sub-clause (ii) of Rule 5(1))
1.	Sudhir Mehta	Chairman Emeritus	112.37	0.00%
2.	Samir Mehta	Chairperson	224.75	0.00%
3.	Pankaj Patel	Independent Director	6.29	24.44%
4.	Samir Barua	Independent Director	10.23	5.81%
5.	Keki Mistry	Independent Director	7.42	32.00%
6.	Bhavna Doshi	Independent Director	10.23	12.35%
7.	Dharmishta Raval	Independent Director	8.54	16.92%
8.	Sunaina Tomar, IAS	Non-Executive Director	1.24	Not Applicable*
9.	Jinal Mehta	Managing Director	292.30	13.09%
10.	Sanjay Dalal	Chief Financial Officer	Not Applicable	9.00%
11.	Rahul Shah	Company Secretary	Not Applicable	7.00%

* Appointed as Director w.e.f. February 13, 2020.

2. Sub-clause (iii) of Rule 5(1): The median remuneration of the employees (excluding employees covered under wage settlement and employees who were employed for part of the year) in FY 2020-21 increased by 7.25%.
3. Sub-clause (iv) of Rule 5(1): The number of permanent employees on the roll of Company as on March 31, 2021 was 7,429.
4. Sub-clause (viii) of Rule 5(1): The average percentage increase made in the remuneration:
- of employees (excluding Directors, Managerial Personnel, employees covered under wage settlement and employees who were employed for part of the year) is 7.54%;
 - of Managerial Personnel is 7.00%.
5. Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.
6. Rules 5(2) and 5(3): The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Annual Report. Having reference to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the Registered Office of the Company during its working hours up to the date of ensuing Annual General Meeting. Further, any Member interested in obtaining such information may obtain it by writing to the Company Secretary at cs@torrentpower.com.

Ahmedabad
May 20, 2021

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN: 00061903



Annexure F

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy:

A. SUGEN AND UNOSUGEN Power Plants:

- Energy conservation initiatives implemented have resulted in annual energy savings to the tune of 73,80,847 kWh in FY 2020-21.
- SUGEN and UNOSUGEN power plants continue to be one of the most efficient power generating stations in the Country and have improved the performance targets under Perform, Achieve and Trade (PAT) scheme of the Bureau of Energy Efficiency (BEE), earning Energy Saving Certificates and helping the national mission of emissions reduction.

B. DGEN Power Plant:

- Energy conservation measures have resulted in annual energy savings to the tune of 24,15,506 kWh.
- DGEN power plant continues to be one of the most efficient power generating station in the Country and has improved the performance targets under BEE PAT scheme, earning Energy Saving Certificates and helping the national mission of emissions reduction.
- Rain water harvesting for FY 2020-21 was 1.5 Lakh m³.
- Optimisation of Nitrogen plant operation resulted in energy saving of approx. 82,125 kWh per annum, as well as reducing system start counters and thereby increasing reliability.

C. AMGEN Power Plant:

- Secondary air heater internals replacement, and Computational Flow Dynamics (CFD) and Cold Air Velocity Test (CAVT) based rectification carried out in boiler second pass at E Unit.
- Old ductable AC machine replaced with energy efficient AC machine at 2nd floor of administration building and cafeteria.
- Replacement of old conventional lights with energy efficient LED lamps at D/E/F boiler, MCC area, CHP surrounding area, cafeteria & stores and SAP administration building.

D. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA and SHIL-MUMBRA-KALWA Distribution Units:

- Replacement of High energy consuming HPSV/HPMV light fittings with energy efficient LED light fittings at office premises and EHV sub-stations at Ahmedabad distribution unit.
- Timer based Forced Basement Ventilation System at Ahmedabad distribution unit.
- All external glasses are Double Glazed Units (DGU) to reduce external heat load as well as noise disturbances within offices at Ahmedabad distribution unit.
- Installation of APFCs to improve PF at LT side of DTCs at Ahmedabad, Surat and Dahej distribution units.
- Establishment of additional Distribution sub-stations to optimise HV-LV networks and thereby reducing technical losses.
- Energy conservation campaign for awareness of consumers through leaflets, energy bills, display at the Company's customer care centres and through customer meet.
- Replacement of old / high energy consuming Air conditioners with star rated energy efficient Air conditioners and distribution transformers.
- Commissioned / Bifurcation of new feeders to reduce overloading, load growth, load balancing & to improve the network reliability and reduction in technical losses.
- Automation of 3 Nos. of 33/11 kV sub-station. A way ahead for improving reliability at Agra distribution unit.
- State of art technology numerical relays for system protection and SCADA for 220/ 33/ 11kV substations at Dholera distribution unit.
- Laid 630 sq mm cable in 33 kV (18.64 KM in FY 2020-21) and 240 sq mm cable in 11 kV (57.07 KM in FY 2020-21) at Agra distribution unit.

E. RENEWABLE SITE (SOLAR CHARANKA):

- To reduce import power, transformer tap setting has been optimised. This has resulted in ~100kWh import saving per day.
- Module cleaning cycle has been optimised to improve generation and reduce soiling loss.

- All lesser performing modules have been reshuffled to one location / string to improve generation. This has been done based on analysis of inverter and string generation data.

ii) The steps taken by the Company for utilising alternate sources of energy:

A. SUGEN, UNOSUGEN & DGEN Power Plants:

- 50 kW solar roof top installed on the common buildings at Shardashish township at SUGEN power plant generated 57,057 kWh in FY 2020-21.
- 6.30kW floating solar installed inside water reservoir at SUGEN power plant generated 3,317 kWh in FY 2020-21.
- 42.70 kW solar roof top installed on office administration building at SUGEN power plant generated 54,258 kWh in FY 2020-21.
- Solar power to the tune of 17,448 kWh generated and utilised at the Meghdhanush housing colony at DGEN power plant.

B. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA and SHIL-MUMBRA-KALWA Distribution Units:

- Since the launch of Rooftop Solar Policy, Ahmedabad distribution unit has facilitated installation of over 150 MW of solar power across numerous residential, commercial, industrial premises and HT consumers.
- Surat distribution unit facilitated installation of 3,620 nos. of solar rooftop aggregating 16.74 MW during FY 2020-21 (Since inception of rooftop policy till March 31, 2021, 6,622 nos. of solar rooftop Projects with 32.14 MW for residential and non-residential).
- 135 kW solar rooftop Projects installed at Central store, Bhatar and Dabholi EHV stations generated 1,48,000 kWh in FY 2020-21. One more 45 kW solar rooftop system installed at Ring Road EHV station to promote use of renewable source of energy at Surat distribution unit.
- Bhiwandi distribution unit facilitated installation of 88 solar rooftop Projects aggregating 3.92 MW in FY 2020-21.
- Agra unit facilitated installation of 191 nos. of solar rooftop Projects aggregating 2.10 MW during FY 2020-21 (since inception of rooftop policy till March 31, 2021, 531 nos. solar rooftop with 7.50 MW for residential and non-residential).

iii) The capital investment on energy conservation equipment:

A. SUGEN and DGEN Power Plants:

- ₹50,000 spent on VFD of DM Distribution Pump at SUGEN power plant.
- ₹87,729 spent on LED lighting at DGEN power plant.

B. AHMEDABAD, SURAT and AGRA Distribution Units:

- ₹23.40 Crore spent on conversion of HT (33 and 11 kV) overhead network into underground network at Agra distribution unit.
- ₹5.13 Crore spent on Automation of 33/11 kV sub-stations at Agra distribution unit.
- ₹3.24 Crore spent on conversion of LT overhead network into underground network at Agra distribution unit.
- ₹0.01 Crore spent on LED Lighting conversion at Agra distribution unit.
- ₹0.13 Crore spent on AC replacement at Agra distribution unit.
- ₹10.06 Crore spent on HVAC, electrical and building works at Ahmedabad distribution unit.
- ₹0.06 Lakh incurred on account of DSM expenses at Surat distribution unit.

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption:

A. SUGEN AND UNOSUGEN Power Plants:

- Unit 20 Distribution Control system upgraded from TXP 2000 to T3000 with cyber security compliance.
- Data Center Infrastructure upgraded which includes replacement of Desktops, Firewall, Core Network Switches (Layer-3), DMZ Network Switches, Servers, Storage, Backup System, Fortinet Sandbox for Ransomware protection solution and Cisco Identity Service Engine for Network Access Control in compliance with cyber security requirements.
- Gas Turbine Air Intake - Unit-20: Installation of new design E10 class safety filters downstream of F-9 pulse air filters, to minimise compressor fouling and hence increasing efficiency.
- Unit 10-30 at SUGEN power plant – 400kV equipments of generating bays such as LA, CT, CVT, Insulators, CB, Isolators have been



Board’s Report (Contd.)

applied with high voltage silicon spray coating, for enhancing life and reducing losses on account of corona discharge.

- Unit 10-30 at SUGEN power plant – 6.6kV Hi-Pass Filters (for harmonics control) insulators have been applied with high voltage silicon spray coating to enhance life and reduce losses on account of corona discharge.
- At UNOSUGEN power plant – Unit Gas Metering (40UEN02), Raw Water and Demineralised Water Treatment plants PLC system, have been provided with automatic changeover scheme using in-house resources to enhance plant availability on account of failure of single supply.
- Unit 10 & 20 at SUGEN power plant – housing cabinets have been provided for DC resister for DC seal oil pump and DC lube oil pumps to protect from abnormal weather conditions and thereby helped in improving availability and reliability of critical drives.
- Reliability improvement and reduction in energy loss by condition based monitoring and maintenance helped to reduce loss of availability due to forced outage.

B. GENSU Solar Plant:

- Solar module thermography carried out with drone thermography camera has resulted in identifying 47 nos. of poor performing solar modules requiring corrective actions.
- IV test conducted on solar strings for poor performance identification has resulted in identifying 160 nos. of poor performing solar modules, requiring corrective actions.
- Installation of fuses on negative (polarity) side of all String Monitoring Boxes (SMBs) for Inverters 1 to 15 to prevent fire in SMBs and tripping of Inverters.

C. DGEN Power Plant:

- Microsoft exchange server replaced with latest version, to increase communication speed and to comply with cyber security .
- HP Bypass and GT Pneumatic Compressor alarm and warning configured for extensive running of the drives. This will prevent losses and major damage of the system and proactive actions can be taken by O&M persons.
- Nitrogen blanketing system has been provided in unit 53 for HP bypass Hydraulic station and ST Hydraulic system to prevent Hydraulic oil quality deterioration on account of moisture ingress.

D. AMGEN Power Plant:

- Old and obsolete Coal conveyor Metal detectors replaced with latest electronics units – 5 nos.
- Obsolete rail weigh bridge measurement system at old C1 replaced with latest electronics and latest Operating System based work station.
- CW MCC replaced with latest IEC-61439 standard at D unit for safety.

E. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA and SHIL-MUMBRA-KALWA Distribution Units:

- Fuse type MSP introduced for faster fault restoration and to enhance safety at Ahmedabad distribution unit. It will be helpful in fault grading and local isolation.
- Pilot study of Ground Penetration Radar (GPR) carried out for 10 Kilometer length at Ahmedabad distribution unit, which will be helpful in safe operation and faster execution.
- Designing vertical and ultra compact CSS for less environmental footprint and ease of operation carried out at Ahmedabad distribution unit.
- Introducing Thermoplastic fuse base instead of Porcelain fuse base in distribution Network Assets to enhance reliability and safety at Ahmedabad distribution unit.
- Implementation of SMC box in place of OTTP / OTDP to enhanced safety at Ahmedabad distribution unit.
- Implementation of HDPE muff in place of RCC muff for ease of operation and reduce wastage at Ahmedabad distribution unit.
- Implementation of field force mobile application for quality supervision during field visits, HT / LT network cable patrolling, asset survey and Meter (O&M) Activities.
- High Velocity Water spray (HVWS) system for all power Transformers, GIS & Control room buildings. Linear Heat Sensing Cable (LHSC) for cable tray / trench at Ahmedabad distribution unit.
- Installation of COVID-19 safety signages across all the offices, stores and switching stations.
- Implementation of SAP & FFA (for meter reading) at Surat, Dahej and Shil-Mumbra-Kalwa Distribution units.
- Implementation of Loss of service continuity (LSC) in 220kv GIS to avoid outage of adjacent bay or both bus for maintenance, repair, replacement, testing within GIS at Dholera distribution unit. Gas tight separator on each bay including busbar chambers

would provide safety during attending maintenance / trouble shooting as well as faster restoration.

- Installation and extension of SCADA and addition of automated RMUs at 11kV feeders at Agra distribution unit.
- Use of CYMDIST software for network designing. All HT and LT UG network modelling has been completed at Agra distribution unit.
- Commissioning of 220 kV cable connectivity between Ring Road (C) station to Dabholi (F) station along with GIS bays at Surat distribution unit.
- Introduced intimation to consumers through SMS for power failure / shutdown before 10 mins with the reason and the tentative restoration time at Surat & Dahej distribution unit.

F. RENEWABLE SITES (SOLAR CHARANKA, LALPUR, MAHIDAD, JAMANWADA, NAKHATRANA and MAHUYA):

- Power forecasting and scheduling system has been established across the renewable sites; communication channel has been established with forecasting agency and other stake holders to minimise deviation in forecasting.
- Installed meters to improve accuracy of scheduling & forecasting of power at renewable sites.
- At Lalpur and Mahidad wind sites retrofitting is being done on WTGs drainage system to prevent generator failure due to water ingress during rainy season.
- Anti-theft alarm systems have been installed on WTG door to ensure safety and prevent theft at Lalpur and Mahidad wind sites.
- Flame retardant polypropylene clamps are being used to avoid fire in panels, cables and junction box at Lalpur and Mahidad wind sites.
- At Charankha site increased height of DC Combiner Box (DCB) foundation (18 nos.) to avoid damage of DCB component during flood or heavy rain.
- Identified low performing modules by thermal imaging (100% module thermography through drone) and shuffled underperforming modules at single location/string which has resulted in improvement generation at Charanka site.
- Concertina coil has been installed on boundary wall to improve the safety and security at Charanka site.
- 33 kV insulators were replaced at Nakhatrana and Jamanwada sites to improve reliability of 33 kV grid.

- Various modifications, anti-tracking paint on CT&PT, strengthening of fixture for grease collecting bottle, relocation of humidity sensor in power cabinet were done to improve reliability and availability of WTG at Nakhatrana and Jamanwada sites.

ii) The benefits derived:

A. GENERATION & RENEWABLE SITES:

- Cost reduction.
- Improved availability & efficiency, reliability and safety.
- Better efficiency.

B. DISTRIBUTION :

- Better availability, reliability and safety.
- Reduced power interruptions & enhanced customer satisfaction.
- Reduction in energy losses and theft.
- Increase in evacuation capacity utilizing same corridor.
- Creating awareness on safety with respect to network assets.
- Ease & Safe maintenance.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

I. The details of technology imported:

T3000 Plant DCS Systems with cyber security compliance for Unit 20 at SUGEN power plant.

II. The year of import: FY 2020-21

III. Whether the technology been fully absorbed: Yes

IV. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

iv) The expenditure incurred on Research and Development: No expenditure has been incurred on R&D.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Description	₹ in Crore
Foreign Exchange Earned (Actual Inflow)	0.01
Foreign Exchange Used (Actual Outflow)	2097.27

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN: 00061903

Ahmedabad
May 20, 2021



Management Discussion and Analysis

POWER SECTOR-STRUCTURE AND DEVELOPMENTS

India continues to grapple with COVID-19’s crippling consequences not only related to health but also creating enormous economic and social problems. The pandemic has reinforced the importance of round-the-clock power supply, particularly for the healthcare system and business establishments in view of increasing adoption of “Work from Home” model. During FY 2020-21, power demand witnessed a “V” shaped recovery; H1 was down by 8.7% attributable to nationwide lockdown imposed by the Government of India (GoI), whereas H2 saw power demand growth of 7.4% as compared to the previous year, with overall year-on-year (YOY) decline of just 1% due to pick up in economic activities in H2.

The GoI is clear on its outlook for power sector with its thrust on Renewables in line with the world’s commitment to clean and green future for posterity. Considering the pace at which new renewable capacities are coming up across the world and especially in India, it is no longer an “alternate source of energy”. However, till March 2021, India has been able to achieve just about 54% of its ambitious renewable capacity target of 175 GW by 2022 due to a slow-down in signing of new Power Purchase Agreements (PPAs) by DISCOMs as they are becoming circumspect due to the declining tariff environment and COVID-19 related disruptions. India needs a massive 80.5 GW installation to achieve this target of 175 GW by 2022, giving companies in the sector a significant headroom for environmentally friendly growth. In FY 2020-21, for the first time, solar power outpaced wind power in terms of aggregate installed capacity having total installed capacity of approx. 40.6 GW. As per the estimates of International Energy Agency, the share of solar energy in India’s power generation could be equal to coal-fired energy output by 2040. The overall share of renewable energy is expected to increase further with growing priority of ESG (Environmental, Social and Governance) investments among strategics, global investors and government. There is also a renewed thrust for hydro power by GoI, which is evident from introduction of Hydro Power Obligation.

Though India’s transmission grid is one of the best in the world given the investments made over the last two decades in EHV/ HV network, continuous investments in EHV/HV network are required to handle new generation capacities specifically from renewables. This has opened up avenues of growth for transmission sector with new projects being announced for evacuation of green power through Green Energy Corridor in the country.

Another focus area of the Government is the Distribution segment, which is already reeling under heavy financial stress due to low operational efficiencies. Though the GoI has announced various reforms including schemes as a

part of COVID-19 relief package, the ultimate objective of DISCOMs’ financial sustainability and turnaround continues to remain a matter of concern. Such objective can be achieved only when inherent inefficiencies of various State DISCOMs are improved. The increasing GAP between ACS and ARR, high Aggregate Technical & Commercial (AT&C) losses, mounting dues towards electricity bills, etc. have reduced the reliability and affordability of power. Recognising the fact that every DISCOM has its own set of problems and that the plan should be tailor-made for each DISCOM’s requirement with mapping of problems and solutions clearly demarcated, the government during the year came up with “Revamped reforms-linked results-based distribution sector scheme”, whereby the government will provide grant towards developing smart metering and distribution infrastructure targeting loss reduction and system strengthening. Further, the GoI’s announcement to privatise DISCOMs of all the Union Territories (UTs) is a welcome step in the direction of addressing inefficiencies of the distribution sector. In case the State DISCOMs are not able to improve the technical and financial parameters, they too will have to gradually move towards privatisation.

In the coming year, a sharp rebound in power demand is expected. However, the outlook remains clouded due to the recent surge in COVID-19 cases sweeping the country. On the back of increasing demand and ongoing vaccination drive, India is expected to grow at a double-digit rate in FY 2021-22 as per the IMF estimates. Resolution of stressed thermal assets which is almost at a standstill amid COVID-19 led disruptions, is also expected to pick-up in the coming year.

BUSINESS MODEL

The Company is an integrated power utility engaged in the businesses of electricity generation, transmission and distribution with operations spread across the states of Gujarat, Maharashtra, Uttar Pradesh and Karnataka.

1. Generation

The Company has total generation capacity of 4,694 MW spread across thermal and renewable generating assets (including under development).

A. 3,092 MW Thermal Generation

- i. 362 MW Coal-fired Thermal Generation**
The 362 MW AMGEN Power Plant at Ahmedabad in Gujarat is an embedded generation unit for the licensed distribution area of Ahmedabad. It is regulated by Gujarat Electricity Regulatory Commission (GERC) which allows cost plus post-tax Return on Equity (ROE) of 14% as part of the regulated tariff.

- ii. 2,730 MW Gas-fired Thermal Generation**
The Company has three gas based plants namely 1,147.5 MW SUGEN Mega Power Plant, 382.5 MW UNOSUGEN Power Plant and 1,200 MW DGEN Mega Power Plant. SUGEN and UNOSUGEN are regulated by Central Electricity Regulatory Commission (CERC) which allows cost plus post-tax ROE of 15.5% as part of the regulated tariff structure. 1,200 MW capacity of DGEN is stranded for want of demand.

B. 1,602 MW Renewable Generation

- i. 787 MW Operational Projects**
The operational renewable generation capacity of 787 MW (138 MW Solar and 649 MW Wind) is tied up under long-term PPAs. 491 MWs or 62% of operational capacities have attractive preferential feed-in-tariff based PPAs with the Company operated distribution utilities.
- ii. 815 MW Projects Under Development**
 - 100 MW Solar Power Project**
The Project was won by the Company in an auction conducted by Gujarat Urja Vikas Nigam Limited (GUVNL) in FY 2020-21 at a tariff of ₹1.99 per kWh for a period of 25 years with scheduled commissioning by July 2022. The Project is being implemented by Torrent Solar Power Private Limited, a wholly owned subsidiary of the Company.
 - 300 MW Solar Power Project**
The Company registered lowest price (L1) of ₹2.47 per kWh for 300 MW capacity in solar auction by Andhra Pradesh Green Energy Corporation Limited (APGECL) in FY 2020-21. The tender is currently sub-judice.
 - 300 MW Solar Power Project**
The Company won 150 MW in reverse auction and further 150 MW of capacity was awarded under green-shoe option in auction conducted by distribution arm of the Company in FY 2020-21 to service Renewable Purchase Obligations (RPO) at a tariff of ₹2.22 per kWh for a period of 25 years with scheduled commissioning by November 2022. The project is being implemented by Torrent Saurya Urja 2 Private Limited, a wholly owned subsidiary of the Company.
 - 115 MW Wind Power Project**
Torrent Solargen Limited, a wholly owned subsidiary of the Company is under discussion with developer and Original

Equipment Manufacturer (OEM) for development of 115 MW Wind Power Project won under the SECI V auction held in FY 2018-19 at a tariff of ₹2.76 per kWh for a period of 25 years with scheduled commissioning extended till February 2022.

2. Distribution

The Company is the licensed operator for electricity distribution in the cities of Ahmedabad, Gandhinagar, Surat and Dahej SEZ, aggregating to 425 sq kms of area. It is also developing a state-of-the-art distribution network as a licensee in Dholera Special Investment Region (DSIR) spanning 920 sq kms area. DSIR is part of the prestigious Delhi-Mumbai Industrial Corridor (DMIC) Project and is being developed in phases as a manufacturing hub on the concept of plug-and-play model. DSIR will have infrastructure facilities comparable to any smart industrial city in the world. DSIR represents a long term growth opportunity for the Company. The licensed distribution businesses of the Company in Gujarat are regulated by GERC, which allows cost plus post-tax ROE of 14% as part of a regulated tariff structure.

During the year, the Company emerged as the highest bidder for the sale of 51% stake in Power Distribution Company having distribution license for a term of 25 years in the UT of Dadra and Nagar Haveli and Daman and Diu, covering 603 sq. kms area and serving around 1.5 Lakh customers. It is regulated by Joint Electricity Regulatory Commission (JERC) which allows post-tax RoE of 15.5% for wires business and 16% for retail business as part of the regulated tariff. The Letter of Award is pending to be received as the privatisation process has been challenged before Hon’ble Bombay High Court. The Company has also submitted its bid for 100% stake in the power distribution license for the UT of Chandigarh, the result of which is awaited.

The Company operates as a franchisee (of the license holder) for electricity distribution in the cities of Bhiwandi, Agra and Shil-Mumbra-Kalwa (SMK), aggregating to 1,007 sq kms of area. The term of the franchise agreement for Bhiwandi is upto 2027, for Agra is upto 2030 and for SMK is upto 2040, which may be renewed on expiry. The franchised distribution businesses of the Company are governed by the respective Distribution Franchise Agreements executed between the Company and State DISCOMs as the license holders. The main thrust of the Company is to reduce AT&C losses, improve electricity supply and customer services in the franchised areas.

In addition to above, the Company has non-material transmission and electrical cables manufacturing businesses.

Management Discussion and Analysis (Contd.)

OPERATIONAL AND FINANCIAL PERFORMANCE

1. Operating Performance

The following tables set forth the key operational parameters:

A. Thermal Generation

Particulars	AMGEN#		SUGEN^		UNOSUGEN^		DGEN^	
	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20
PAF (%)	90.43	92.77	96.09	96.75	97.36	98.04	99.25	100
PLF (%)	44.27	72.90	59.89	59.89	57.76	60.13	9.78	6.52
Generation (MUs)	1,266	2,112	5,855	5,870	1,882	1,964	1,000	668

Coal based

^ Gas based

AMGEN faced severe reduction in demand in H1 due to lower offtake by long term beneficiaries due to COVID-19 induced low demand, post which the demand reached nearly pre-covid levels.

The Gas based operations of the Company, however were not impacted significantly due to COVID-19 induced low demand in the country in view of the highly efficient operations and capability to directly import LNG at affordable prices leading to reasonable cost of power. In fact, DGEN had a PLF higher than previous year as it was able to operate on back of short-term power supply contracts. PLF of UNOSUGEN Plant was slightly lower in view of lower offtake by long term beneficiaries partially offset by higher merchant sales.

Due to reduced demand at AMGEN, it could not lift the agreed quantity of coal as per contract with SECL. It has declared Force Majeure for the period from March 21, 2020 to September 30, 2020 seeking relief for lower offtake of coal. CIL has permitted Force Majeure for the period of April and May 2020. For the remaining period, response of SECL is awaited.

During the year, the Company contracted domestic gas supply of 8,250 MMBTU per day for UNOSUGEN starting from January 01, 2021 from R Cluster Field in KG-D6 block of consortium of Reliance Industries Limited (RIL) and BP Exploration (Alpha) Limited (BPEAL) for 6 years.

Major overhaul for two units of SUGEN plant was scheduled during Jan/Feb 21. However, due to travel and other restrictions, OEM (i.e. Siemens AG) postponed the overhaul and carried out free of cost minor inspection.

B. Renewables

Particulars	Solar		Wind	
	FY 21	FY 20	FY 21	FY 20
Capacity (MW)	138	138	648.5	648.5
PLF (%)	17.61	17.14	24.99	29.04
Net Generation (MUs)	213	208	1,420	1,350

Wind PLF was lower due to substantial and abnormal drop in wind speed, heavy rain & extended monsoon and un-scheduled outages.

C. Licensed Distribution

Particulars	Ahmedabad & Gandhinagar		Surat		Dahej	
	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20
Area (sq. km.)	~356	~356	~52	~52	~17	~17
Sales (MUs)	6,947	7,822	2,604	3,286	453	481
Growth (%) over PY	(11.18)		(20.77)		(5.74)	
T&D Loss (%) – Actual	6.03	4.98	4.06	3.43	0.49	0.31
T&D Loss (%) – Normative	6.55	6.70	3.59	3.64	2.00	2.00
Consumer Base (Lakh, except Dahej)	20.06	19.79	6.24	6.20	114*	111*
Peak Demand (MW)	1,578	2,018	623	695	78	72

* Represents number of industrial consumers; Dahej licensed area comprises the Dahej SEZ area, which is made up of export oriented manufacturing units.

The effect of COVID-19 led disruptions including the countrywide lockdown was reflected in the lower sales of the licensed distribution business particularly during first half of the financial year, followed by sharp recovery in the second half. Sales in Ahmedabad during H1 fell by 21.84% and increased by 3.55% during H2 as compared to the corresponding period of the previous year. Similarly, sales in Surat fell by 43.18% during H1 and increased by 6.19% during H2 as compared to the corresponding period of the previous year.

Transmission and Distribution (T&D) losses were higher as compared to the previous year due to lower sales to industrial segment, which comprises of lower T&D loss consumers and increased sales to residential segment, which comprises of higher T&D loss consumers and lower vigilance activities conducted due to COVID-19 lockdowns. Despite this, the Company was able to keep the T&D loss lower than the normative levels at Ahmedabad and Dahej.

Tariff for FY 2021-22 (including true-up of FY 2019-20) was determined by GERC vide order dated March 31, 2021 for Ahmedabad and Surat licensed areas. Tariff in Ahmedabad was increased by 10 paise per unit for all categories except GLP & RGP & BPL (less than 50 units) wherein tariff hike is NIL and 51-150 Units for RGP & BPL category wherein tariff hike is 5 paise/unit. No tariff hike has been allowed for Surat. The Company's profits are not directly impacted by the tariff order, as its returns in licensed distribution businesses are determined by 14% post-tax ROE prescribed in the tariff regulations. The tariff order results in creation of cashflow surplus/deficit based on annual costs incurred, which is settled through true-up mechanism in the subsequent years.

D. Franchised Distribution

Particulars	Bhiwandi		Agra		Shil-Mumbra-Kalwa*	
	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20
Area (sq. km.)	~721	~721	~221	~221	~65	~65
Sales (MUs)	2,466	3,243	1,656	1,801	389	27
Growth (%) over PY	(23.95)		(8.07)		-	
T&D Loss (%)	16.22	11.93	13.50	12.51	44.89	55.02
Consumer Base (Lakh)	3.44	3.34	4.76	4.70	2.59	2.48
Peak Demand (MVA)	574	580	449	473	126	-

* Operations taken over from March 01, 2020.

Sales of Bhiwandi and Agra franchised business were impacted severely during H1 primarily due to the fallout of the pandemic, with marked recovery seen during H2. Sales in Bhiwandi fell by 47.96% during H1 as majority of the customers at Bhiwandi comprise of commercial/ industrial category; whereas sales during H2 was at previous years' levels. Agra witnessed comparatively lower fall in sales i.e. 14.32% during H1 due to majority of

During the year, a favourable judgement was received from the Appellate Tribunal for Electricity (APTEL) in respect of entitlement of carrying cost on regulatory gap, pertaining to FY 2013-14 and FY 2015-16, pursuant to which the Company accrued income of ₹251 Crore (net of tax) in the financial statements. Consequent to APTEL decision, GERC issued the consequential order allowing carrying cost of ₹165 Crore i.e. lower by ₹86 Crore. The lower amount is on account of certain arithmetical mistakes and omissions; against which the Company has filed a review petition before GERC.

The aggregate amount of regulatory gap of past periods approved and expected to be approved by GERC as on March 31, 2021 is ₹1,158 Crore and the same is appropriately accrued in the financial statements. In addition, aggregate amount of regulatory gap of ₹443 Crore is under dispute at various forums (primarily comprising of claims on account of carrying costs) and not accrued in the financial statements; the same will be accrued in the financial statements of the period in which such disputes are determined by the appropriate statutory authorities in favour of the Company.

The operations are yet to commence at Dholera licensed area and currently the focus is primarily on graded planning and development of an efficient distribution network involving setting up of basic infrastructure and provision of temporary construction power to new industries to be set up. Based on current development plans of the DSIR Authority, an investment of about ₹1,200 Crore is envisaged over next 10 years to cater to demand of about 425 MVA out of which approx. ₹160 Crore has been incurred till FY 2020-21.

consumers being residential, with growth of 2.47% during H2 as compared to the previous year.

T&D losses in Bhiwandi and Agra were higher as compared to the previous year as surveillance and vigilance, theft deterrent systems, distribution transformer cleaning, law enforcement against illegal connections etc. could not be carried out during H1. Also, sales to industrial segment got impacted, which comprises of lower T&D loss consumers.

Management Discussion and Analysis (Contd.)

On the positive note, there was a significant improvement in collection efficiency due to revival of vigilance activities, disconnection drive and pick up in industrial economic activities during H2 which also led to reversal of higher provisions made during the previous year as well as in

H1 in view of the lower collections. Bhiwandi achieved collection efficiency of 103.07% (FY 2019-20– 96%) and Agra achieved collection efficiency of 98.91% (FY 2019-20– 95%).

2. Consolidated Financial Performance

The key financial data from the Consolidated Statement of Profit and Loss is set out below:

Particulars	(₹ in Crore)		
	FY 21	FY 20	Change in %
Revenue from Operations	12,173	13,641	(11%)
Fuel/Power Purchase/Material Cost	7,130	8,266	(14%)
Contribution	5,043	5,375	(6%)
Other Income	142	178	(20%)
Other Expenses	1,577	1,819	(13%)
PBDIT	3,607	3,734	(3%)
Finance Cost	776	955	(19%)
Depreciation and Amortisation Expense	1,280	1,304	(2%)
Other Comprehensive Income/(Expense)	6	(45)	(113%)
Profit Before Tax and Exceptional Items	1,558	1,430	9%
Exceptional Items	-	1,000	(100%)
Profit Before Tax	1,558	430	262%
Tax Expense	258	(720)	(136%)
Total Comprehensive Income	1,300	1,150	13%

Overall contribution from all businesses decreased from ₹5,375 Crore to ₹5,043 Crore i.e. decrease of ₹332 Crore (6%).

The decrease was mainly on account of deterioration of key operating parameters particularly on account of COVID-19 lockdowns and subsequent disruptions during the first half of financial year viz. lower volumes and increase in T&D loss at all the distribution units, lower long term as well as lower merchant sales at the thermal generating units and low PLFs at the renewable generating units partially offset by full year operations of renewable capacities commissioned in FY 20. Favourable settlement of prior period regulatory matters/disputes resulted in entitlement for recovery of revenue gap of approx. ₹280 Crore of earlier years. Finance cost decreased on account of lower interest rate by approx. 1% coupled with reduction in loan balance. The variation in tax expense is due to utilisation of MAT credit during previous year.

Liquidity, Capex and Debt Positions

The Company's liquidity, including mutual fund investments and deposits with banks/financial institution, was ₹1,159 Crore at the beginning of the year. Liquidity as at the end of the year was ₹917 Crore, a decrease of ₹242 Crore. For the year:

- net cash generated from operating activities was ₹2,300 Crore and
- net cash utilised for (a) capital expenditure was ₹1,180 Crore; (b) dividend distribution was ₹269 Crore; and (c) repayments including short

term debt net of new borrowing was ₹1,093 Crore; leaving a closing liquidity balance of ₹917 Crore.

During the year, the Company incurred capital expenditure (i.e. capitalisation, capital work-in-progress and capital advances) of ₹1,358 Crore as under:

Particulars	Amount (₹ in Crore)
Licensed Distribution	1,061
Franchised Distribution	200
Thermal Generation	74
Renewable Generation	4
Others	19
Total	1,358

The long term debt of the Company at the year-end was ₹7,809 Crore, net decrease of ₹1,089 Crore over the previous year (new debt raised ₹900 Crore less repayment of debt ₹1,989 Crore). The weighted average rate of interest at the year-end was 7.58% with repayment profile as under:

Financial Year	Repayment Amount (₹ in Crore)
2021-22	1,111
2022-23 to 2025-26	3,543
2026-27 to 2029-30	2,059
2030-31 to 2032-33	1,095
Total	7,809

The Company's rating was unchanged during the year and was as follows at end of the year:

Long term rating : CRISIL AA/Stable

Short term rating : CRISIL A1+/IND A1+

The following table sets forth key financial ratios based on the consolidated financials:

Particulars	FY 21	FY 20
Debtors Turnover Ratio	8.79 (~42 days)	10.68 (~34 days)
Interest Coverage Ratio	4.81	4.01
Current Ratio	0.97	1.02
Long Term Debt to Equity Ratio	0.73	0.92
Net Debt to EBITDA	1.98	2.18
EBITDA Margin	28.57%	25.99%
Net Profit Margin	10.43%	8.22%
Return on Net Worth	12.42%	11.05%

Note:

- The profitability ratios are calculated without considering the exceptional item pertaining to DGEN plant impairment in FY 2019-20.
- There is a significant change (i.e. variation of 25% or more) as compared to the previous year in Net Profit Margin as indicated above, mainly due to reduced revenue on account of reasons explained in the preceding para.

RISKS AND CONCERNS

Key risks and concerns in the businesses of the Company are briefly explained below:

- The Company has operational gas-based power generation capacity of 2,730 MW, out of which 1,188 MW is tied up as on March 31, 2021 under long term PPAs and balance 1,542 MW untied capacity is dependent on short term power contracts for their operation. During the year, certain portion of such capacity remained unutilised for want of short term power contracts or unviability of prices in the short term power market.

The Company has built capabilities to import LNG from international markets at efficient prices to operate its power plants. However, such prices are subject to fluctuations and associated foreign exchange risks, consequent to which, there would be periods during which power from these plants would be uncompetitive.

The fuel (coal and gas) contracts of the Company contain Take or Pay obligations. During the year, owing to reduced demand, the Company could not draw fuel as per the contract and hence there was a potential liability. However, the situation being in the nature of Force Majeure, relief to a great extent has been provided by the Fuel suppliers to the Company.

The Company is making efforts to get long term PPAs for its unutilised gas power capacity. However, large stranded

coal based capacities, Government's thrust to increase renewable generation capacity in the country coupled with falling tariffs of renewable power poses a risk to the Company's uncontracted generation capacity. Nonetheless, the Company is relying on the Hon'ble Prime Minister's vision to increase the share of natural gas and hence is optimistic of utilisation of the current unutilised gas based capacity in the medium term.

- The Company's 362 MW AMGEN coal-based power plant is required to comply with stricter emission norms by December 2022. Such compliance is expected to involve significant capital expenditure, which will significantly increase the cost of electricity from this plant in view of limited remaining useful life of the plant. In absence of compliance, the Company may be required to phase out AMGEN on or before December 2022. AMGEN is also situated in a densely populated area where lot of town planning schemes are coming up. These aspects pose a risk to AMGEN's continued operations.

- The Company's licensed distribution business faces the risk of delay in recovery of some part of cost of supply due to regulatory stipulations. The unrecovered and undisputed regulatory claim as at year end was ₹1,158 Crore, recognised in the financial statements for the year. While such recoveries are permitted with carrying costs for delayed recovery, the same may delay the cash flows of the Company.

In addition, regulatory disputes also cause delay in recovery of some part of the cost of supply. Such disputed regulatory claim as at the year end was ₹443 Crore, which is not recognised in the financial statements for the year.

- Increasing digitisation and digital inter-connections in the power system of the country have made the stakeholders (generators, transmission entities, distribution entities and load dispatch centres) exposed to increased risks of cyberattacks and made vulnerable to widespread and prolonged service disruptions and data leakage, fraud, etc. The Company has adopted Zero Trust Network approach for its IT systems and adopted ISO 27001 framework or IT security. Periodic audit and risk assessment is carried out and vulnerabilities, if any, are addressed.
- The devastating second wave of COVID-19 is much more severe than the first wave. Regional lockdowns are already a reality due to which the demand as well as collection efficiency are expected to fall in some of the businesses of the Company, more particularly the franchised distribution business and merchant sales. There could be several other unforeseeable impacts due to the pandemic.

BUSINESS OUTLOOK

1. Thermal Generation

SUGEN and UNOSUGEN plants are expected to operate at reasonable PLF levels on back of long term PPAs for 76% capacity and availability of reasonably priced LNG. They will continue to harvest opportunities in short term power



Management Discussion and Analysis (Contd.)

market by operating uncontracted capacity; however due to reduction in demand and price of electricity, the volume and contribution will be lower than historical levels.

In the short term, DGEN plant is expected to operate intermittently for supplies in merchant power market, albeit at lower volume and contribution. In the medium to long term, several favourable developments are likely to improve the prospects for DGEN plant such as: (i) availability of gas at favourable price; (ii) expected growth in power demand, including peak demand due to several governmental initiatives; (iii) emphasis of the Government on developing a gas market in India with all supportive infrastructure; (iv) need for balancing power to manage the intermittency of renewable power; (v) ability to service peak load and provide ancillary services in the power system; and (vi) expected increase in pollution tax/costs on coal based plants, thus creating a level playing field.

2. Renewables

The Company expects its renewable power assets to operate efficiently in the coming years as per given climatic conditions. With focus of the government on renewable power generation, and with the Company's experience of executing and operating renewable projects, it intends to grow further in the renewables segment with focus on solar. The Company submitted bids and won 700 MW of solar power projects in FY 2020-21; is actively procuring land for solar power project development; and putting in efforts to explore and seize opportunities as they come up. The Company is also actively looking at acquisition opportunities in the renewable segment.

3. Distribution

In Licensed Distribution business, the Company will focus on developing the licensed area of Dholera SIR and expanding and upgrading its network in existing areas of Ahmedabad, Gandhinagar, Surat and Dahej SEZ to cater to the growth in demand and further reduce T&D losses.

In Franchised Distribution business, the Company will focus on developing the operations at franchised area of SMK and expanding and upgrading its network in existing areas of Bhiwandi and Agra to cater to the growth in demand and further reduce AT&C losses.

The Company will continue to look out for new opportunities in distribution sector in the form of privatisation or franchise of existing areas. Having recognised that the only way forward to reduce the AT&C losses is privatisation;

the Ministry of Power is pushing for privatisation in the distribution sector; thereby creating growth opportunities for the Company. The Company has already emerged as the highest bidder in the privatisation process for 51% stake in the DISCOM for the UT of Diu, Daman, Dadra and Nagar Haveli.

It is expected that other UTs such as Puducherry, Jammu & Kashmir, State of Goa may announce privatisation. The Purvanchal DISCOM and other DISCOMs of State of Uttar Pradesh may also come up for privatisation. However, strong protests by employee unions may delay the process in some key states.

The stringent operational norms proposed for DISCOMs will also lead to greater franchise opportunities for the Company in the near to medium term.

4. Transmission

Currently, the Company has limited investments in the transmission segment; however, given the huge investment opportunity available in this segment, robust regulatory mechanisms, limited counter-party risks and the Company's strengths in financing and executing large Projects, this is an area earmarked for future growth. The Company intends to selectively participate in tariff based competitive bidding for transmission projects (inter-state and intra-state) at attractive returns.

INTERNAL CONTROL SYSTEMS

The Company's Internal Control Systems are commensurate with the size and nature of its operations, aimed at achieving efficiency in operations, optimum utilisation of resources, reliable financial reporting and compliances with all applicable laws and regulations. Deloitte Haskins and Sells LLP is the Internal Auditor of the Company. It carries out extensive internal audit throughout the year across all functional areas and submits reports to Management and Audit Committee. The recommendations from such internal audit and follow up actions for improvements of the business processes and controls are also periodically reviewed and monitored by the Audit Committee.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis may be forward-looking. Actual outcomes may vary from those expressed or implied. The Company assumes no responsibility to publicly amend, modify, update or revise any such statements on the basis of subsequent developments, information or events.

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L31200GJ2004PLC044068
2.	Name of the Company	Torrent Power Limited
3.	Registered Address	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380015.
4.	Website	www.torrentpower.com
5.	E-mail id	cs@torrentpower.com
6.	Financial Year reported	FY 2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 351 - Electric power generation, transmission and distribution. NIC code: 2732 - Manufacturing of wires and cables for electricity transmission.
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	Generation, transmission & distribution of electricity and manufacturing & sale of electric cables.
9.	Total number of locations where business activity is undertaken by the Company	17
10.	Number of international locations	NA
11.	Number of national locations	17
12.	Markets served by the Company – Local/ State/ National/ International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details (Standalone basis)
1.	Paid up Capital	₹480.62 Crore
2.	Total Turnover	₹11,776.52 Crore
3.	Total profit after taxes (TCI)	₹1,328.30 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.54% of Total Comprehensive Income (TCI) of FY 2020-21.
5.	List of activities in which expenditure in 4 above has been incurred	The list of activities in which CSR expenditure in 4 above has been incurred is part of the Board's Report included in this Annual Report.

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has the following Subsidiary Companies: (a) Torrent Solargen Limited (b) Torrent Power Grid Limited (c) Torrent Pipavav Generation Limited (d) Latur Renewable Private Limited (e) Jodhpur Wind Farms Private Limited (f) TCL Cables Private Limited (g) Torrent Solar Power Private Limited (h) Torrent Saurya Urja 2 Private Limited (i) Torrent Saurya Urja 3 Private Limited
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)	The BR Initiatives of the Company are driven at Group level. Hence, all Subsidiary Companies participate in BR Initiatives of the Company.
3.	Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	Yes, the Company's contractors and suppliers are required to participate in some of the BR initiatives of the Company.



Business Responsibility Report (Contd.)

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR

(a) Details of the Director responsible for implementation of the BR policy/ policies

Sr. No.	Particulars	Details
1.	DIN	02685284
2.	Name	Shri Jinal Mehta
3.	Designation	Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	Same as above
2.	Name	Same as above
3.	Designation	Same as above
4.	Telephone number	079- 26628300
5.	E-mail Id	cs@torrentpower.com

2. Principle-wise (as per NVGs) BR Policy/ policies

(a) Details of compliance (Reply in Y/N)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, all the policies have been approved by the Board, except the Human Resource policies and Integrated Management System (IMS) policies, which have been approved by Chairperson or MD.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online.	All policies can be accessed at www.torrentpower.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the Company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why:

Not applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors/ its Committees/ Chairman or any authorised officials of the Company, as the case may be, assess the BR Performance on annual or half yearly basis depending upon the type of BR activities.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company publishes Business Responsibility Report and the same can be accessed at www.torrentpower.com The same is published annually.

SECTION E: PRINCIPLE WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1.1 Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

No. Besides covering the Company, it also extends to various stakeholders including Group companies, Suppliers, Contractors, etc.

1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Shareholder Complaints:

The Company received 6 shareholder complaints during FY 2020-21. 100% of such complaints were satisfactorily resolved.

Other Stakeholder Complaints:

The Company received 4 complaints from other stakeholders (i.e. employees and contractors) during FY 2020-21 via the Whistle Blowing Mechanism. 75% of such complaints were satisfactorily resolved, with 1 case pending to be resolved.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

2.1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company's business activities comprise of Generation, Transmission & Distribution of Electricity and

Cables manufacturing. It has incorporated measures covering social as well as environmental concerns, risks and/or opportunities in each of these as under:

- Most of the units of the Company are IMS certified covering ISO 9001 (Quality Management System), ISO 14001 (Environment Management System) and ISO 45001 (Occupational Health and Safety Management System). Some of the units have also additionally obtained ISO 50001 (Energy Management System), ISO 55001 (Asset Management System) and ISO 27001:2013 (Information Security Management System).
- The Company has become the first electric utility in India to achieve Five Star rating in British Safety Council (BSC) Audit for Occupational Health and Safety (OH&S) and subsequently accorded the prestigious Sword of Honor award for one of its licensed distribution units.
- State-of-the-art technologies in its gas based plants, viz., installation of advanced class Gas Turbines with lower carbon footprint, dry low NOx burners (with emissions surpassing Indian standards and meeting European norms), Combined Cycle Power Plants (CCPPs) in single shaft configuration thereby reducing the land and carbon footprint etc. have been resorted to, duly taking into consideration societal and environmental sustainability. Such CCPPs are also registered under Clean Development Mechanism (CDM).
- The effluent water generated from the generating plants is utilised in horticulture thus avoiding/ minimizing discharge of the same outside plant premises.
- Generation plants have also implemented Five-S (Workplace Management System) and have been certified by Quality Circle Forum of India (QCFI) and Union of Japanese Scientists and Engineers (JUSE).
- The Company has established systems and procedures through Standard Operating Procedures (SOPs) for safe and effective operation and maintenance of its plants as well as its transmission and distribution



Business Responsibility Report (Contd.)

network duly mitigating risks and health hazards. Suppliers are also made participants in our systems and procedures. To enhance safety consciousness amongst all stakeholders and inculcate the safety culture, Behaviour Based Safety (BBS) has been implemented at Generation plants and Distribution units.

- The Company regularly undertakes network revamping and uprating to replace old and dilapidated overhead/ underground network including undergrounding of network, revamping of consumer end installations, Mini Section Pillars (MSPs), etc. with a primary objective of improving the reliability of the network and safety of employees and general public. The Company uses high efficiency energy meters and star rated distribution transformers. Accordingly, the Company's Transmission and Distribution (T&D) losses have been reduced to one of the lowest in the country in the Company's licensed areas thus saving on energy. The Company has undertaken implementation of smart grid technology including automatic meter reading and distribution automation to remotely monitor the assets and reading of meters and set up multiple customer convenience centers reducing travel and thereby reducing use of fossil fuel.
- The Company's Distribution units have installed more than 7,000 state-of-the-art technology SF6 gas insulated switchgears for protection and operation of 11KV distribution network. Such units undertake activity of earthing reactivation of DSS equipment and MSPs for safety of public and other stake holders. Distribution units also undertake installation of dry type transformers, hermetically sealed and ester filled distribution transformers located in crowded and densely populated areas including pole mounted transformers for enhancement of public safety and environment protection. The Company has installed Very Early Smoke Detection and Alarm (VESDA) system for its major stores.
- Various other initiatives include introduction of spill management system to reduce spillage of mineral oil to minimise soil contamination, use of Horizontal Directional Drilling technology instead of soil excavation for cable laying, use of mobiles and handheld gadgets as substitute to paper for field data collection, use of nets around outdoor EHV substation to prevent intrusion of birds and animals, continuous improvement in safety standards, regular safety and environment audits, mock drills, Demand Side Management (DSM) and energy conservation awareness programmes amongst customers in Distribution units. Further, the Company has adopted biodegradable and environment friendly packaging for materials being procured and uses

steel drums instead of wood cable drums, resulting in reduction of consumption of wooden drums by 25%. Further the same out bound vehicle, which is sent for dispatching the finished cable, is arranged to bring back the empty drums there by reducing carbon emissions during transportation. Usage of single use plastic in packaging material has been stopped at some units of the Company.

- The Company is promoting installation of Solar Rooftop amongst its customers so as to contribute to increase in share of renewables in the country.
- Products at cables unit include 132 KV cables with aluminum corrugation (in place of lead sheath); 66 KV cables with HDPE outer sheath in place of PVC outer sheath which is less environment friendly, wooden drum using reusable PP sheet in place of wooden planks and returnable steel drums in place of wooden drums.
- Safety of employees and general public is given high importance in the organisation. Safety Committees are formed and headed by senior officers with participation from supervisors and experienced workers who effectively contribute to improving the safety performance of the organisation.
- Occupational health of the employees is given equal priority. Various measures including installation of adequate number and appropriate type of fire extinguishers, fire suppression system, fire detection and alarm system, emergency siren system, besides Automated External Defibrillators, Self-contained Breathing Apparatus, Stretchers, First aid boxes and Ambubags (for artificial respiration) are made available. The Company has also trained suitable number of employees for first aid treatment and emergency response. Quarterly monitoring of environmental parameters including quality of air (workplace and ambient), noise (workplace and ambient), drinking water, food and DG stack emission etc. is carried out. The Company has conducted various inhouse surveys i.e. noise, vibration, stress monitoring, Display Screen Equipment (DSE), asbestos, fragile roof, legionella and safety culture to foster safety culture and enhance safety standards based on outcome of that. New offices and substations are designed to ensure maximum use of natural light and to the extent possible are equipped with contact less water taps, waterless urinals, motion sensor based lighting systems and star rated air conditioners. Installation of water meter to monitor the water usage is undertaken at few units.
- The Company has established various policies like OH&S, Road Safety, Fire Safety and Health & Wellbeing. The Company has arranged various

trainings on OH&S topics for relevant stakeholders to ensure competent workforce. The Company celebrates the National Safety Week with the objective to spread and enhance the desired safety culture across the organisation. The Company also celebrates environment day to reemphasize to its employees its concern for environment while carrying out various activities. Further, the Company celebrates the national energy conservation day to spread awareness amongst the customers & employees regarding energy conservation, demand side management and use of energy efficient appliances.

- Further, the Company is engaged with its neighbourhood by providing employment opportunities, skill development and health care facilities. The Company has set up ultra modern health care facility near SUGEN, named Rangtarang.
- The Company has launched an upgraded version of mobile app for customer convenience. Features like language of choice, service over video call etc. are offered for customer convenience. SAP has been launched across all business units for uniform customer experience. Proactive updates and notifications are sent to consumers for all services including billing, metering, outages and application process etc.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The following are some of the initiatives taken in respect of conservation of natural resources:

- Various procedures have been put in place to improve heat rate, reduce auxiliary power consumption and water consumption in its generating stations. These initiatives include timely maintenance of plants by following preventive and predictive maintenance philosophy. The Company's gas based plants continue to be some of the most efficient power generating stations in the country and have bettered the performance targets under BEE PAT scheme earning Energy Saving Certificates and helping the national mission of emissions reduction.
- Large scale replacement of conventional luminaires with LED devices, installation of rooftop solar panels

and solar water heaters, installation of Air Turbo Ventilator at rooftop for air ventilation, recycling waste water, segregation of lighting circuits for reducing power consumption, rainwater harvesting, use of recycled paper and packaging material, recycling of the paper consumed, etc. Solar power is being used for common facilities of townships.

- As a part of DSM Scheme, Energy Audits as well as Peak Load shifting programs have been carried out for benefit of the consumers. In addition, the Company took all necessary steps to operationalise the Net Metering arrangement for Rooftop Solar PV system at the premises of the consumers.
- The Company has put in place various procedures to improve generation estimation, consumables used for maintenance activities and water consumption for domestic as well as cleaning of solar panels.
- Water consumption is recorded and optimised to reduce the wastage. Energy consumption mainly during lean wind velocity in case of wind power plants and low solar radiation is being measured and optimised.
- Further, the Company has carried out energy audit of all offices and substations in all its licensed distribution areas to identify the opportunities of energy conservation. As a part of its outcome, various energy conservation initiatives including replacement of air-conditioners by star-rated air conditioners, conventional lights by LED, etc. have been undertaken.
- Converting DC drive system to AC drive system has enabled energy conservation by around 10% in some of the machines at Cables unit.
- Other initiatives include monthly/ daily monitoring of resource consumption including paper, water, electricity, food waste, LPG & PNG, petrol and diesel, disposal of food waste for composting through authorised vendors, bill on WhatsApp and online payment promotions.

2.3 Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has procedures in place for sustainable sourcing (including transportation). Further, sustainability is extended to suppliers/ vendors. All requirements on various aspects such as Health & Safety and Environment protection, Ethics and Compliance, Prevention of Bribery

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& Corruption are in place. Counselling and monitoring of suppliers/ vendors is being done regularly.

Some of the initiatives include procurement of power transformers with environment friendly ester oil instead of mineral oil, procurement of cobalt free silica gel, procurement of asbestos free products, use of CNG vehicles for commuting purpose and digitalisation of all documents to minimise printing/re-printing.

The Company has also incorporated procedures e.g. TREM card, stringent pre-qualification criteria etc. in its IMS to ensure that transportation of equipments, chemicals and other materials are compliant with rules and regulations and Company's own procedures. Fuel gas lines are maintained as per Petroleum and Natural Gas Regulatory Board (PNGRB) guidelines and safety audits are carried out at regular intervals. Usage of water is optimised by optimizing the Cycle of Concentration in cooling water and recycling of waste water.

2.4 Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has taken several steps to procure goods and services from local and small vendors (specially focusing on weaker sections/ women of the society, wherever possible) in order to promote entrepreneurship among them. Continuous engagement takes place with such suppliers to improve their capacity & capability. Some of these initiatives include:

- While sourcing its consumables and spares, priority is given to local vendors.
- Employment of differently abled people for jobs that are deemed safe for them.
- Engagement of destitute women for managing the canteen services at one of the units.
- Local people have been trained and employed as security guards at some of the plants.
- All packing materials (steel & wooden drums & planks) and some of the raw materials such as PVC Fillers & GI Armour Strips for one of its unit are procured locally from small vendors.
- Direct and indirect employment opportunities are provided to local populace to the extent feasible. For fabrication, plumbing, carpentry, horticulture,

housekeeping, gardening, transportation, etc., as far as possible, local skilled personnel are employed.

- Project affected personnel in gas based generation units during construction phase have been absorbed in employment and external technical training has been imparted to them at eminent institutes prior to or during employment.

2.5 Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being a responsible corporate citizen, the Company believes in "Reduce-Reuse-Recycle" principle. Some of the initiatives taken as part of this principle include:

- 100% utilisation of fly ash generated as waste from the coal based plant.
- Re-use of treated effluent water.
- Use of waste water for gardening, sprinkling, etc.
- Zero liquid discharge since August 2017 at SUGEN plant and since April 2016 at DGEN plant.
- Use of vegetation and food waste in making compost which in turn is used as manure.
- Sludge recovered from raw water is compacted through Chamber Filter Press and is used for landfill.
- PVC Scrap (>90%) is recycled & reused in inner sheath, outer sheath & PVC fillers at Cables unit.
- Hazardous wastes e.g. used oils, batteries, e-wastes, bio-medical wastes, etc. are disposed of only to State Pollution Control Boards approved authorised Treatment, Storage and Disposal Facilities (TSDF) & recyclers.
- The distribution units undertake oil filtration activity of its power and distribution transformers for reutilisation of oil and conservation of natural resources.
- Recycling of non-hazardous plastic waste through authorised recyclers.
- Use of steel cable drums and reusing them as substitute to wooden cable drums.
- Use of recycled papers for energy bills and other stationeries and recycling of papers through paper recycler.

- Other initiatives include monthly/ daily monitoring of resource consumption including paper, water, electricity, food waste, LPG & PNG, petrol and diesel and disposal of food waste for composting through authorised vendors.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

3.1 Please indicate the Total number of employees.

Total number of permanent employees is 7,803 as on March 31, 2021.

3.2 Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.

Total number of employees hired on temporary/ contractual/ casual basis is 8,966 as on March 31, 2021.

3.3 Please indicate the Number of permanent women employees.

Total number of permanent women employees is 670 as on March 31, 2021.

3.4 Please indicate the Number of permanent employees with disabilities.

Total number of permanent employees with disabilities is 25 as on March 31, 2021.

3.5 Do you have an employee association that is recognised by management?

Yes.

3.6 What percentage of your permanent employees are members of this recognised employee association?

~37% of the total permanent employees of the Company are members of such recognised employee association.

3.7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in the last financial year and pending, as on the end of the financial year.

The Company does not engage any child labour, forced labour or involuntary labour.

There were no complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in FY 2020-21.

3.8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees

(b) Permanent Women Employees

(c) Casual/ Temporary/ Contractual Employees

(d) Employees with Disabilities

Percentage of employees who were given safety & skill up-gradation training in the last year is as under:

(a) Permanent Employees – 76.62%

(b) Permanent Women Employees – 66.87%

(c) Casual/ Temporary/ Contractual Employees – 64.30%

(d) Employees with Disabilities – 80.00%

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

4.1 Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its various key internal and external stakeholders.

4.2 Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders.

4.3 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Various initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders at locations in and around its operations in the areas of: (i) Community Health Care, Sanitation and Hygiene (ii) Education and Knowledge Enhancement and (iii) Social Care and Concern.

The details of various CSR initiatives of the Company are part of the Board's Report included in this Annual Report.



Business Responsibility Report (Contd.)

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

5.1 Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

Various Company Policies as indicated below promote Human Rights:

- Policy on Protection of Women against Sexual Harassment at Workplace
- Conviction for Safety Policy
- Policy on Financial Support in the event of Demise
- Mediclaim Policy for Employees
- Policy for Medically challenged employees
- Grievance Redressal Mechanism
- Equal pay for Equal work without discrimination on the basis of gender.

Besides covering the Company, the policies are also extended to various stakeholders including Group companies, Suppliers, Contractors, etc. as relevant.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints on breach of human rights were received during FY 2020-21.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

6.1 Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

The Environment Policy of the Company covers the Company currently. The subsidiary companies of the Company also carry out their operations in accordance with principles laid down in the said Policy. The Company promotes the adoption of environmental protection goals and practices by contractors and suppliers of the Company and strongly encourages improvements in contractors' and suppliers' practices to make them consistent with those of the Company. Further, the IMS covering ISO 14001 for Environment Management at most of the units spells out dedication to maintain the ecological balance while carrying out operations.

6.2 Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company recognises the value of the environment to the community and future generations and is committed to managing its business as a responsible Corporate Citizen. Some of the initiatives taken by the Company to address global environmental issues such as Climate Change, Global Warming, etc. include most of its generation capacity being natural gas based, which is a cleaner fuel and renewable based comprising solar and wind.

The Company is seized of the global environmental scenario and in its efforts to contribute towards sustainability, the Company has chosen state-of-the-art technology for its CCPPs with advanced class Gas Turbines using clean fuel technology of natural gas leading to lower carbon footprint and very low NOx emission. The Company's CCPPs are also registered under CDM.

Renewable energy, being considered as clean technology, have least impact on climate change and global warning. As a responsible corporate citizen, the Company has forayed into renewable energy arena in a big way by installing solar and wind energy plants. The Company believes that maximum utilisation of renewable energy sources will significantly contribute towards environment protection and preservation.

Further, continuous investments in power distribution infrastructure are made and appropriate measures are taken to reduce technical losses. Power is also procured from power plants using environment friendly fuels and renewable power plants to the extent possible.

Further, various energy conservation initiatives taken by the Company which aid in environmental protection are part of the Board's Report included in this Annual Report and is available at the following link: www.torrentpower.com.

6.3 Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company believes in following world class practices in its operations. The Company has implemented ISO 14001 for Environment Management at most of the units and has established systems and processes for assessing the environmental risks arising out of various activities being carried out and measures to minimise the environmental impact are in place and captured in onsite/ offsite emergency plans and in risk registers more particularly under IMS.

6.4 Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, four projects of the Company have been registered with United Nations Framework Convention on Climate Change (UNFCCC) under CDM. SUGEN Project was one of the largest and pioneering generation project approved under CDM globally in 2007.

Annual reduction of ~8.5 million CO₂ can be achieved by generation of power through these Projects. The Company has already achieved ~18 million of CO₂ emission reduction (approved by UNFCCC) as per the Compliance reports filed till date.

6.5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Bulk of generating capacity of the Company is with the cleanest fuel, namely natural gas. In addition, it has installed solar and wind plants at different locations. The Company intends to further expand its renewable energy generation portfolio.

Further, treated effluent water is being reused, attaining Zero Liquid Discharge (ZLD) since August 2017 at SUGEN and since April 2016 at DGEN. Vegetation and food waste are used in making compost, which in turn is used as manure. Sludge recovered from raw water is compacted through Chamber Filter Press and is used as manure/ for landfill. Solar power is being used for common facilities of townships.

Hazardous wastes viz used oils, e-waste are disposed off only to authorised recyclers. Further, replacement of conventional luminaires with LED devices, recycling wastewater, rainwater harvesting etc. have been implemented.

In order to promote clean technology and renewable energy, besides what is stated above, the Company has sourced about 12.5% of its total power requirement of licensed distribution business from wind and solar plants. The Company has also installed Solar Rooftop system for its captive consumption. The Company strives for reduction in distribution losses by improving the network and reducing the theft of electricity. Unauthorised use of electricity has been curtailed which otherwise also invokes safety hazards. Mass meter replacement activity

was initiated at one of the units. The Company promotes solar power for residential units as per the solar policy.

The details of various energy conservation initiatives taken by the Company which aid in energy efficiency are part of the Board's Report included in this Annual Report and are available at the following link: www.torrentpower.com.

6.6 Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Yes, the emissions generated from the Generation stations of the Company are within the permissible limits given by CPCB and SPCB for FY 2020-21. The data of emissions, where required, is also being shared with the CPCB and SPCB through online servers. Waste generated by the Company during FY 2020-21 was also within the permissible limits given by CPCB and SPCB. Hazardous waste is disposed of only to authorised recyclers.

6.7 Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/ legal notices have been received during FY 2020-21 either from CPCB or SPCB.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

7.1 Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

Yes, the Company is a member of various trade associations and chambers. The major ones are as under:

- Confederation of India Industries (CII)
- Association of Power Producers (APP)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Council of Power Utilities
- Indian Electrical and Electronics Manufacturers' Association (IEEMA)
- Coal Consumers' Association of India (CCAI)
- Gujarat Safety Council
- National Safety Council
- Indian Smart Grid Forum



Business Responsibility Report (Contd.)

7.2 Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a principle, the Company does not engage in lobbying. The Company provides suggestions through the above associations for the advancement/ improvement of power sector and cable industry majorly in the areas of Economic Reforms, Energy security and Sustainable Business Principles.

In the course of our regulated business, the submissions, representations, and the information provided to the concerned authorities are based on due-diligence and to the best of our knowledge true and fair; which is the policy of the Company.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

8.1 Does the Company have specified programmes/ initiatives/ projects in pursuit of the Policy related to Principle 8? If yes details thereof.

Yes, the Company has identified specified programmes/ projects in pursuit of the Policy related to Principle 8. The details of such programmes/ projects are part of the Board's Report included in this Annual Report.

8.2 Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

The identified programmes/projects were carried out directly by the Company itself including through two of its Section 8 companies namely "Tornascent Care Institute" and "UNM Foundation" (amalgamated with Tornascent Care Institute w.e.f. April 26, 2021 having appointed date as April 1, 2020) which have been promoted by the Company (together with one of its Group Company).

Besides the above, it is also supplementing the efforts of the local institutions/ NGOs/ local Governments/ implementing agencies in the field of Education, Healthcare, Sanitation and Hygiene, etc. to meet priority

needs of the underserved communities with the aim to help them become self-reliant.

The details of such programmes/projects undertaken either on its own or through external agencies are part of the Board's Report included in this Annual Report.

8.3 Have you done any impact assessment of your initiative?

Yes, the Company undertakes timely impact assessment of projects under implementation for ensuring their desired impact and continued sustenance. The impact assessment is also presented to the CSR committee.

8.4 What is your Company's direct contribution to community development projects? Amount in ₹ and the details of the projects undertaken.

During FY 2020-21, the Company contributed ₹33.73 Crore to various community development programmes/ projects as part of its CSR initiatives. The details of such programmes/ projects are part of the Board's Report included in this Annual Report.

Besides this, the Company undertook various other initiatives, details of which are part of Board's Report included in this Annual Report.

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Various steps taken to ensure that the community development initiatives are successfully adopted by the community are part of Board's Report included in this Annual Report.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

9.1 What percentage of customer complaints/consumer cases are pending as on the end of financial year.

In the generation and transmission business there were no complaints.

~100% of complaints in Distribution business were resolved within the turnaround time as prescribed by Hon'ble GERC/MERC/UPERC.

3.7% of complaints were pending as on March 31, 2021 for the cables business.

9.2 Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Not Applicable as the Company has no packaged product.

9.3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

9.4 Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Distribution segment of the Company's business caters to over 3 million consumers as on March 31, 2021. The Company has taken advantage of technological developments and captured feedbacks through SMS and mobile application. Also, through an internally developed platform named "Sampark", 4 calls per week are made to customers to record their first hand feedback. During the period from January 2020 to December 2020, the Distribution segment collated over 63,000 feedbacks. Every negative feedback is processed, resolved and closed with the customer. The overall satisfaction level was 92%.

At the Cables Unit, Customer Satisfaction Index (CSI) has been defined & is monitored on ongoing basis.

Report on Corporate Governance

This report sets forth the disclosures for FY 2020-21, pertaining to Corporate Governance of Torrent Power Limited ("the Company"), as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Corporate Governance philosophy comprises of three core principles of TRANSPARENCY, INTEGRITY and ACCOUNTABILITY in organising and managing all aspects of its activities. Based on this philosophy, the Company develops its practices on various aspects and elements of governance, ensuring that these at the minimum comply with the requirements of applicable laws and regulations. In the matters not covered by the applicable laws and regulations, the governance practices are developed in consonance with the core principles and keeping in balance interests of all stakeholders.

For FY 2020-21, the Company is in compliance with the Corporate Governance norms stipulated in the Listing Regulations.

2. BOARD OF DIRECTORS

a) Composition and Category of the Board

As at the year end, the Board had an optimum combination of Executive and Non-Executive Directors with three Women Directors. More than 75% of the Board members are Non-Executive and more than 55% of the Board members are Independent Directors.

As at the year end, the Board composition consisted of 9 Directors with following composition:

Executive Director	2 (both Promoter Directors)
Independent Director	5 (includes 2 Women Directors)
Non-Executive Non-Independent Director	2 (1 Promoter Director & 1 Woman Director)
Total	9

Composition of the Board is in conformity with the applicable law and regulations.

b) Details of Memberships / Chairpersonships of the Directors in other Boards and in Committees of the Board

The table below sets forth the above particulars for each Director as on March 31, 2021.

Name of the Director	Category	Other Directorships	Other Board Committee Memberships	Other Board Committees in which Chairperson	Directorship in other listed entities	
					Name of Entity	Category
Sudhir Mehta, Chairman Emeritus Samir Mehta	Non-Executive Director (Promoter)	1	-	-	Torrent Pharmaceuticals Ltd.	Non-Executive Director (Promoter)
	Chairperson & Managing Director (Promoter)	1	-	-	Torrent Pharmaceuticals Ltd.	Chairperson & Managing Director (Promoter)
Pankaj Patel	Independent Director	3	3	1	Bayer Cropscience Ltd.	Independent Director, Chairperson
Samir Barua Keki Mistry	Independent Director	3	2	1	Cadilla Healthcare Ltd.	Non-Executive Non-Independent, Chairperson
	Independent Director	5	6	2	-	-
Bhavna Doshi	Independent Director	8	6	5	Iata Consultancy Services Ltd.	Independent Director
					HDFC Life Insurance Company Ltd.	Non-Executive (Nominee Director)
					HDFC Asset Management Company Ltd.	Non-Executive Non- Independent Director
					Housing Development Finance Corporation Ltd.	Managing Director, Vice Chairman & Chief Executive Officer
Dharmishta Raval	Independent Director	6	3	2	Indusind Bank Ltd.	Independent Director
					Sun Pharma Advanced Research Company Ltd.	Independent Director
Sunaina Tomar	Non-Executive Director, Nominated by Govt. of Gujarat (a shareholder)	9	1	-	Everest Industries Ltd.	Independent Director
					Zyglus Wellness Ltd.	Independent Director
Jinal Mehta	Managing Director (Promoter)	1	-	-	Cadila Healthcare Ltd.	Independent Director
					Nocil Ltd.	Independent Director
					Gujarat State Petronet Ltd.	Non-Executive (Nominee Director)
					Gujarat Gas Ltd.	Non-Executive Non- Independent Director
					Gujarat State Fertilisers & Chemicals Ltd.	Non-Executive Non- Independent Director
					Gujarat Industries Power Company Ltd.	Non-Executive (Nominee Director), Chairperson

Notes: For the purpose of considering the above numbers :

- (a) All public companies excluding the Company, are considered and all other companies including private companies, foreign companies and companies registered under section 8 of the Companies Act, 2013 ("Act") are excluded.
- (b) Only Audit and Stakeholders' Relationship Committee memberships / chairpersonships are reckoned.
Sudhir Mehta and Samir Mehta are brothers. Jinal Mehta is son of Sudhir Mehta. All other Directors are not related inter-se.
All the Directors have periodically and regularly disclosed to the Company information on their directorship and membership on the Boards / Committees of other companies. Based on the disclosures received, none of the Directors of the Company hold directorships / memberships / chairpersonships more than the prescribed limits across all companies in which he / she is a Director.

Report on Corporate Governance (Contd.)

c) Board Meetings

The Board of Directors met four times during FY 2020-21 on May 18, 2020, August 06, 2020, November 05, 2020 and February 09, 2021.

The calendar of Board Meetings of FY 2020-21 was communicated to all the Directors well in advance. The Board Meetings of FY 2020-21 were conducted from the registered office in Ahmedabad via Audio Video Conferencing due to nationwide lockdown and restriction imposed by the Government of India in view of prevalent COVID-19 situation. The Board met at least once in a quarter and time gap between two consecutive meetings did not exceed 120 days.

The agenda for the Board Meeting was circulated to all the Directors at least 7 days prior to the date of the Meeting, except for table agenda items, which were placed before the Board with approval of the Independent Directors. The agenda for the Board Meetings included detailed notes on the matters to be considered at the Meeting to facilitate the Directors to take informed decisions. Minimum information to be placed before the Board under Regulation 17(7) read with Schedule II of the Listing Regulations was placed before the Board for its consideration. The requisite quorum was present in all the Meetings.

The attendance of each of the Directors at the Board Meetings and Annual General Meeting ("AGM") held during the year under review, are as under:

Name of the Director	Board Meetings held during the year	Board Meetings Attended	Attendance at the last AGM
Sudhir Mehta	4	4	Yes
Samir Mehta	4	4	Yes
Pankaj Patel	4	4	Yes
Samir Barua	4	4	Yes
Keki Mistry	4	4	Yes
Bhavna Doshi	4	4	Yes
Dharmishta Raval	4	4	Yes
Sunaina Tomar, IAS	4	1	No
Jinal Mehta	4	4	Yes

d) Independent Directors

Based on the declaration of independence and other disclosures made by the Independent Directors, the Board has noted that they fulfil the conditions of independence specified in the Act and the Listing Regulations.

Based on the disclosures made by them, no Independent Director served as an Independent Director in more than 7 listed companies and where the Independent Director was a Whole-time Director / Managing Director in any listed company, he / she was not Independent Director in more than 3 listed companies.

A separate Meeting of the Independent Directors was held on February 09, 2021 under the Chairpersonship of Dharmishta Raval to review the matters as required by Schedule IV of the Act and the Listing Regulations.

e) Criteria for selection of new Directors and Committee Membership

The Company has in place a policy, which provides criteria as well as process for the identification / appointment of the Directors of the Company. The Policy on Directors' appointment forms part of the Board's Report. The table below sets forth the core skills / expertise / competencies identified by the Board alongwith names of Directors who have such skills / expertise / competence for effective functioning of the Board of Directors:

Skills, Expertise, Competencies	Sudhir Mehta	Samir Mehta	Pankaj Patel	Samir Barua	Keki Mistry	Bhavna Doshi	Dharmishta Raval	Sunaina Tomar, IAS	Jinal Mehta
Strategic Leadership	Significant leadership experience to think strategically and develop effective strategies to drive change and growth in context of the Company's overall objectives.								
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Experience	Experience and / or knowledge of the industry in which the Company operates.								
	Yes	Yes	--	--	--	--	--	Yes	Yes
Financial expertise	Qualification and / or experience in accounting and / or finance coupled with ability to analyse key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.								
	--	Yes	--	Yes	Yes	Yes	--	Yes	Yes
Governance, Risk and compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and compliance frameworks, identifying and monitoring key risks.								
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.								
	--	--	--	--	--	Yes	Yes	Yes	--

f) Familiarisation Programme

The familiarisation process for the Independent Directors was an ongoing process during the Financial Year and largely carried out by way of special discussions and presentations at Board / Committee Meetings on important matters such as key regulatory changes, material legal matters, changing industry trends, periodic operations review, annual budget review (including capex plan), strategy discussions and exceptional developments, if any, in the Company.

The details of such familiarisation program have been disclosed on the Company's website at <https://www.torrentpower.com/pdf/investors/familiarisationProgramme.pdf>.

g) Shareholding of Non-Executive Directors as on March 31, 2021

Sudhir Mehta, Chairman Emeritus	6,882 equity shares
Bhavna Doshi, Independent Director (Jointly with spouse)	1,900 equity shares

Apart from the above, none of the Non-Executive Directors holds any shares of the Company.

3. AUDIT COMMITTEE

a) Terms of Reference

Major Terms of Reference of the Committee include:

- Overseeing financial reporting process and review of financial statements of the Company and its unlisted subsidiaries;
- Review functioning of vigil mechanism / whistle blower policy;
- Review and approval of related party transactions;
- Scrutiny of inter-corporate loans and investments, review of utilisation of loans and / or advances from / investment by the Company in the subsidiary;
- Review of internal audit function and reports;
- Evaluation of internal financial control and risk management system;
- Recommending to the Board appointment and remuneration of auditors and review their performance and adequacy of internal control systems.

The Terms of Reference were in full compliance with provisions of the Act and the Listing Regulations.



Report on Corporate Governance (Contd.)

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2021 are set forth below.

Name of the Director	Category of Directorship	Qualification	Chairperson / Member	No. of Meetings attended
Samir Barua	Independent Director	M. Tech (IIT, Kanpur) in Industrial Engineering and Operations Research, Ph. D in Management from IIM, Ahmedabad	Chairperson	4
Keki Mistry	Independent Director	C.A., C.P.A. (USA)	Member	4
Bhavna Doshi	Independent Director	M. Com, C.A.	Member	4
Dharmishta Raval	Independent Director	B. Sc., LL.M	Member	4

Composition of the Committee was in compliance with the provisions of the Act and the Listing Regulations.

During the year under review, four Meetings of the Committee were held on May 18, 2020, August 06, 2020, November 05, 2020 and February 09, 2021. The Committee met once in a quarter and time gap between two consecutive Meetings did not exceed 120 days. Senior Management of the Company and representatives of Statutory and Internal Auditors were invited to the Meetings. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

- Formulation of criteria for determining qualification, positive attributes and independence of a Director;
- Identification of persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with criteria laid down and recommend the same to the Board for their appointment and removal;
- Recommendation to the Board, remuneration proposed to be paid to Directors / Key Managerial Personnel (KMP) / Senior Management;
- Recommendation of Remuneration Policy to the Board;
- Formulation of policy on Board Diversity of the Company;
- Formulation of criteria for performance evaluation of Board, Committees, Individual Directors.

The Terms of Reference were in full compliance with provisions of the Act and the Listing Regulations.

4. NOMINATION AND REMUNERATION COMMITTEE

a) Terms of Reference

Major Terms of Reference of the Committee include:

- Evaluation and recommendation of composition of the Board and its sub-committees;

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2021 are set forth below.

Name of the Director	Category of Directorship	Chairperson / Member	No. of Meetings attended
Pankaj Patel	Independent Director	Chairperson	2
Sudhir Mehta	Non-Executive Director (Promoter)	Member	2
Dharmishta Raval	Independent Director	Member	2

Composition of the Committee was in compliance with provisions of the Act and the Listing Regulations.

During the year under review, two Meetings of the Committee were held on May 18, 2020 and August 06, 2020. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

c) Performance Evaluation Criteria for Independent Directors

The criteria as well as process for evaluation of the Independent Directors are given below:

Criteria

- Fulfillment of functions
- Participation in the Board in terms of adequacy (time & content)

Process

- The Chairperson of the Board to discuss self and peer evaluation on a One-on-One basis with each Director.

- The Chairperson to consolidate the comments and give the feedback to individual Directors.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) Terms of Reference

Major Terms of Reference of the Committee include:

- Resolution of the grievances of all stakeholders including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate share certificates, general meetings, etc;
- Review of transfer / transmission / name deletion requests and issuance of duplicate share certificate;

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2021 are set forth below:

Name of the Director	Category of Directorship	Chairperson / Member	No. of Meetings attended
Pankaj Patel	Independent Director	Chairperson	13
Samir Mehta	Chairperson (Promoter)	Member	12
Jinal Mehta	Managing Director (Promoter)	Member	11

Composition of the Committee was in compliance with provisions of the Act and the Listing Regulations.

During the year under review, thirteen Meetings of the Committee were held. All the recommendations / submissions made by the Committee during the year were accepted by the Board. Rahul Shah, Company Secretary is the Compliance Officer of the Company.

c) Investor Grievance Redressal

The Company received 6 complaints during the year under review and the same have been resolved to the satisfaction of the complainants within a reasonable period. No valid requests for share transfer, transmission etc. were pending beyond 15 days or days of extension provided by the SEBI vide its various circulars because of the nationwide lockdown and restrictions imposed in view of COVID-19.

6. RISK MANAGEMENT COMMITTEE

a) Terms of Reference

Major Terms of Reference of the Committee include:

- Formulation of risk management policy including its framework for identification of internal and external risks, measures for risk mitigation, business continuity plan etc.

- Overseeing performance of Registrar and Share Transfer Agent in respect of adherence to service standards adopted by the Company;
- Determination of Book Closure period and Record date in respect of shares, debentures, other securities and General meetings of the Company;

The Terms of Reference were in full compliance with provisions of the Act and the Listing Regulations.

Powers to approve share transfers / transmission and related requests have been delegated by the Committee to Senior Officials of the Company for expeditious disposal of the Members' requests and complaints.

- Ensuring that appropriate methodology, processes, controls and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy, including evaluating adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering changing industry dynamics and evolving complexity;
- Informing Board about nature and content of its discussions, recommendations and actions to be taken;
- Appointment, removal and approving terms of remuneration of the Chief Risk Officer (if any);

The Terms of Reference were in full compliance with provisions of the Act and the Listing Regulations.

Report on Corporate Governance (Contd.)

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2021 are set forth below.

Name of the Director	Category of Directorship	Chairperson / Member	No. of Meetings attended
Samir Barua	Independent Director	Chairperson	2
Bhavna Doshi	Independent Director	Member	2
Sanjay Dalal*	Chief Financial Officer	Member	2
Lalit Malik#	Chief Financial Officer	Member	NA

* till April 30, 2021

w.e.f. May 01, 2021

Composition of the Committee was in compliance with provisions of the Act and the Listing Regulations.

During the year under review, two Meetings of the Committee were held on June 12, 2020 and January 28, 2021. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

Note: All the meetings of Committees were held through Audio-Video Conferencing as allowed by the Ministry of Corporate Affairs.

7. REMUNERATION OF DIRECTORS

a) Remuneration Policy

The Company has in place the policy relating to remuneration of the Directors, KMP and other employees of the Company. As required by the Act, the Remuneration Policy has been uploaded

on the website of the Company at: https://www.torrentpower.com/pdf/investors/20191014_remuneration_policy.pdf.

b) Non-Executive Directors

Non-Executive Directors are compensated by way of Sitting Fees (except promoter category Non-Executive Director) for Meetings attended and annual Commission for participation in Meetings attended. Members have approved payment of annual Commission to Non-Executive Directors, in addition to Sitting Fees, within the limits laid down under the provisions of the Act. The Board of Directors in terms of authorisation granted by the Members, approved the Commission to be paid to each Non-Executive Director. Detailed criteria for remuneration of Non-Executive Directors are part of Remuneration Policy as mentioned above.

c) Particulars of remuneration paid to the Directors for FY 2020-21

Name of the Director [§]	Sitting Fees	Salary & Perquisites [#]	Commission	(₹ in Crore)	
				Total	
Sudhir Mehta	-	-	5.00	5.00	
Samir Mehta	-	-	10.00	10.00	
Pankaj Patel	0.07	-	0.21	0.28	
Samir Barua	0.14	-	0.32	0.46	
Keki Mistry	0.09	-	0.24	0.33	
Bhavna Doshi	0.14	-	0.32	0.46	
Dharmishta Raval	0.11	-	0.27	0.38	
Sunaina Tomar, IAS [®]	0.01	-	0.05	0.06	
Jinal Mehta	-	10.50	2.50	13.00	
Total	0.56	10.50	18.91	29.97	

[§] None of the Directors are entitled to severance pay.

[#] Includes Salary, House Rent Allowance, contribution to Provident / Superannuation Funds and approved Allowances / Perquisites (excluding premium for Group Personal Accident and Group Mediclaim Insurance).

[®]Sitting fees and Commission of Sunaina Tomar, IAS (nominated by the Government of Gujarat (GoG)) is paid / payable to the GoG.

Directors have not been granted any stock options during the year under review.

Apart from payment of Sitting Fees, Annual Commission and Shareholding of Non-Executive Directors disclosed in part 2(g) above, there was no other pecuniary relationship or transactions between the Company and the Non-Executive Directors.

8. GENERAL BODY MEETINGS

• Last 3 Annual General Meetings of the Company

Meeting	Date	Time	Venue	No. of Special Resolutions passed
14 th AGM	August 01, 2018	09:30 am	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	7
15 th AGM	August 05, 2019	09:30 am	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	2
16 th AGM	August 06, 2020	09:30 am	Through Video Conferencing / Other Audio Visual Means from “Samanvay”, 600 Tapovan, Ambawadi, Ahmedabad- 380015	2

No Postal Ballot was conducted during the year under review and as of the date of this Report, there is no proposal to pass any Special Resolution through Postal Ballot.

• Hon'ble National Company Law Tribunal (“NCLT”) convened Meetings of Equity Shareholders, Unsecured Creditors of Cables Business Undertaking only and Secured Creditors of the Company

Meetings of Equity Shareholders, Unsecured Creditors of Cables Business Undertaking only and Secured Creditors of the Company were convened during the Financial Year, pursuant to the Order of NCLT, Ahmedabad Bench dated July 21, 2020 read with Order dated June 30, 2020 in the matter of the Scheme of Arrangement between the Company and TCL Cables Pvt. Ltd. (“TCPL”) and their respective Shareholders and Creditors (“the Scheme”) for transfer and vesting of Cable Business Undertaking of the Company to TCPL. The detail of Meetings are as given below:

Meetings	Date and Time	Venue
Equity Shareholders	September 15, 2020 09:30 am	Through Video Conferencing or Other Audio-Visual Means from “Samanvay”, 600 Tapovan, Ambawadi, Ahmedabad- 380015
Unsecured Creditors of Cables Business Undertaking	September 15, 2020 11:00 am	
Secured Creditors	September 15, 2020 02:00 pm	

9. MEANS OF COMMUNICATION

During the year, quarterly Unaudited Financial Results with Limited Review Report and annual Audited Financial Results of the Company with the Auditors' Report thereon were submitted to the stock exchanges upon their approval by the Board. The Company published its quarterly Financial Results in two English daily newspapers having nationwide circulation i.e. Indian Express and Financial Express and in one regional newspaper i.e. Financial Express (Gujarati Edition). The Company also submitted to the Stock Exchanges the schedule of analysts' or institutional investors' meets and presentations to them. The Company's website: www.torrentpower.com also displays the official news releases, schedules and presentations for investors, key Company policies, its values, CSR and other relevant information in addition to the Financial Results. An exclusive section as “Investors” serves to inform and service the Members, enabling access information at their convenience.

Considering the impact of COVID-19 and consequent restrictions including that on large gatherings and social distancing, the SEBI vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 extended the relaxation provided vide SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 from sending physical copies of Annual Report to those Members whose email IDs are not registered with the Depository Participants (“DP”)s and / or with the Company's Registrar and Share Transfer Agent (“RTA”) and who have opted for physical copies. In view of the same, the Company will send soft copy of Annual Report for FY 2020-21 to those Members whose email IDs are registered with the DPs and / or with the Company's RTA. Also, soft copy of Annual Report will be available on the Company's website: www.torrentpower.com.

Report on Corporate Governance (Contd.)

10. GENERAL SHAREHOLDER INFORMATION

a) 17th Annual General Meeting (AGM)

Date	: Friday, August 06, 2021
Time	: 9:30 am
Venue	: Video Conference / Other Audio-Visual Means
Remote E-voting Period	: From 9:00 am on August 02, 2021 to 5:00 pm on August 05, 2021
Cut-off date for Remote E-voting	: July 30, 2021

b) Tentative Financial Calendar for the year ended March 31, 2022

Financial year	: April 01, 2021 – March 31, 2022
First quarter results	: First week of August 2021
Second quarter results	: Last week of October 2021
Third quarter results	: First week of February 2022
Results for the year end	: Third week of May 2022

c) Dividend Payment date

The final dividend, if declared at the AGM, payment of such dividend will be made on or before September 03, 2021, subject to deduction of tax at source.

d) Listing on Stock Exchanges and Security Codes

- Equity shares of the Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. in India:

Stock Exchange	ISIN	Security Code
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	INE813H01021	532779
National Stock Exchange of India Ltd. (NSE) "Exchange Plaza", C – 1, Block G, Bandra - Kurla Complex, Bandra (East), Mumbai 400051	INE813H01021	TORNTPOWER

- Non-Convertible Debentures ("NCDs") of the Company are listed on the Wholesale Debt Market segment of NSE:

Series	Secured/Unsecured	Coupon rate (p.a.)	ISIN	Security Code
Series 1 *	Secured	10.35%	INE813H07010	TOPO22
Series 2A #	Secured	10.35%	INE813H07051	TOPO21
Series 2B	Secured	10.35%	INE813H07069	TOPO22
Series 2C	Secured	10.35%	INE813H07077	TOPO23
Series 3A	Secured	8.95%	INE813H07085	TOPO21
Series 3B	Secured	8.95%	INE813H07093	TOPO22
Series 3C	Secured	8.95%	INE813H07101	TOPO23
Series 4A	Unsecured	10.25%	INE813H08018	TOPO22
Series 4B	Unsecured	10.25%	INE813H08026	TOPO23
Series 4C	Unsecured	10.25%	INE813H08034	TOPO24
Series 5	Secured	7.65%	INE813H07119	TOPO23
Series 6	Secured	7.30%	INE813H07127	TOPO23

* Series 1: 550 NCDs were partly redeemed on September 28, 2020.

Series 2A: 100 NCDs were fully redeemed on March 25, 2021.

- Annual listing fees for both, Equity and Debt securities for FY 2020-21 have been paid to the Stock Exchanges, where the securities of the Company are listed.

e) Market price data

Closing market price of equity shares on March 31, 2021 was ₹423.75 on BSE and ₹423.80 on NSE.

Monthly movement of equity share prices during the year at BSE and NSE:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2020	335.40	272.60	8,69,013	335.65	272.65	2,17,74,548
May, 2020	338.80	291.50	16,46,654	338.70	291.45	3,63,66,435
June, 2020	348.95	314.70	10,18,911	349.95	314.00	2,67,05,537
July, 2020	338.50	313.00	8,32,790	338.70	312.90	2,29,52,277
August, 2020	368.75	325.60	13,77,597	368.90	325.40	4,55,24,451
September, 2020	344.90	305.35	5,03,700	345.10	305.10	2,04,33,390
October, 2020	325.95	293.05	5,31,276	327.10	293.20	1,98,80,749
November, 2020	324.05	301.15	6,09,236	325.00	302.00	2,66,61,850
December, 2020	338.00	293.30	12,82,182	337.35	293.00	3,27,35,173
January, 2021	348.50	298.00	14,39,456	348.75	296.50	3,29,57,737
February, 2021	406.75	304.60	26,25,472	395.75	304.15	5,96,52,237
March, 2021	434.90	379.95	17,25,712	434.45	379.65	3,82,32,791

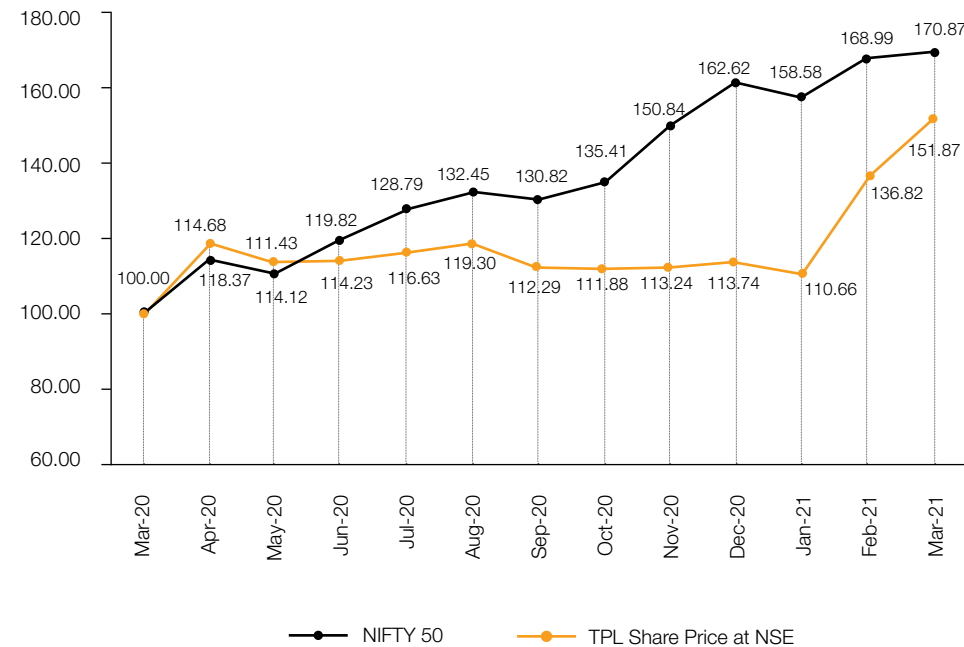
f) Performance of Equity Share Price vis-à-vis Nifty 50 is as under:

Month	TPL Share Price at NSE (₹)*	NIFTY 50 during the Month* (₹)	Relative Index for comparison purpose	
			TPL share price (%)	NIFTY 50 (%)
March, 2020	279.05	8,597.75	100.00	100.00
April, 2020	330.30	9,859.90	118.37	114.68
May, 2020	318.45	9,580.30	114.12	111.43
June, 2020	318.75	10,302.10	114.23	119.82
July, 2020	325.45	11,073.45	116.63	128.79
August, 2020	332.90	11,387.50	119.30	132.45
September, 2020	313.35	11,247.55	112.29	130.82
October, 2020	312.20	11,642.40	111.88	135.41
November, 2020	316.00	12,968.95	113.24	150.84
December, 2020	317.40	13,981.75	113.74	162.62
January, 2021	308.80	13,634.60	110.66	158.58
February, 2021	381.80	14,529.15	136.82	168.99
March, 2021	423.80	14,690.70	151.87	170.87

* Closing data on the last trading day of the month. Closing equity share price at NSE and NIFTY 50 of March 31, 2020 have been taken as the base for calculating relative index for comparison purpose.

Report on Corporate Governance (Contd.)

Relative Performance of TPL Share Price v/s Nifty 50



g) Registrar and Share Transfer Agent

Members are requested to send all documents pertaining to duplicate / transmission / name deletion / demat requests and other communications in relation thereto directly to the Registrar and Share Transfer Agent at the following address:

Link Intime India Pvt. Ltd.

506 to 508,
Amarnath Business Centre - I (ABC - I),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner
Off C G Road, Ellisbridge,
Ahmedabad-380006 (Gujarat)
Telephone: +91 079 26465179 / 86 / 87
Fax : +91 079 26465179
E-mail: ahmedabad@linkintime.co.in

h) Share Transfer System

In terms of Regulation 40(1) of the Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 01, 2019, except in case of transmission of securities or transposition of names. The Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of equity shares in electronic form are affected through the depositories with no involvement of the Company.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

Powers to approve share transfers and related requests have been delegated by the Stakeholders Relationship Committee to the Senior Officials of the Company for expeditious disposal of the Members' requests and complaints. Details of transfers / transmission approved by the delegates were noted by the Stakeholders Relationship Committee at its meeting once in a quarter, which were subsequently noted by the Board of Directors.

i) Distribution of shareholding as on March 31, 2021

• By size of shareholding

No. of Shares	No. of Members	% Members	No. of Shares	% of Shareholding
001 to 500	1,02,757	90.04	59,00,657	1.23
501 to 1000	5,878	5.15	39,98,656	0.83
1001 to 2000	2,392	2.10	34,37,173	0.72
2001 to 3000	978	0.86	24,69,972	0.51
3001 to 4000	437	0.38	15,31,893	0.32
4001 to 5000	355	0.31	16,16,734	0.34
5001 to 10000	658	0.57	47,04,088	0.97
10001 & above	672	0.59	45,69,57,611	95.08
Total	1,14,127	100.00	48,06,16,784	100.00

• By category of Members

Sr. No.	Category	No. of Shares	% of Shareholding
1	Promoters	25,74,43,318	53.57
2	Mutual Funds	7,23,06,112	15.04
3	Foreign Portfolio Investors	4,05,90,333	8.45
4	Insurance Companies	1,64,91,973	3.43
5	Central Government / State Government(s)	70,58,501	1.47
6	Financial Institutions and Banks	12,22,220	0.25
7	Body Corporates	4,87,58,625	10.15
8	Non-Institutional Individuals	3,17,50,853	6.61
9	Others	49,94,849	1.03
Total		48,06,16,784	100.00

j) Dematerialisation and Liquidity of shares

Equity Shares of the Company can be traded only in dematerialised form by the investors. The Company has established connectivity with National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL"). Demat security (ISIN) code for the equity shares of the Company is INE813H01021. As on March 31, 2021, 97.48% of the equity shares have been dematerialised. The shares of the Company are frequently traded on both the Stock Exchanges and hence, the equity shares of the Company are liquid.

k) Outstanding GDRs / ADRs / Warrants / any other convertible instruments

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments as on date.

l) Disclosure of commodity price risk / foreign exchange risk and hedging Activities

The Company has exposure to US\$ / 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 exposures are not likely to have material financial impact on the Company.

The following were the material commodity exposures of the Company during FY 2020-21:

Commodity	Exposure in INR (₹ in Crore)	Exposure in Quantity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Imported & domestic Coal	181	7,16,254 MT	-	-	-	-	-
Liquefied Natural Gas & domestic natural gas	2,499	6,32,89,727 MMBTU	-	-	-	-	-

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



Report on Corporate Governance (Contd.)

m) Registered Office and Plant / Unit Locations

Registered Office	Generation
“Samanvay”, 600 Tapovan, Ambawadi, Ahmedabad-380015 (Gujarat)	i. SUGEN, UNOSUGEN and GENSU, Off National Highway No. 8, Taluka: Kamrej, District: Surat-394155 (Gujarat)
	ii. AMGEN, Ahmedabad-380005 (Gujarat)
	iii. DGEN, Plot no Z-9, Dahej SEZ, Taluka Vagra, Dist. Bharuch – 392130 (Gujarat)
	iv. Renewable generation Projects located at Patan, Surat, Jamnagar, Rajkot, Kutch in Gujarat, Osmanabad in Maharashtra and Gulbarga and Raichur in Karnataka.
Distribution	
i. AEC cross roads, Sola Road, Naranpura, Ahmedabad – 380013 (Gujarat)	
ii. Torrent House, Station Road, Surat-395003 (Gujarat)	
iii. Plot No. Z/21, Dahej SEZ, Part I, Taluka Vagra, Dist. Bharuch – 392130 (Gujarat)	
iv. Plot 3a, C7 Road, Dholera Smart City, Taluka: Dhandhuka, Dist. Ahmedabad Gujarat 382455	
v. Old Agra Road, Anjur Phata, Bhiwandi-421302 (Maharashtra)	
vi. 6, Raghunath Nagar, Suresh Plaza Market, M. G. Road, Agra-282002 (Uttar Pradesh)	
vii. Nature's Glory Phase – I. Behind Amit Garden Hotel, Mumbra – Kalva Road, Parshik Nagar, Kalwa – 400605	

n) Address for Correspondence

Company Secretary
Torrent Power Limited
“Samanvay”,
600, Tapovan,
Ambawadi, Ahmedabad - 380015 (Gujarat)
CIN: L31200GJ2004PLC044068
Telephone : + 91 79 26628300
Fax : +91 79 26764159
E-mail : cs@torrentpower.com
Website : www.torrentpower.com

o) Debenture Trustees

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai - 400001 (Maharashtra)
Telephone : (022) 40807005

p) Credit Rating

During the year, CRISIL has reaffirmed long term and short-term credit rating of Company at CRISIL AA / Stable and CRISIL A1+ respectively. India Ratings has reaffirmed short term rating of IND A1+ to Commercial Paper Programme of the Company.

11. OTHER DISCLOSURES

a) Related Party Transactions

The Company has formulated Related Party Transaction Policy, which is in compliance with provisions of the Act and the Listing Regulations. The policy can be accessed on the website of the Company at the web link: https://www.torrentpower.com/pdf/investors/Policy_on_Materiality_of_Related_Party_Transactions.pdf.

During the year, the Company did not enter into any transaction with related parties which were material in nature as defined in the Listing Regulations. The related party contracts / arrangements and transactions entered into by the Company were put forth for the prior approval of the Audit Committee and the Board, as applicable, in compliance with the said policy. The Company has not entered into any transactions, which requires approval of the Members.

Statement of related party transactions was presented to the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of contracts / arrangements and transactions entered into by the Company with related parties are set out in the Notes to the Financial Statements forming part of this Annual Report.

b) Legal Compliances

The Company has formalised a system to track, monitor and document legal compliances applicable to the Company. The Board periodically reviews compliance reports (of all the laws applicable to the Company), prepared by the management. There were no instances of material non-compliances during the year under review. No strictures were passed, or penalties imposed on the Company by SEBI, Stock Exchanges or any statutory authority on any matter related to capital markets during the last three years.

c) Vigil Mechanism / Whistle Blower Policy

The Board has adopted Vigil Mechanism / Whistle Blower Policy for the Company, under which the Company has institutionalised a mechanism for the stakeholders to disclose their concerns and

grievances on unethical behaviour and improper / illegal practices and wrongful conduct and instances of leak or suspected leak of Unpublished Price Sensitive Information (“UPSI”) taking place in the Company for appropriate action. The policy was amended by the Board on May 20, 2021 and amended policy is available on the website of the Company at <https://www.torrentpower.com/pdf/investors/WhistleBlowerPolicy.pdf>.

During the year, functioning of the Vigil Mechanism was reviewed by the Audit Committee on quarterly basis. No employee intending to report under Vigil Mechanism was denied access to the Audit Committee.

d) Compliance with all the mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company.

e) Material Subsidiary Policy

The Company has formulated a Policy for determining Material Subsidiary and same is available on Company’s website at https://www.torrentpower.com/pdf/investors/19-01-2019_2vueh_policy_materialsubsidiaries2.pdf.

f) Utilisation of funds raised through Preferential Allotment or Qualified Institutions Placement

During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations. However, during the year under review, the Company has issued NCDs on private placement basis, listed on debt market segment of NSE. The Company affirms that there has been no deviation or variation in utilisation of proceeds of the listed NCDs of the Company.

g) Certificate of Practicing Company Secretary

The Company has obtained a certificate from M/s Rajesh Parekh & Co., Practicing Company Secretary, Ahmedabad stating that none of the Directors on the Board of the Company have been

debarred / disqualified from being appointed / continuing as Directors of any company, by the SEBI and the Ministry of Corporate Affairs or any such Statutory authority.

h) Fees paid to Statutory Auditors

During the year, total fees, for all services (including out of pocket expenses and taxes), paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors - Price Waterhouse Chartered Accountants LLP (012754N/N500016) and to all entities in the network of which Auditor is a part are as under:

	(₹ in Crore)
Audit Fees	1.53
Other Services certificates etc.	0.57
Reimbursement of expenses	0.03
Total	2.13

i) Protection of Women against Sexual Harassment at Work-Place

Pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the Company has adopted a “Policy on Protection of Women against Sexual Harassment at Work Place”. Pursuant to the said Policy, the Company has formed Internal Complaints Committee with majority women members at each of the Unit / Administrative Office. During the year, no complaints were filed with the Internal Complaints Committee.

j) Compliance with Corporate Governance

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

For and on behalf of the Board

Ahmedabad
May 20, 2021

Jinal Mehta
Managing Director
DIN: 02685284



Report on Corporate Governance (Contd.)

Certificate of Compliance with the Code of Business Conduct

To,
The Members,
Torrent Power Limited

Torrent Power Limited has in place a Code of Business Conduct (the “Code”) for its Board of Directors, Senior Management Personnel and other employees of the Company. I report that the Board of Directors have received affirmation on compliance with the Code from the members of the Board and Senior Management of the Company for the year under review.

Ahmedabad
May 20, 2021

For and on behalf of the Board

Jinal Mehta
Managing Director
DIN: 02685284

Independent Auditor’s Report

To the Members of Torrent Power Limited

Report on the Audit of the Standalone Financial Statements

- Opinion**
- 1. We have audited the accompanying standalone financial statements of Torrent Power Limited (“the Company”), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
 - 2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

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

- Emphasis of Matter**
- 4. We draw your attention to Note 62 to the standalone financial statements which describes that the scheme of arrangement (the ‘Scheme’) between the Company and TCL Cables Private Limited (the ‘Transferee Company’) for transfer of the Cable business undertaking of the Company to the Transferee Company, has been approved by the National Company Law Tribunal (‘NCLT’) vide its Order dated December 17, 2020. Accordingly, these financial statements have been prepared after considering the effect of the Scheme with effect from the appointed date of April 01, 2020, as per NCLT approved Order. Our opinion is not modified in respect of this matter.

- Key Audit Matters**
- 5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent Auditor’s Report (Contd.)

Key Audit Matter	How our audit addressed the key audit matter
<p>i) Impairment assessment for Power Plant located at Dahej (Refer to note 43(1) to the standalone financial statements):</p> <p>The carrying amount of Property, Plant & Equipment (“PPE”) includes an amount of ₹2,879.40 crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India (“DGEN”). DGEN started its commercial operations from November 2014 (“COD”) and has operated only intermittently after COD, including during the current financial year.</p> <p>As a result of the above, and given the current economic environment, management has carried out an impairment assessment of DGEN with the help of an external valuer, in accordance with Ind AS 36 ‘Impairment of Assets’ and has measured the recoverable amount based on ‘value in use’ which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN. Such assessment involved several key assumptions including expected demand of electricity, future price of fuel, exchange rate, expected tariff rates of electricity, discount rate and current electricity market scenario considered by management based on past trends and current and likely future state of the industry.</p> <p>The value in use arrived at by the management is higher than the carrying amount of PPE pertaining to DGEN and accordingly, no additional impairment provision is considered necessary as at March 31, 2021 by management.</p> <p>We considered this to be a key audit matter as the carrying value of DGEN at March 31, 2021 is significant to the Company’s balance sheet and there is significant judgement and estimation involved in the discounted cash flow (DCF) model used by the management to assess the value in use of DGEN.</p>	<p>Our procedures in relation to management’s impairment assessment of DGEN included the following:</p> <ul style="list-style-type: none">Assessed and tested the design and operating effectiveness of the Company’s controls over impairment assessment.Perused the report issued by the external valuer engaged by the management.Evaluated independence, competence, capability and objectivity of the external valuer.Evaluated the reasonableness of cash flow projections used by the Company and the key assumptions used.With the involvement of auditors experts, assessed the reasonableness of the assumptions considered in the discounted cash flow projections for determining value in use.Discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same, within a reasonable foreseeable range. We noted that the resulting valuation was not materially different to Company’s valuation.Checked the arithmetic accuracy of the computations included in the discounted cash flow projections.Reviewed the adequacy of disclosure in the standalone financial statements. <p>Based on the above procedures performed, we considered management’s assessment of impairment of DGEN to be reasonable.</p>
<p>ii) Assessment of recoverability of Deferred tax assets on unutilised tax credits (Refer to note 44 to the standalone financial statements)</p> <p>The Company has recognised deferred tax assets on the unutilised tax credits, representing Minimum Alternate Tax (MAT) paid on the accounting profit in the current year and in earlier years in which the Company did not have normal taxable profit. The assets have been recognised on the basis of Company’s assessment of availability of future taxable profits to offset the accumulated deferred tax assets on the unutilised tax credits.</p> <p>The future taxable profit projections involve several key assumptions including expected demand of electricity, future prices of fuel, expected tariff rates of electricity, exchange rate and current electricity market scenario covering the period over which MAT Credit can be claimed as per the Income-tax Act, 1961. In preparing the profit projections, management has considered, past trends, applicable tariff regulations/ agreements and current and likely future state of the industry.</p> <p>We considered this a key audit matter as the amount of deferred tax assets on unutilised tax credits is material to the financial statements and significant management judgement is required in assessing the recoverability of accumulated deferred tax assets on unutilised tax credits based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Company’s future business plans.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">Assessed and tested the design and operating effectiveness of the Company’s controls over recognition and assessment of recoverability of deferred tax assets on unutilised tax credits.Reviewed the Company’s accounting policy in respect of recognising deferred tax assets on unutilised tax credits.Assessed the reasonableness of the assumptions underlying profit projections made by management, by reviewing the past trends, available tariff orders and relevant economic and industry indicators.Evaluated whether the tax credit entitlements are legally available to the Company for the forecast recoupment period, considering the provisions of Income-tax Act, 1961.Checked the arithmetic accuracy of the underlying calculations of the profit projections.Performed sensitivity analysis over the assumptions used in determining the projected taxable profits, within reasonably foreseeable range.Reviewed the adequacy of disclosures made in the financial statements with regard to deferred taxes. <p>Based on the above procedures performed by us, we considered the management’s assessment of recoverability of deferred tax assets in respect of accumulated deferred tax assets on unutilised tax credits to be reasonable.</p>

Independent Auditor’s Report (Contd.)

<p>Other Information</p> <p>6. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the board’s report, management discussion and analysis, business responsibility report, report on corporate governance but does not include the standalone financial statements and our auditor’s report thereon.</p> <p>Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.</p> <p>We have nothing to report in this regard.</p>
<p>Responsibilities of Management and those charged with Governance for the Standalone Financial Statements</p> <p>7. The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p> <p>8. In preparing the standalone financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.</p>
<p>Auditor’s Responsibilities for the Audit of the Standalone Financial Statements</p> <p>9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.</p> <p>10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:</p> <ul style="list-style-type: none">Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Corporate Overview
Performance Review
Operational Excellence
ESG
Statutory Reports
Financial Statements



Independent Auditor’s Report (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

14. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

Independent Auditor’s Report (Contd.)

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements – Refer Note 46(a) to the standalone financial statements;
 - ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 21109553AAAAAE2229

Place: Mumbai
Date: May 20, 2021



Annexure A to Independent Auditor’s Report

Referred to in paragraph 15(f) of the Independent Auditor’s Report of even date to the members of Torrent Power Limited on the standalone financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Act

- 1. We have audited the internal financial controls with reference to financial statements of Torrent Power Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Annexure A to Independent Auditor’s Report (Contd.)

Referred to in paragraph 15(f) of the Independent Auditor’s Report of even date to the members of Torrent Power Limited on the standalone financial statements for the year ended March 31, 2021

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

- 8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Priyanshu Gundana
Partner

Membership Number: 109553
UDIN: 21109553AAAAAE2229

Place: Mumbai
Date: May 20, 2021



Annexure B to Independent Auditor’s Report

Referred to in paragraph 14 of the Independent Auditor’s Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2021

- i.

(a)

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

(b)

The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. As regards underground distribution systems, we have been informed that the same are not physically verifiable.

(c)

The title deeds of immovable properties, as disclosed in Note 4 on fixed assets and Note 5 on Right-of-use assets to the standalone financial statements, are held in the name of the Company except for gross block of ₹43.14 crore and net block ₹41.20 crore where such immovable properties have been transferred pursuant to the Scheme of amalgamation approved by the courts in earlier years.
- ii.

The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii.

The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv.

In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v.

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

Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii.

(a)

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 46(a) to the standalone financial statements regarding management’s assessment on the matter relating to provident fund.

Further, for the period April 01, 2020 to April 30, 2020, the Company has paid Goods and Service Tax and filed GSTR 1 and GSTR3B after the due date but within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notification Number 35/2020- GST dated April 03, 2020 on fulfilment of conditions specified therein.

Annexure B to Independent Auditor’s Report (Contd.)

Referred to in paragraph 14 of the Independent Auditor’s Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2021

- (b)

According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and services tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs, duty of excise, service tax and value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of dues	Amount involved (₹ in Crore)	Amount unpaid (₹ in Crore)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
Customs Act, 1962	Customs Duty	37.00	18.50	2012-13	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	0.17	0.17	1989-90	Central Excise and Service Tax Appellate Tribunal
Kerala General, Sales Tax Act, 1963	Sales Tax on Works Contracts	0.20	0.20	2001-02	Sales Tax Appellate Tribunal
Andhra Pradesh General Sales Tax, Act, 1957	Sales Tax on Works Contracts	0.29	0.29	1993-94 & 1994-95	High court for the State of Telangana
Tamil Nadu General Sales Tax Act, 1959	Sales Tax on Works Contracts	0.47	0.47	1989-90 & 1990-91	Asst. Commissioner of Commercial Tax
Gujarat Value Added Tax Act, 2003	Value Added Tax	6.99	2.41	2007-08 to 2010-11	Gujarat Value Added Tax Tribunal
Finance Act, 1994	Service tax	0.49	0.49	2014-15 & 2016-17	Principal Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	2.75	2.45	2018-19	Commissioner of Income Tax (Appeals)

- viii.

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

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

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

The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 16 of our main audit report.
- xii.

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

The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv.

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

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

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

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

Priyanshu Gundana
Partner

Membership Number: 109553
UDIN: 21109553AAAAAE2229

Place: Mumbai
Date: May 20, 2021

Balance Sheet

as at March 31, 2021

		(₹ in Crore)	
	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4	15,384.78	15,587.93
Right-of-use assets	5	178.35	187.94
Capital work-in-progress	6	837.73	567.40
Investment property	7	0.37	-
Intangible assets	8	18.39	14.98
Intangible assets under development		-	0.19
Investments in subsidiaries	9	414.73	402.82
Financial assets			
Investments	10	124.20	115.95
Loans	11	1,087.04	1,123.92
Other financial assets	12	57.21	1.08
Non-current tax assets (net)	13	8.32	16.44
Other non-current assets	14	333.37	327.36
		18,444.49	18,346.01
Current assets			
Inventories	15	386.16	597.89
Financial assets			
Investments	16	241.63	502.20
Trade receivables	17	1,275.52	1,180.58
Cash and cash equivalents	18	95.55	79.42
Bank balances other than cash and cash equivalents	19	93.22	144.78
Loans	20	145.40	91.39
Other financial assets	21	2,024.55	1,825.44
Other current assets	22	71.49	111.92
		4,333.52	4,533.62
		22,778.01	22,879.63
Equity and liabilities			
Equity			
Equity share capital	23	480.62	480.62
Other equity	24	9,770.61	8,706.65
		10,251.23	9,187.27
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	25	6,071.12	7,296.28
Trade payables	26		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		116.11	109.71
Lease liabilities	49	30.96	33.05
Other financial liabilities	27	10.00	0.24
Deferred tax liabilities (net)	44	518.15	542.51
Other non-current liabilities	28	1,157.39	1,129.07
		7,903.73	9,110.86
Current liabilities			
Financial liabilities			
Borrowings	29	-	-
Trade payables	30		
Total outstanding dues of micro and small enterprises		36.51	24.83
Total outstanding dues other than micro and small enterprises		934.26	1,002.43
Lease liabilities	49	5.05	4.91
Other financial liabilities	31	2,762.29	2,607.45
Other current liabilities	32	537.29	575.54
Provisions	33	303.20	344.71
Current tax liabilities (net)	34	44.45	21.63
		4,623.05	4,581.50
		22,778.01	22,879.63

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Priyanshu Gundana
Partner
Membership No.: 109553

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Mumbai, May 20, 2021

Ahmedabad, May 20, 2021

Statement of Profit and Loss

for the year ended March 31, 2021

		(₹ in Crore)	
	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	35	11,776.52	13,442.04
Other income	36	250.28	245.09
Total income		12,026.80	13,687.13
Expenses			
Electrical energy purchased		3,358.36	3,709.40
Fuel cost		3,610.55	4,250.54
Cost of materials consumed	37	-	250.60
Purchase of stock-in-trade		48.24	53.69
Changes in inventories of finished goods and work-in-progress	38	-	1.45
Employee benefits expense	39	521.76	528.49
Finance costs	40	718.96	891.86
Depreciation and amortization expense	41	1,179.85	1,230.16
Other expenses	42	1,005.84	1,225.04
Total expenses		10,443.56	12,141.23
Profit before exceptional items and tax		1,583.24	1,545.90
Exceptional items	43	-	1,000.00
Profit before tax		1,583.24	545.90
Tax expense			
Current tax	44	284.48	305.94
Deferred tax	44	(26.15)	(998.18)
		258.33	(692.24)
Profit for the year		1,324.91	1,238.14
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	50	5.18	(44.57)
Tax relating to remeasurement of the defined benefit plans	44	1.79	(15.57)
Other comprehensive income for the year, net of tax		3.39	(29.00)
Total comprehensive income for the year		1,328.30	1,209.14
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	54	27.57	25.76

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Priyanshu Gundana
Partner
Membership No.: 109553

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Mumbai, May 20, 2021

Ahmedabad, May 20, 2021



Statement of Cash Flows

for the year ended March 31, 2021

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
(₹ in Crore)			
Cash flow from operating activities			
Profit before tax		1,583.24	545.90
Adjustments for :			
Depreciation and amortization expense	41	1,179.85	1,230.16
Amortisation of deferred revenue	35	(82.20)	(73.67)
Provision of earlier years written back	35	(2.47)	(3.69)
Loss on sale / discarding of property, plant and equipment	42	12.03	16.19
Gain on disposal of property, plant and equipment	36	(3.39)	(2.89)
Bad debts written off (net of recovery)	42	49.81	(17.41)
Provision for onerous contracts	42	1.02	161.78
Allowance for doubtful debts (net)	42	21.48	82.43
Exceptional items	43	-	1,000.00
Finance costs	40	718.96	891.86
Interest income	36	(154.29)	(142.22)
Dividend income	36	(30.75)	(15.32)
Rent income from investment property	36	(0.24)	-
Allowance / impairment for non-current investments	42	1.60	1.55
Gain on sale of current investments in mutual funds	36	(17.59)	(40.76)
Gain on sale of non-current investments	36	-	(8.64)
Gain on slump sale pursuant to scheme of arrangement [Refer note 62]	36	(7.27)	-
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	36	(0.56)	0.36
Net gain arising on financial assets / liabilities measured at amortised cost	36	(11.39)	(13.84)
Financial guarantee commission (amortised)	36	(1.22)	-
Net unrealised loss / (gain) on foreign currency transactions		10.67	12.30
Operating profit before working capital changes		3,267.29	3,624.09
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		150.46	28.78
Trade receivables		(322.45)	(75.07)
Loans		(15.14)	(1.16)
Other financial assets		(168.59)	(27.53)
Other assets		61.76	(26.71)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(41.61)	204.18
Other financial liabilities		65.76	41.06
Provisions		(34.16)	12.92
Other liabilities		(39.36)	(21.05)
Cash generated from operations		2,923.96	3,759.51
Taxes paid (net)		(253.54)	(290.43)
Net cash flow generated from operating activities		2,670.42	3,469.08
Cash flow from investing activities			
Payments for property, plant and equipment & intangible assets		(1,280.70)	(680.11)
Proceeds from sale of property, plant and equipment & intangible assets		7.23	9.55
Consideration received on slump sale [Refer note 62]		256.95	-
Non-current Investment in subsidiaries		(0.15)	(2.00)
Non-current redemption of debentures from associates		-	191.62
Purchase of non-current investments		(1.86)	(1.92)
Loans to related parties		(253.67)	(1,575.62)

Statement of Cash Flows (Contd.)

for the year ended March 31, 2021

	Year ended March 31, 2021	Year ended March 31, 2020
(₹ in Crore)		
Repayment of loans from related parties	221.33	736.22
(Investments) / redemption in bank deposits (net) (maturity more than three months)	47.70	68.75
(Investments) / redemption in inter corporate deposits	(100.24)	25.00
Interest received	198.61	106.45
(Purchase of) / proceeds from current investments (net)	278.72	10.66
Dividend received from non-current investments	30.75	15.32
Rent income from investment property	0.24	-
Net cash generated from / (used in) investing activities	(595.09)	(1,096.08)
Cash flow from financing activities		
Proceeds from long-term borrowings	300.00	1,770.00
Proceeds from short-term borrowings	700.00	250.00
Repayment of long-term borrowings	(808.12)	(317.89)
Prepayment of long-term borrowings	(628.58)	(1,970.64)
Repayment of short-term borrowings	(700.00)	(550.05)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	116.04	185.69
Dividend paid (including dividend distribution tax)	(264.34)	(958.67)
Principal elements of lease payments	(7.10)	(5.71)
Finance costs paid	(762.94)	(806.82)
Net cash generated from / (used in) financing activities	(2,058.86)	(2,407.91)
Net (decrease) / increase in cash and cash equivalents	16.47	(34.91)
Cash and cash equivalents as at beginning of the year	79.42	114.33
Cash and cash equivalents transferred pursuant to slump sale [Refer note 62]	(0.34)	-
Cash and cash equivalents as at end of the year	95.55	79.42
Footnotes:		
1 Cash and cash equivalents as at end of the year:		
Balances with banks		
Balance in current accounts	93.19	78.14
Cheques on hand	0.58	0.94
Cash on hand	1.78	0.34
	95.55	79.42
2 The statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows" .		

See accompanying notes forming part of the standalone financial statements

In terms of our report attachedFor and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLPSamir Mehta
Firm Registration Number : 012754N / N500016Chairperson
DIN:00061903

Priyanshu GundanaLalit MalikRahul Shah
PartnerChief Financial OfficerCompany Secretary
Membership No.: 109553

Mumbai, May 20, 2021Ahmedabad, May 20, 2021

Statement of Changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL [Refer note 23]

	(₹ in Crore)
Balance as at April 01, 2019	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2020	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2021	480.62

B. OTHER EQUITY [Refer note 24]

	(₹ in Crore)						
	Reserves and surplus						Total
	Securities premium	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	
Balance as at April 01, 2019	0.03	197.90	9.76	78.07	3,583.89	4,586.53	8,456.18
Profit for the year	-	-	-	-	-	1,238.14	1,238.14
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(29.00)	(29.00)
Total comprehensive income for the year	-	-	-	-	-	1,209.14	1,209.14
Transfer to debenture redemption reserve	-	60.20	-	-	-	(60.20)	-
Transfer to contingency reserve	-	-	1.83	-	-	(1.83)	-
Transaction with owners in their capacity as owners:							
Dividend (including interim dividend) paid	-	-	-	-	-	(797.82)	(797.82)
Dividend distribution tax paid	-	-	-	-	-	(160.85)	(160.85)
Balance as at March 31, 2020	0.03	258.10	11.59	78.07	3,583.89	4,774.97	8,706.65
Profit for the year	-	-	-	-	-	1,324.91	1,324.91
Other comprehensive income for the year, net of income tax	-	-	-	-	-	3.39	3.39
Total comprehensive income for the year	-	-	-	-	-	1,328.30	1,328.30
Transfer to debenture redemption reserve	-	(70.84)	-	-	-	70.84	-
Transfer to contingency reserve	-	-	1.87	-	-	(1.87)	-
Transaction with owners in their capacity as owners:							
Dividend (including interim dividend) paid	-	-	-	-	-	(264.34)	(264.34)
Balance as at March 31, 2021	0.03	187.26	13.46	78.07	3,583.89	5,907.90	9,770.61

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Priyanshu Gundana
Partner
Membership No.: 109553

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Mumbai, May 20, 2021

Ahmedabad, May 20, 2021

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 1: 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 Electricity.

NOTE 1A: NEW STANDARDS OR INTERPRETATIONS ADOPTED BY THE COMPANY

The Company has applied the following amendment to Ind AS for the first time for its annual reporting period commencing April 01, 2020:

- i) Ind AS - 1 and Ind AS – 8, Definition of Material
- ii) Ind AS - 103, Definition of a Business
- iii) Ind AS - 116, COVID-19 related concessions

The above other amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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;

- 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; and
- acquisition-date fair value of any previous equity interest in the acquired entity

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 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 a business include the carrying amount of goodwill relating to such business.

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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 of April 01, 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 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%	3.34%	3.34%
Railway siding	1.80% to 5.28%	-	-
Plant and machinery	1.80% to 7.00%	5.28%	3.60%
Electrical fittings and apparatus	5.28% to 19.00%	6.33%	6.33%
Furniture and fixtures	5.28% to 15.00%	6.33%	6.33%
Vehicles	9.50%	9.50%	9.50%
Office equipment	3.60% to 19.00%	5.28% to 15.00%	6.33% to 15.00%

@ 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.



Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 is 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:

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 recognised 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.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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 capitalised 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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued 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 recognised, when the control of the goods or services has been transferred to consumers 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. Revenue from power supply exclude taxes and duties.

These adjustments / accruals are carried forward as ‘Unbilled revenue’ under “Other current financial assets” in Note 21, 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 Services Tax.
- (iii) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.
- (iv) 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 arising on foreign currency borrowings 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 recognised as income or expense in the financial year in which they arise.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment.The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

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.



NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 (other than financial assets at fair value through profit or loss) are added to 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. Net gains / (losses) 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.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The Company applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on days past due. The Company recognises expected loss rates in case of unbilled revenue after considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.

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 on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

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 are measured at amortised cost.

ii) Initial measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

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.

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.



Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

v) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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:

Company as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee’s incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset’s lease term on a straight-line basis.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.21 Exceptional items:

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the Company makes a disclosure of the nature and amount of such items separately under the head “Exceptional items.

2.22 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 recognised those truing up adjustment claims which are disputed and for which the Company is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities. [Refer note 35 & 45]

3.2 Property, plant and equipment:

i) Service concession arrangements

The Company has assessed applicability of Appendix D of Ind AS115 “Service Concession Arrangements” with respect to its property, plant and equipment. In assessing the applicability, the Company has exercised judgment in relation to the provisions of the Electricity Act, 2003, conditions provided under transmission and distribution license and / or agreements. Further, the Company has ability to pledge the assets pursuant to which it has control and ability to direct the use of assets. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable.

ii) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment. [Refer note 43(1)]

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Contd.)

3.3 Impairment of investments in subsidiaries

At the end of each reporting period, the Company reviews the carrying amounts of its investments in subsidiaries 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 43(2)]

Impairment of loans

The Company applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for loans granted by the Company to its subsidiaries.

3.4 Taxes:

Significant 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, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Deferred tax assets are recognised for unused tax 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 for unused tax credits that can be recognised, based upon the likely timing and the level of future taxable profits [Refer note 44(d)]

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 recognised nor disclosed as contingent liability. The management judgement is involved in classification under ‘remote’, ‘possible’ or ‘probable’ which is carried out based on expert advice, past judgements, experiences etc. [Refer note 46(a)]

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 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. Information about the various estimates and assumptions made in determining present value of defined benefit obligation are disclosed in note 50.2

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT
As at March 31, 2021

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss					Net carrying amount	
	As at April 01, 2020	Transfer due to scheme of arrangement [Refer note 62]	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2021	As at April 01, 2020	Transfer due to scheme of arrangement [Refer note 62]	For the year Depreciation	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Freehold land	422.99	-	-	-	(0.37)	422.62	-	-	-	-	-	422.62
Buildings	1,545.97	(17.10)	118.01	0.09	21.89	1,668.68	241.50	1.55	55.15	0.02	298.18	1,370.50
Railway siding	1.86	-	-	-	-	1.86	0.25	-	0.05	-	0.30	1.56
Plant and machinery	19,681.87	(63.61)	844.41	27.03	(6.47)	20,429.17	6,000.80	(33.54)	1,080.68	-	12.12	7,035.82
Electrical fittings and apparatus	43.32	(0.93)	8.59	0.28	0.32	51.02	15.27	(0.40)	3.16	-	0.12	17.91
Furniture and fixtures	48.53	(0.58)	8.76	0.12	-	56.59	14.08	(0.16)	3.30	-	0.08	17.14
Vehicles	27.28	(0.26)	2.40	1.28	-	28.14	9.27	(0.13)	2.53	-	0.83	10.84
Office equipment	142.36	(1.43)	23.35	0.69	0.25	163.84	45.08	(0.64)	12.96	-	0.45	56.95
Total	21,914.18	(83.91)	1,005.52	29.49	15.62	22,821.92	6,326.25	(33.32)	1,157.83	-	13.62	7,437.14

As at March 31, 2020

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss					Net carrying amount	
	As at April 01, 2019	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2020	As at April 01, 2019	For the year Depreciation	Impairment	Deductions during the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020
Freehold land	403.10	19.89	-	-	422.99	-	-	-	-	-	-	422.99
Buildings	1,505.68	43.38	5.62	2.53	1,545.97	187.46	54.11	-	0.07	241.50	1,304.47	1,304.47
Railway siding	1.86	-	-	-	1.86	0.20	0.05	-	-	0.25	-	1.61
Plant and machinery	18,981.05	728.83	27.94	(0.07)	19,681.87	3,873.64	1,138.87	1,000.00	11.71	6,000.80	13,681.07	13,681.07
Electrical fittings and apparatus	40.26	3.12	0.07	0.01	43.32	12.27	3.06	-	0.06	15.27	28.05	28.05
Furniture and fixtures	45.11	3.63	0.21	*	48.53	10.92	3.28	-	0.12	14.08	34.45	34.45
Vehicles	23.42	5.52	1.66	-	27.28	7.86	2.60	-	1.19	9.27	18.01	18.01
Office equipment	121.06	22.46	1.24	0.08	142.36	34.06	11.76	-	0.74	45.08	97.28	97.28
Total	21,121.54	826.83	36.74	2.55	21,914.18	4,126.41	1,213.73	1,000.00	13.89	6,326.25	15,587.93	15,587.93



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

Footnotes:

- 1

The above property, plant & equipment have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].
- 2

Capital commitment:
Refer note 46(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 ₹15.99 Crore (Previous year - ₹2.55 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs”.
- 4

Adjustments during the year include change in nature of freehold land from Property, plant & equipment to Investment property of ₹0.37 Crore.
- 5

The weighted average rate for capitalisation of borrowing cost relating to general borrowing is in the range of 7.81% to 7.95% (Previous year - 9.00%).
- 6

Additions to plant and machinery includes capitalisation of directly attributable costs incurred by the Company under various headings.
- 7

Refer note 43(1) for impairment loss in respect of DGEN power plant.
- 8

The closing balance of accumulated depreciation and impairment consist impairment loss of ₹1,014.07 Crore (March 31, 2020 - ₹1,014.07 Crore).
- 9

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 March 31, 2021	As at March 31, 2020
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	3.04	2.52

NOTE 5 : RIGHT-OF-USE ASSETS

As at March 31, 2021

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount (₹ in Crore)
	As at April 01, 2020	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	
	As at April 01, 2020	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021
Land	170.11	-	1.83	-	171.94	6.85	6.94	-	13.79
Buildings	27.70	-	-	-	27.70	3.45	4.39	-	7.84
Plant and machinery	0.38	-	-	-	0.38	0.05	0.05	-	0.10
Office equipment	0.14	-	-	-	0.14	0.04	0.04	-	0.08
Total	198.33	-	1.83	-	200.16	10.39	11.42	-	21.81

As at March 31, 2020

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount (₹ in Crore)
	As at April 01, 2019	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Deductions during the year	
	As at April 01, 2019	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Deductions during the year	As at March 31, 2020
Land	-	174.59	-	4.48	170.11	-	6.90	0.05	6.85
Buildings	-	13.21	14.49	-	27.70	-	3.45	-	3.45
Plant and machinery	-	0.38	-	-	0.38	-	0.05	-	0.05
Office equipment	-	0.14	-	-	0.14	-	0.04	-	0.04
Total	-	188.32	14.49	4.48	198.33	-	10.44	0.05	10.39

- Footnotes:
- 1

The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].
- 2

Refer note 49 for disclosure relating to right-of-use asset.





Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 6 : CAPITAL WORK-IN-PROGRESS

As at March 31, 2021

(₹ in Crore)					
Particulars	As at April 01, 2020	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2021
Capital work-in-progress	567.40	1,239.03	968.70	-	837.73
Total	567.40	1,239.03	968.70	-	837.73

As at March 31, 2020

(₹ in Crore)					
Particulars	As at April 01, 2019	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2020
Capital work-in-progress	358.77	988.23	737.04	(42.56)	567.40
Total	358.77	988.23	737.04	(42.56)	567.40

Footnotes:

- 1
- The above capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].
- 2
- Capital work-in-progress include borrowing costs of ₹12.37 Crore (March 31, 2020 - ₹11.55 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs”.
- 3
- Adjustment during the previous year includes ₹26.23 Crore transfer of project to subsidiary company and ₹16.33 Crore write off.

Notes

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NOTE - 7 : INVESTMENT PROPERTY

As at March 31, 2021

(₹ in Crore)										
Particulars	Gross carrying amount					Accumulated depreciation			Net carrying amount	
	As at April 01, 2020	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Freehold land	-	-	-	0.37	0.37	-	-	-	-	0.37
Total	-	-	-	0.37	0.37	-	-	-	-	0.37

Footnotes:

- 1
- The Company had leased the part of freehold land with effect from January 15, 2021 as disclosed above to TCL Cables Private Limited for the lease term of 10 years.
- 2
- The fair value of the Company's investment property as at March 31, 2021 has been arrived based on a valuation report by external independent valuer. Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.
- 3
- Adjustments during the year include change in nature of freehold land to Investment property from Property, plant & equipment of ₹0.37 Crore.
- 4
- Details of the Company's investment property and information about the fair value hierarchy as at March 31, 2021 are as follows:

Particulars	As at March 31, 2021
Fair value of investment property (₹ in Crore)	110.55
Fair value hierarchy	Level 2 [Refer note 58]

- 5
- The company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop such investment properties or for repairs, maintenance and enhancements thereof.
- 6
- Amount recognised in statement of profit and loss for investment property :

(₹ in Crore)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income derived from investment property [Refer note 36]	0.24	-
Direct operating expenses arising from investment property that generated rental income	-	-
Direct operating expenses arising from investment property that did not generate rental income	-	-

- 7
- Minimum undiscounted lease payments receivable (excluding tax) on leases of investment property are as follows:

(₹ in Crore)	
Particulars	As at March 31, 2021
Within 1 Year	1.16
After one year but not more than five years	4.89
More than 5 years	6.73
	12.78

Particulars	Gross carrying amount			Accumulated amortization			(₹ in Crore)
	As at April 01, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	For Deductions during the year	As at March 31, 2021
		[Refer note 62]					
Computer software	42.31	(0.83)	14.21	-	27.33	(0.73)	37.30
Total	42.31	(0.83)	14.21	-	27.33	(0.73)	37.30
							18.39
							18.39

As at March 31, 2020

Particulars	Gross carrying amount			Accumulated depreciation			(₹ in Crore)
	As at April 01, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For Deductions during the year	As at March 31, 2020
Computer software	36.96	5.80	0.45	42.31	19.65	8.13	27.33
Total	36.96	5.80	0.45	42.31	19.65	8.13	27.33
							14.98
							14.98

Footnote:
1 The above computer software has been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].



Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 9 : INVESTMENTS IN SUBSIDIARIES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Investment in equity instruments (unquoted) (at cost)		
Torrent Power Grid Limited		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 6,66,00,000, March 31, 2020: 6,66,00,000) [2,70,00,000 (March 31, 2020 - 2,70,00,000) equity shares pledged as security in respect of the term loan provided to Torrent Power Grid Limited]	66.60	66.60
Torrent Pipavav Generation Limited [Refer note 43(2)]		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 4,75,00,000, March 31, 2020: 4,75,00,000)	47.50	47.50
Less: Impairment in value of investment	(15.95)	(14.35)
Torrent Solargen Limited		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 8,00,50,000, March 31, 2020: 8,00,50,000)	80.07	80.07
Jodhpur Wind Farms Private Limited		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 11,10,00,000, March 31, 2020: 11,10,00,000) [Nil (March 31, 2020 - 5,66,10,000) equity shares pledged as security in respect of the term loan and working capital facility provided to Jodhpur Wind Farms Private Limited]	117.68	111.00
Latur Renewable Private Limited		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 11,00,00,000, March 31, 2020: 11,00,00,000) [Nil (March 31, 2020 - 5,61,00,000) equity shares pledged as security in respect of the term loan and working capital facility provided to Latur Renewable Private Limited]	116.68	110.00
TCL Cables Private Limited		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021:20,00,000, March 31, 2020: 20,00,000)	2.00	2.00
Torrent Solar Power Private Limited		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021:50,000, March 31, 2020: Nil)	0.05	-
Torrent Saurya Urja 2 Private Limited		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021:50,000, March 31, 2020: Nil)	0.05	-
Torrent Saurya Urja 3 Private Limited		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021:50,000, March 31, 2020: Nil)	0.05	-
	414.73	402.82
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	414.73	402.82
	414.73	402.82
Aggregate amount of impairment in value of investments	15.95	14.35
Aggregate amount of market value of quoted investments	-	-

Footnotes:
1 In the current year, Investments in subsidiaries have been disclosed separately as it is considered more appropriate classification and disclosure.
2 During the year, Company has given financial guarantees in favour of the debenture trustee for NCD issued by subsidiary companies and has recognised fair value of financial guarantee as equity investment in both Jodhpur Wind Farms Private Limited and Latur Renewable Private Limited.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 10 : NON-CURRENT INVESTMENTS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Investment in non-convertible debentures (unquoted) (at amortised cost)		
Wind Two Renergy Private Ltd.		
Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each (No. of debentures - March 31, 2021: 9,070, March 31, 2020: 9,070)	110.18	103.78
	110.18	103.78
Investment in equity instruments (unquoted) (at fair value through profit or loss)		
AEC Cements & Constructions Ltd.		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 9,61,500, March 31, 2020: 9,61,500)	-	-
(As at March 31, 2021 & March 31, 2020 Gross investment - ₹0.61 Cr, Impairment in value of investment - ₹0.61 Cr)		
Tidong Hydro Power Ltd.		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 24,500, March 31, 2020: 24,500)	-	-
(As at March 31, 2021 & March 31, 2020 Gross investment - ₹0.02 Cr, Impairment in value of investment - ₹0.02 Cr)		
Tornascent Care Institute @ #		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 50,000, March 31, 2020: 25,000)	0.05	0.03
UNM Foundation @ #		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: Nil, March 31, 2020: 25,000)	-	0.03
	0.05	0.06
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	1.93
7.57% GOI Bond - 2033	1.92	1.92
7.73% GOI Bond - 2034	1.86	-
	13.97	12.11
	124.20	115.95
Aggregate amount of quoted investments	13.97	12.11
Aggregate amount of unquoted investments	110.23	103.84
	124.20	115.95
Aggregate amount of impairment in value of investments	0.63	0.63
Aggregate amount of market value of quoted investments	14.85	13.03

@ 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.

The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement (“Scheme”) in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 (“Appointed Date”).

\$ 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 24- Contingency reserve]

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 11 : NON-CURRENT LOANS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Unsecured (considered good)		
Loans to related parties (including interest accrued) [Refer note 57(d)]	1,070.24	1,106.29
Security deposits	16.80	17.63
	1,087.04	1,123.92

NOTE 12 : OTHER NON-CURRENT FINANCIAL ASSETS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Unsecured (considered good)		
Inter-corporate deposits #	53.54	-
Bank fixed deposits	3.59	0.98
Other advances	0.08	0.10
	57.21	1.08

include ₹53.54 Crore (March 31, 2020 - ₹Nil) on which a lien has been created in favour of lenders

NOTE 13 : NON- CURRENT TAX ASSETS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Advance income tax (net)	8.32	16.44
	8.32	16.44

NOTE 14 : OTHER NON-CURRENT ASSETS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Unsecured (considered good)		
Capital advances	103.63	68.62
Advances for goods and services	148.85	170.28
Balances with government authorities	59.12	63.42
Prepaid expenses	21.77	25.04
	333.37	327.36

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 15 : INVENTORIES

(valued at lower of cost and net realizable value)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Stores and spares	226.17	294.90
Fuel	157.80	241.82
Raw materials	-	27.85
Work-in-progress	-	7.37
Finished goods	-	23.13
Packing materials	-	1.25
Loose tools	2.19	1.57
	386.16	597.89

Footnotes:

- 1

The cost of stores and spares inventories recognised as an expense includes ₹3.73 Crore (Previous year - ₹2.70 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 includes goods in transit as under:

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Stores and spares	0.57	-
Fuel	2.49	-
	3.06	-

NOTE 16 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Investment in mutual funds (unquoted)		
Axis Liquid Fund- Growth (No. of units - March 31, 2021: 85,635, March 31, 2020: Nil)	19.57	-
ICICI Liquid Plan - Regular - Growth (No. of units - March 31, 2021: 18,04,960, March 31, 2020: Nil)	55.00	-
ICICI Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 1,67,90,598)	-	180.92
IDFC Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 14,07,462)	-	150.00
SBI Liquid Fund Direct Growth (No. of units- March 31, 2021: 3,94,356, March 31, 2020: Nil)	127.05	-
SBI Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 4,61,238)	-	150.07
Tata Liquid Fund Direct Plan - Growth (No. of units - March 31, 2021: 1,23,190, March 31, 2020: Nil)	40.01	-
Tata Overnight Fund- Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 2,01,286)	-	21.21
	241.63	502.20

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 16 : CURRENT INVESTMENTS (Contd.)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	241.63	502.20
	241.63	502.20
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-

NOTE 17 : TRADE RECEIVABLES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables		
Secured - Considered good #	557.27	514.65
Unsecured - Considered good	718.25	665.93
- Credit impaired	249.07	234.24
	1,524.59	1,414.82
Less: Allowance for bad and doubtful debts	249.07	234.24
	1,275.52	1,180.58

Company holds security deposits in respect of electricity receivables.

Footnotes:

- 1

Refer note 58 for credit risk related disclosures.
- 2

Refer note 25 for charge on current assets including trade receivables.

NOTE 18 : CASH AND CASH EQUIVALENTS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Balance in current accounts	93.19	78.14
Cheques on hand	0.58	0.94
Cash on hand	1.78	0.34
	95.55	79.42

NOTE 19 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Unpaid dividend accounts	10.01	9.55
Unpaid fractional coupon accounts	0.35	0.35
Balance in fixed deposit accounts # (maturity of more than three months but less than twelve months)	82.86	134.88
	93.22	144.78

include ₹Nil (March 31, 2020 - ₹56.50 Crore) on which a lien has been created in favour of lenders

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 20 : CURRENT LOANS

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Loans to related parties (including interest accrued) [Refer note 57(d)]	116.33	76.10
Security deposits	29.07	15.29
	145.40	91.39

NOTE 21 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Inter-corporate deposits #	326.70	280.00
Interest accrued on non-current investments	0.24	0.21
Interest accrued on deposits	7.78	23.81
Unbilled revenue (including revenue gap / surplus) [Refer note 45(a)(2)]	1,673.80	1,502.95
	2,008.52	1,806.97
Other advances / receivables		
Considered good	16.03	18.47
Considered credit impaired	6.06	6.06
	22.09	24.53
Less : Allowance for doubtful advances	6.06	6.06
	16.03	18.47
	2,024.55	1,825.44

include ₹123.20 Crore (March 31, 2020 - ₹130.00 Crore) on which a lien has been created in favour of lenders

NOTE 22 : OTHER CURRENT ASSETS

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Advances for goods and services	40.30	85.72
Balances with government authorities	0.72	0.82
Prepaid expenses	30.47	25.38
	71.49	111.92

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 23 : EQUITY SHARE CAPITAL

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2020) 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 March 31, 2020) equity shares of ₹10 each	480.62	480.62
	480.62	480.62

Footnotes:

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

	No. of shares As at March 31, 2021	No. of shares As at March 31, 2020
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 March 31, 2020) of ₹10 each fully paid up are held by the Parent Company - Torrent Investments Private Limited (Formerly known as 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 March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Torrent Investments Private Limited (Formerly known as Torrent Private Limited)	25,74,22,311	53.56%	25,74,22,311	53.56%
Gujarat State Financial Services Ltd.	4,68,71,621	9.75%	4,68,71,621	9.75%
Axis Mutual Fund Trustee Ltd.	3,75,81,431	7.82%	2,95,72,552	6.15%

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

During FY 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 August 13, 2015.

6 Distributions made and proposed:

Interim dividend for FY 2020-21 of ₹5.50 per equity share [Previous year - ₹11.60 per equity share (including ₹5.00 per equity share as a special dividend)] aggregating to ₹264.34 Crore [Previous year - ₹672.11 Crore (including dividend distribution tax of ₹114.60 Crore)] was paid in March, 21.

The Board of Directors at its meeting held on May 20, 2021 has recommended a dividend of 55.00% (₹5.50 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 ₹264.34 Crore.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 24 : OTHER EQUITY

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	187.26	258.10
Contingency reserve	13.46	11.59
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	5,907.90	4,774.97
	9,770.61	8,706.65

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 was required to create a Debenture Redemption Reserve(DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not required to create DRR. Accordingly, the Company has not created DRR during the year and DRR created till previous years will be transferred to retained earnings on redemption of debentures.
- 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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 25 : NON-CURRENT BORROWINGS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.37	366.68
10.35% Series 2A, 2B & 2C	100.00	200.00
8.95% Series 3A, 3B & 3C	165.00	245.00
7.65% Series 5	100.00	100.00
7.30% Series 6	300.00	-
	848.37	911.68
Term loans @		
From banks	4,940.11	6,098.30
	4,940.11	6,098.30
	5,788.48	7,009.98
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A, 4B & 4C	269.65	269.48
	269.65	269.48
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	12.99	16.82
	12.99	16.82
	282.64	286.30
	6,071.12	7,296.28

@ After considering unamortised expense of ₹20.37 Crore as at March 31, 2021 and ₹22.16 Crore as at March 31, 2020.

After considering unamortised expense of ₹0.35 Crore as at March 31, 2021 and ₹0.52 Crore as at March 31, 2020.

Current maturities		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.32	183.32
10.35% Series 2A, 2B & 2C	100.00	100.00
8.95% Series 3A, 3B & 3C	80.00	-
	363.32	283.32
Term loans \$		
From banks	725.85	718.63
	725.85	718.63
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
	1,092.99	1,005.77
Amount disclosed under the head 'Other current financial liabilities' [Refer note 31]	(1,092.99)	(1,005.77)
	-	-

\$ After considering unamortised expense of ₹3.09 Crore as at March 31, 2021 and ₹3.71 Crore as at March 31, 2020.



Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 25 : 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 ₹5,689.42 Crore and non convertible debentures of ₹1,211.69 Crore along with lenders of cash credits and non-fund based credit facilities. (except assets detailed in (i) & (ii) below which are not provided as security to holders of non convertible debentures of Series no. 5 and Series no. 6 respectively)
- (i) Assets not given as security to non convertible debenture holders of Series no. 5
- a. immovable assets, movable fixed assets and debt service reserve accounts pertaining to the Renewable Projects;

b. leasehold land bearing plot nos. B15 and B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch;
- (ii) Assets not given as security to non convertible debenture holders of Series no. 6
- a. immovable and movable assets of Renewable Projects;

b. debt service reserve accounts maintained for the benefit of lenders of term loans;

c. investments / deposits made out of Non-Convertible Debenture Reserve;

d. leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch;

e. non-agricultural plot of land at village Kamatghar, Taluka Bhiwandi, District Thane bearing survey no.119, Hissa no. 2/3 along with building thereon;

f. immovable property located at no. 2, Dharam Marg, Chanakya Puri, New Delhi.
- 2 The future annual repayment obligations on principal amount for the above long-term borrowings are as under:-.

Financial year	(₹ in Crore)	
	Term loans	Non convertible debentures
2021-22	732.76	363.32
2022-23	319.15	558.37
2023-24	360.25	470.00
2024-25	469.87	90.00
2025-26	670.48	-
2026-27	690.76	-
2027-28	490.95	-
2028-29	438.46	-
2029-30	438.46	-
2030-31	438.46	-
2031-32	383.65	-
2032-33	272.98	-

- 3 Undrawn term loans from banks, based on approved facilities, were ₹980.00 Crore as at March 31, 2021.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 26 : NON-CURRENT TRADE PAYABLES

(₹ in Crore)		
	As at March 31, 2021	As at March 31, 2020
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	116.11	109.71
	116.11	109.71

NOTE 27 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)		
	As at March 31, 2021	As at March 31, 2020
Payables for purchase of property, plant and equipment	0.04	0.24
Sundry payables	1.13	-
Financial guarantee obligation liability	8.83	-
	10.00	0.24

NOTE 28 : OTHER NON-CURRENT LIABILITIES

(₹ in Crore)		
	As at March 31, 2021	As at March 31, 2020
Deferred revenue		
Contribution received from consumers [Refer note 45(b)]	1,085.69	1,054.97
Capital grant from government [Refer note 61(b)]	16.39	18.85
Sundry payables	55.31	55.25
	1,157.39	1,129.07

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 29 : CURRENT BORROWINGS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Secured loans		
Cash credit from banks	-	-
	-	-

- 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 ₹1,150.00 Crore as at March 31, 2021.

Net debt reconciliation :

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	95.55	79.42
Current investments	241.63	502.20
Non-current borrowings (including current maturities and interest accrued but not due)	(7,251.52)	(8,428.51)
Lease liabilities	(36.01)	(37.96)
	(6,950.35)	(7,884.85)

	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Lease liabilities	
Net balance as at April 01, 2019	114.33	472.46	(300.05)	(8,875.42)	-	(8,588.68)
Cash flows	(34.91)	(10.66)	300.05	522.35	5.71	782.54
New lease	-	-	-	-	(41.13)	(41.13)
Interest expense	-	-	(3.63)	(790.24)	(2.54)	(796.41)
Interest paid	-	-	3.63	714.80	-	718.43
Gain on sale of current investments	-	40.76	-	-	-	40.76
Fair value adjustment	-	(0.36)	-	-	-	(0.36)
Net balance as at March 31, 2020	79.42	502.20	-	(8,428.51)	(37.96)	(7,884.85)
Cash flows	16.13 #	(278.72)	-	1,140.52	7.10	885.03
New lease	-	-	-	-	(1.83)	(1.83)
Interest expense	-	-	(9.82)	(650.53)	(3.32)	(663.67)
Interest paid	-	-	9.82	687.00	-	696.82
Gain on sale of current investments	-	17.59	-	-	-	17.59
Fair value adjustment	-	0.56	-	-	-	0.56
Net balance as at March 31, 2021	95.55	241.63	-	(7,251.52)	(36.01)	(6,950.35)

Cash and cash equivalents increased by ₹16.47 Crore less ₹0.34 Crore transferred to TCL Cables Private limited pursuant to slump sale

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 30 : CURRENT TRADE PAYABLES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises [Refer note 48]	36.51	24.83
Total outstanding dues other than micro and small enterprises	934.26	1,002.43
	970.77	1,027.26

NOTE 31 : OTHER CURRENT FINANCIAL LIABILITIES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt [Refer note 25]	1,092.99	1,005.77
Interest accrued but not due on loans and security deposits	63.60	100.07
Investor education and protection fund #		
Unpaid / Unclaimed dividend	10.01	9.55
Unclaimed fractional coupons	0.35	0.35
Book overdraft	5.23	14.88
Security deposits from consumers @	1,221.06	1,173.10
Other deposits	3.39	4.01
Payables for purchase of property, plant and equipment^	232.71	189.56
Financial guarantee obligation liability	3.32	-
Sundry payables (including for employees related payables)	129.63	110.16
	2,762.29	2,607.45

- # There is no amount due and outstanding to be credited to investor education and protection fund as at March 31, 2021.
- @ Security deposits from consumers in the Company's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience.
- ^ including dues to micro and small enterprises for ₹7.85 Crore (March 31, 2020 - ₹1.08 Crore) [Refer note 48]

NOTE 32 : OTHER CURRENT LIABILITIES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Credit balances of consumers [Refer note 45(d)]	84.47	81.68
Service line deposits from consumers [Refer note 45(c)]	189.85	194.82
Deferred revenue		
Contribution received from consumers [Refer note 45(b)]	82.85	77.01
Capital grant from government [Refer note 61(b)]	2.46	2.72
Statutory dues	170.63	200.51
Sundry payables	7.03	18.80
	537.29	575.54



Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 33 : CURRENT PROVISIONS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Provision for gratuity [Refer note 50.2(d)]	11.46	54.60
Provision for compensated absences \$	128.94	128.23
	140.40	182.83
Other provisions		
Provision for indirect taxes	-	0.10
Provision for onerous contracts [Refer note 60]	162.80	161.78
	162.80	161.88
	303.20	344.71

\$ In the current year, provision for compensated absences is disclosed under current provision as the entity does not have an unconditional right to defer settlement for at least twelve months however these are generally not repayable within a period of twelve months based on historical experience.

Movement in provision for indirect taxes :		
Opening balance as on April 01	0.10	0.07
Transfer pursuant to scheme of arrangement [Refer note 62]	(0.10)	-
Additional provision recognised	-	0.03
Closing balance as on March 31	-	0.10
Movement in provision for onerous contracts:		
Opening balance as on April 01	161.78	-
Additional provision recognised	1.02	161.78
Closing balance as on March 31	162.80	161.78

NOTE 34 : CURRENT TAX LIABILITIES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Provision for taxation (net of tax paid)	44.45	21.63
	44.45	21.63

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 35 : REVENUE FROM OPERATIONS

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	11,527.36	12,926.06
Revenue from sale of cable products		
Manufactured goods	-	322.14
Revenue from trading of RLNG	112.48	51.13
	11,639.84	13,299.33
Less: Discount for prompt payment of bills	17.57	23.97
	11,622.27	13,275.36
Other operating income		
Provisions of earlier years written back	2.47	3.69
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 45(b)(ii)] #	79.48	70.95
Capital grant from government [Refer note 61(b)]	2.72	2.72
Income from Generation Based Incentive	22.53	29.24
Insurance claim receipt	0.34	2.67
Miscellaneous income	46.71	57.41
	154.25	166.68
	11,776.52	13,442.04

Amortisation of deferred revenue are recognised within the scope of Ind AS 115.

Footnotes:

- 1 Disclosure given above presents disaggregated revenue from contracts with customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.
- 2 Timing of revenue recognition (from contract with customers) : Revenue from power supply is recognised over a period of time.
- 3 Revenue from operations for year ended March 31, 2021 includes ₹250.62 Crore (Previous year - ₹165.07 Crore) on account of favourable orders received from the Appellate Tribunal for Electricity in respect of disputed Revenue Gap related to carrying costs of earlier years.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 36 : OTHER INCOME

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income from financial assets at amortised cost		
Deposits	26.93	36.62
Consumers	36.40	28.27
Contingency reserve investments	1.01	0.87
Loans to related parties [Refer note 57(b)]	89.41	68.59
Others	0.54	7.87
	154.29	142.22
Dividend income from non-current investments carried at cost	30.75	15.32
Rent income from investment property [Refer note 7]	0.24	-
Gain on disposal of property, plant and equipment	3.39	2.89
Gain on sale of current investments in mutual funds	17.59	40.76
Gain on sale of non-current investments	-	8.64
Net gain arising on financial assets / liabilities measured at amortised cost	11.39	13.84
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	0.56	(0.36)
Financial guarantee commission (amortised)	1.22	-
Net gain on foreign currency transactions	0.04	0.01
Gain on slump sale pursuant to scheme of arrangement [Refer note 62]	7.27	-
Miscellaneous income	23.54	21.77
	250.28	245.09

NOTE 37 : COST OF MATERIALS CONSUMED

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Cost of materials consumed	-	346.64
Less: Allocated to capital works	-	96.04
	-	250.60

NOTE 38 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Inventory of finished goods		
Opening stock	23.13	23.31
Less: Closing stock	-	23.13
Less: Transfer pursuant to scheme of arrangement [Refer note 62]	23.13	-
	-	0.18
Inventory of work-in-progress		
Opening stock	7.37	8.75
Less: Closing stock	-	7.37
Less: Transfer pursuant to scheme of arrangement [Refer note 62]	7.37	-
	-	1.38
Less: Allocated to capital works	-	0.11
	-	1.45

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 39 : EMPLOYEE BENEFITS EXPENSE

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	589.24	602.05
Contribution to provident and other funds [Refer note 50.1]	40.71	39.58
Employees welfare expenses	25.36	26.02
Compensated absences	18.80	33.89
Gratuity [Refer note 50.2(e)(3)]	19.45	13.68
	693.56	715.22
Less: Allocated to capital works, repairs and other relevant revenue accounts #	171.80	186.73
	521.76	528.49

includes allocated to capital works of ₹76.53 Crore (Previous year - ₹88.71 Crore)

NOTE 40 : FINANCE COSTS

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense for financial liabilities classified as amortised cost		
Term loans	498.98	655.64
Non convertible debentures	151.55	134.60
Working capital loans	9.82	3.63
Security deposits from consumers	53.14	70.20
Lease liabilities	3.32	2.54
Others	1.93	2.23
Other borrowing costs	8.00	10.77
Amotisation of borrowing costs	5.63	13.60
Unwinding of discount	3.40	10.08
	735.77	903.29
Less: Allocated to capital works	16.81	11.43
	718.96	891.86

NOTE 41 : DEPRECIATION AND AMORTIZATION EXPENSE

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense on property, plant and equipment	1,157.83	1,213.73
Depreciation expense on right-of-use assets	11.42	10.44
Amortization expense on intangible assets	10.70	8.13
	1,179.95	1,232.30
Less: Transfer from others	0.10	0.10
Less: Allocated to capital works	-	2.04
	1,179.85	1,230.16

NOTE 42 : OTHER EXPENSES

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	193.50	217.97
Rent and hire charges	14.85	15.77
Repairs to		
Buildings	7.84	11.25
Plant and machinery	351.04	355.03
Others	17.73	15.58
	376.61	381.86
Insurance	33.37	24.92
Rates and taxes	10.56	11.42
Vehicle running expenses	36.87	31.01
Electricity expenses	19.21	27.39
Security expenses	40.78	40.55
Water charges	18.35	20.75
Power transmission and scheduling charges	31.55	34.65
Corporate social responsibility expenses [Refer note 52]	33.74	20.36
Loss on sale / discarding of property, plant and equipment	12.03	16.19
Commission to non-executive directors [Refer note 57(b)]	8.42	6.41
Directors sitting fees [Refer note 57(b)]	0.66	0.59
Auditors remuneration [Refer note 51]	1.85	1.90
Legal, professional and consultancy fees	31.45	33.03
Donations [Refer note 53]	36.55	69.79
Net loss on foreign currency transactions	10.71	12.32
Allowance / impairment for non-current investments	1.60	1.55
Bad debts written off (net of recovery)	49.81	(17.41)
Provision for onerous contracts [Refer note 60]	1.02	161.78
Allowance for doubtful debts (net)	21.48	82.43
Miscellaneous expenses	81.54	103.30
	1,066.51	1,298.53
Less: Allocated to capital works, repairs and other relevant revenue accounts ^	60.67	73.49
	1,005.84	1,225.04

^ includes allocated to capital works of ₹0.53 Crore (Previous year - ₹11.49 Crore)



NOTE 43: IMPAIRMENT ASSESSMENT

(1) DGEN Power Plant

Net carrying value of Property, Plant & Equipment (“PPE”) as at March 31, 2021 includes ₹2,879.42 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, Gujarat (“DGEN”). DGEN started commercial operations with effect from November 2014 and thereafter has operated only intermittently / partially, including during the year ended March 31, 2021.

In view of the above and given the current economic environment, the Company has carried out an impairment assessment of DGEN as at March 31, 2021 by considering the recoverable amount based on value in use of DGEN in accordance with Indian Accounting Standard 36 ‘Impairment of Assets’. Value in use is determined considering a discount rate of 13% and cash flow projections over a period of 19 years (March 31, 2020 - 20 years), being the balance useful life of DGEN in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 on the basis that the Company expects to supply power in the future, inter alia, under long term power purchase agreements. Based on the assessment, recoverable value of PPE by using value in use is ₹3,007.00 Crore which is higher than the carrying amount of PPE and accordingly no additional impairment provision is required as at March 31, 2021. The management has conducted sensitivity analysis on impairment tests of the value in use of DGEN. The management believes that reasonable possible change in key assumption would not materially impact the impairment assessment as at March 31, 2021.

During the previous year, the Company had provided for impairment loss of ₹1,000.00 Crore, which has been disclosed as ‘Exceptional items’.

Assessment of ‘value-in-use’ involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry. Management reviews such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any.

(2) Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited (“TPGL”), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Ltd. (“GPCL”), 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, Government of Gujarat (“GoG”) vide its letter dated December 06, 2017, communicated that the said project may not be developed and accordingly, the joint venture is intended to be dissolved. With reference to this, in the month of March 2019, GPCL has written a letter to Collector, Amreli stating that the land is surrendered to the Government and requested Energy and Petroleum Department, GoG to take further action in the matter. The management has made an impairment assessment of the carrying amount of the land by comparing it with the circle rates published by GoG for the purpose of levy of stamp duty, on the basis of which it has been concluded that there is no impairment in the carrying amount of the land. The timing of the recoverability of the amounts invested in land would depend upon the availability of the buyer. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial statements of TPGL for the year ended March 31, 2021 have been prepared on a non - going concern basis. The recovery of carrying amount of equity and loan ₹92.53 Crore (March 31, 2020 ₹92.38 Crore) is also dependent on the availability of buyer for above mentioned land. The Company has invested equity and loan aggregating to ₹108.48 Crore (March 31, 2020 ₹106.73 Crore) in TPGL and impairment in value of investment is of ₹15.95 Crore as at March 31, 2021 (March 31, 2020 ₹14.35 Crore).

NOTE 44: INCOME TAX EXPENSE

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

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax on profits for the year	284.47	305.50
Adjustment for current tax of prior periods	0.01	0.44
	284.48	305.94
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(119.50)	(896.91)
(Decrease) / increase in deferred tax liabilities	93.35	(101.27)
	(26.15)	(998.18)
Income tax expense	258.33	(692.24)

(b) Reconciliation of income tax expense

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	1,583.24	545.90
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.944%)	553.25	190.76
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	15.89	54.25
Income not taxable under Income Tax Act	(2.54)	(5.35)
Tax incentives / deductions	(331.64)	(326.55)
Impairment loss of DGEN unit	-	160.65
Unutilised Minimum Alternate Tax (MAT) credit recognised due to change in MAT rate from 21.55% to 17.47%	-	(464.19)
Other adjustments including relating to accumulated MAT credit	23.36	(302.25)
Total	258.32	(692.68)
Adjustment for current tax of prior periods	0.01	0.44
Total expense as per statement of profit and loss	258.33	(692.24)

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.

Taxation Laws (Amendment) Act, 2019, inter alia, reduced the effective rate of MAT from 21.55% to 17.47%. The net deferred tax credit in the previous year includes the impact of this change amounting to ₹464.19 Crore, due to the Company's ability to utilise accumulated MAT credit in future years, not previously recognised. Further the net deferred tax credit in the previous year includes ₹533.99 Crore, mainly arising on account of a provision for impairment in the carrying value of DGEN Power Plant [Refer note 43], provision for certain onerous contracts [Refer note 60] and reassessment of management's reasonable estimate for the future taxable profits, which would be available to utilise such additional MAT Credit.

(c) Income tax recognised in other comprehensive income

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	5.18	(44.57)
Income tax expense / (income) recognised in other comprehensive income	1.79	(15.57)



NOTE 44: INCOME TAX EXPENSE (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 March 31, 2021	As at March 31, 2020
Deferred tax assets	1,678.34	1,560.63
Deferred tax liabilities	(2,196.49)	(2,103.14)
	(518.15)	(542.51)

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

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2021

	(₹ in Crore)			
	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,103.14)	(93.35)	-	(2,196.49)
Provision for compensated absences	41.59	1.36	-	42.95
Provision for onerous contracts	56.53	0.36	-	56.89
Allowance for doubtful debts	33.29	12.92	-	46.21
MAT credit entitlement	1,430.77	99.23	-	1,530.00
Others	(1.55)	5.63	(1.79)	2.29
	(542.51)	26.15	(1.79)	(518.15)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2020

	(₹ in Crore)			
	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,204.41)	101.27	-	(2,103.14)
Provision for compensated absences	35.01	6.58	-	41.59
Provision for onerous contracts	-	56.53	-	56.53
Allowance for doubtful debts	18.69	14.60	-	33.29
MAT credit entitlement	596.35	834.42	-	1,430.77
Others	(1.90)	(15.22)	15.57	(1.55)
	(1,556.26)	998.18	15.57	(542.51)

(3) Unrecognised deferred tax assets

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Accumulated MAT credit entitlement	-	-
	-	-

Management has made an assessment of the amount of taxable income that would be available in future to offset the Accumulated MAT credit entitlement 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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 45: REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Unbilled revenue

- (1) Revenue from contracts with customers include unbilled revenue towards FPPPA claims and other true up adjustments which is recognised considering applicable tariff regulations / tariff orders, past trends of approval and management's probability estimate.

The Company has not recognised those truing up adjustment claims which are subject of dispute and for which the Company is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities.

(2) Movement in unbilled revenue

	As at March 31, 2021	As at March 31, 2020
Opening balance	1,502.95	1,435.41
Add: Income accrued during the year as per tariff regulations / orders	2,185.51	2,488.26
Less: Amount billed during the year to the consumers as per tariff orders	(2,036.63)	(2,420.72)
Closing balance	1,651.83	1,502.95
Disclosed under		
Unbilled revenue [Refer note 21]	1,673.80	1,502.95
Sundry payables [Refer note 27 & note 31]	(21.97)	-
	1,651.83	1,502.95

(b) 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 over its useful life.

(2) Movement of contribution received from consumers

	As at March 31, 2021	As at March 31, 2020
Opening balance	1,131.98	1,017.24
Add: Contribution received during the year	116.04	185.69
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 35]	(79.48)	(70.95)
Closing balance	1,168.54	1,131.98
Non-current portion [Refer note 28]	1,085.69	1,054.97
Current portion [Refer note 32]	82.85	77.01
	1,168.54	1,131.98

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 45: REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

(c) Service line deposit from consumers

	As at March 31, 2021	As at March 31, 2020
Opening balance	194.82	258.73
Add: Received during the year (net of refund)	111.07	121.78
Less: Transferred to contribution received from consumers	(116.04)	(185.69)
Closing balance [Refer note 32]	189.85	194.82

Footnote:

- 1 Service line deposits are collected against the cost of capital work to be carried out for new connection or load extension on application by consumers. On the completion of the work, such contribution is transferred to deferred revenue under the head liabilities.

(d) Credit balance of consumers

	As at March 31, 2021	As at March 31, 2020
Opening balance	81.68	66.82
Add / (less) : Adjustment to current billing (net)	2.79	14.86
Closing balance [Refer note 32]	84.47	81.68

NOTE 46: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

	As at March 31, 2021	As at March 31, 2020
Disputed income tax matters	29.27	17.83
Disputed sales tax matters	0.96	5.25
Disputed service tax matters	0.49	-
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	0.18	2.88
Disputed stamp duty matters	0.35	0.35
Disputed value added tax matters	2.94	3.26
Disputed central sales tax matters	-	3.04
Claims against the Company not acknowledged as debt [Refer footnote 3 below]	148.06	21.39

The Company has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from 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. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Company is not material and accordingly, no provision has been made in the financial statements.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 46: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS (Contd.)

Footnotes :

1

Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the company will likely be upheld in the appellate process and accordingly no provision has been made in the standalone financial statements for such demands.

2

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.

3

Break up of claims against the Company not acknowledged as debt as under;

	As at March 31, 2021	As at March 31, 2020
Claim of regulatory surcharge including interest in franchise distribution business	68.59	-
Penalty order issued by Directorate General of Foreign Trade (DGFT) in distribution business	50.53	-
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	15.35	12.88
Compensation payable for short lifting for material	8.46	-
Others	5.13	8.51
	148.06	21.39

(b) Contingent assets

	As at March 31, 2021	As at March 31, 2020
Claim for coal grade slippage	9.39	12.41
Claim of compensation for short lifting of material	8.46	-
	17.85	12.41

(c) Capital and other commitments

	As at March 31, 2021	As at March 31, 2020
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	455.19	408.39
ii) Other commitments		
(a) Guarantees given to lenders of subsidiary company	-	284.50
(b) Guarantees given in favour of the debenture trustee for NCD issued by subsidiary companies including interest thereon	615.59	-

Footnote:

1

The guarantees given to lenders of subsidiaries are unlikely to be called, as subsidiaries are in a position to service the loans and interest, covered by such guarantees.

Notes

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NOTE 47: THE COMPANY HAS GIVEN LOANS TO ITS SUBSIDIARY AND ASSOCIATE 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

	Maximum amount outstanding during the year		Amount outstanding	
	Year ended March 31, 2021	Year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
Subsidiary Companies				
Torrent Pipavav Generation Limited	60.98	59.23	60.98	59.23
Torrent Solargen Limited	827.28	827.28	750.83	827.28
Jodhpur Wind Farms Private Limited	72.76	75.52	-	72.76
Latur Renewables Private Limited	65.17	70.68	-	65.17
TCL Cables Private Limited	219.05	-	219.05	-
			1,030.86	1,024.44
Associate Company				
Wind Two Renergy Private Limited	157.95	157.95	155.71	157.95
			155.71	157.95
			1,186.57	1,182.39

Footnotes:

1

The Company has not given any loans or advances in the nature of loan to any firms / companies, in which Directors are interested.

2

The above loans were given to the subsidiaries and associate 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 48: 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:

	As at March 31, 2021	As at March 31, 2020
(a) Principal amount remaining unpaid [Refer notes 30 and 31]	44.31	25.73
(b) Interest due thereon	0.03	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	4.77	1.07
(ii) Interest paid under section 16 of the MSMED Act, to the suppliers, beyond the appointed day during the year	*	0.01
(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)	0.02	0.15
(e) The amount of interest accrued and remaining unpaid [b+d]	0.05	0.18
(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.	-	-

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 49: LEASES

This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets

	Notes	As at March 31, 2021	As at March 31, 2020
(₹ in Crore)			
Land	5	158.15	163.26
Buildings	5	19.86	24.25
Plant and machinery	5	0.28	0.33
Office equipment	5	0.06	0.10
Total		178.35	187.94

Lease liabilities

	As at March 31, 2021	As at March 31, 2020
(₹ in Crore)		
Current	5.05	4.91
Non-current	30.96	33.05
Total	36.01	37.96

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
(₹ in Crore)			
Depreciation charge of right-of-use assets	41	11.42	10.44
Interest expense (included in finance costs)	40	3.32	2.54
Expense relating to short-term leases (included in other expenses)	42	1.55	3.91
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	42	0.17	0.39
Total		16.46	17.28

(iii) Maturities of lease liabilities

As at March 31, 2021:

	Non-current lease liabilities	Current lease liabilities
(₹ in Crore)		
Less than 1 year	-	6.77
Between 1 year and 5 years	17.73	-
5 years and above	29.50	-
Total	47.23	6.77

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 49: LEASES (Contd.)

As at March 31, 2020:

	Non-current lease liabilities	Current lease liabilities
(₹ in Crore)		
Less than 1 year	-	6.95
Between 1 year and 5 years	22.69	-
5 years and above	27.48	-
Total	50.17	6.95

(iv) The total cash outflow for leases for the year was ₹7.10 Crore (March 31, 2020 ₹5.71 Crore).

(v) Lease asset of Shil, Mumbra and Kalwa (franchise area)

Torrent Power Limited (“TPL”) has entered into a Distribution Franchise Agreement (“Agreement”) dated February 11, 2019 with Maharashtra State Electricity Distribution Company Limited (“MSEDCL”) whereby as per the Agreement TPL would distribute the electricity in the area of Shil, Mumbra and Kalwa in Thane District in Maharashtra (“Franchise area”) for 20 years (effective from March 01, 2020).

As per the Agreement TPL would purchase electricity from MSEDCL at the rate which would be derived through mechanism as mentioned in the Agreement which is linked to the number of units purchased and would distribute electricity to the Consumers at the tariff which has been approved by Maharashtra Electricity Regulation Commission (MERC).

Further as per the Agreement TPL has right to use existing assets of MSEDCL in the Franchise area provided it shall perform all the obligations and accepts all liabilities of MSEDCL on behalf of distribution licensee in Franchise area and MSEDCL shall not charge any rent for the use of such assets.

Considering the facts of the arrangement, TPL has the right to obtain substantially all of the economic benefits from use of MSEDCL assets of the Franchise area and the right to direct the use of the said assets for 20 years and accordingly it would meet the definition of Lease as per Ind AS 116. Further, for distribution of electricity, TPL would purchase power from MSEDCL for which payment would be made as per the franchise agreement which is linked to the number of units purchased. Accordingly the payments by TPL to MSEDCL is variable in nature and there are no fixed payments in the form of minimum purchase commitments, take or pay or any sort of fixed charges is required to be made.

Considering the entire payment made by TPL for this arrangement is variable in nature and there would be no lease liability required to be recognised with a corresponding right of use assets on initial recognition in accordance with Ind AS 116 and considering non-availability of relevant observable information for lease payments, management estimates and cost benefit analysis, total consideration payable to MSEDCL towards purchase of electricity has been shown as ‘Electrical energy purchased’ in the Financial Statements.

(vi) Impact on the financial statements as on April 01, 2019 due to adoption of Ind AS 116

The Company has adopted Ind AS - 116 retrospectively from April 01, 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 01, 2019. The new accounting policies are disclosed in note 2.20.

On adoption of Ind AS - 116, the Company recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of Ind AS - 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of April 01, 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 9.00%.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 49: LEASES (Contd.)

(a) Practical expedients applied :

In applying Ind AS - 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at April 01, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS - 17 and Appendix C to Ind AS - 17, Determining whether an Arrangement contains a Lease.

(b) Measurement of lease liabilities:

	(₹ in Crore)
Operating lease commitments disclosed as at March 31, 2019*	-
Discounted using the lessee's incremental borrowing rate at the date of initial application	-
Add: finance lease liabilities recognised as at March 31, 2019	-
(Less): short-term leases not recognised as a liability	-
(Less): low-value leases not recognised as a liability	-
Add / (less): contracts reassessed as lease contracts	-
Add / (less): adjustments as a result of extension and termination options^	26.63
Add / (less): adjustments relating to changes in the index or rate affecting variable payments	-
Lease liability recognised as at April 01, 2019	26.63

* The Company's significant leasing arrangements, are in respect of land, residential flats, office premises, plant and machinery and equipment taken on lease. The arrangements range, (i) for land between 20 years to 99 years & (ii) for other than land between 11 months to 10 years generally, and are usually renewable by mutual consent on mutually agreeable terms or can be terminated at the option of the Company during the tenure of the lease term. Further the Company has not entered into any material financial lease. Accordingly there were no future minimum lease payments under non-cancellable operating leases required to be disclosed under the previous standard Ind AS - 17.

^ The Company has extension and termination options available in the lease contracts and the majority of extension and termination options are exercisable by the Company. Accordingly the Company on adoption of Ind AS 116 Leases has recognised such lease liabilities by measuring present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as April 01, 2019.

(c) Adjustments recognised in the balance sheet on April 01, 2019

The change in accounting policy affected the following items in the balance sheet on April 01, 2019:

- Right-of-use assets – increased by ₹188.32 Crore
- Prepayments – decreased by ₹161.69 Crore
- Lease liabilities – increased by ₹26.63 Crore

NOTE 50: EMLOYEE BENEFIT PLANS

50.1 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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 50: EMLOYEE BENEFIT PLANS (Contd.)

The Company's contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to ₹40.71 Crore (Previous year - ₹39.58 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 39].

50.2 Defined benefit plans

(a) Gratuity

The Company operates through various gratuity trust, a 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.

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 March 31, 2021. 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 purpose of the actuarial valuation were as follows.

	As at March 31, 2021	As at March 31, 2020
Discount rate	7.08%	6.93%
Salary escalation rate	8.50%	8.50%

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 50: EMLOYEE BENEFIT PLANS (Contd.)

- (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 March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	280.38	289.07
Fair value of plan assets	268.92	234.47
Net (asset) / liability [Refer note 33]	11.46	54.60

- (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 March 31, 2021	As at March 31, 2020
(1) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	289.07	243.64
Transfer pursuant to scheme of arrangement [Refer note 62]	(7.64)	-
Current service cost	15.71	12.22
Interest cost	19.50	19.30
Actuarial (gains) / losses from changes in demographic assumptions	-	2.39
Actuarial (gains) / losses arising changes in financial assumptions	(3.61)	21.61
Actuarial (gains) / losses from experience adjustments	(1.31)	19.92
Liability transferred in	0.26	0.65
Liability transferred out	(1.39)	(0.64)
Benefits paid directly by employer	(1.57)	(2.80)
Benefits paid	(28.64)	(27.22)
Obligation at the end of the year	280.38	289.07
(2) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	234.47	225.30
Transfer pursuant to scheme of arrangement [Refer note 62]	(7.01)	-
Interest income	15.76	17.84
Return on plan assets (excluding interest income)	0.26	(0.65)
Contributions received	54.08	19.20
Benefits paid	(28.64)	(27.22)
Plan assets at the end of the year, at fair value	268.92	234.47
(3) Gratuity cost recognised in the statement of profit and loss		
Current service cost	15.71	12.22
Interest cost, net	3.74	1.46
Net gratuity cost recognised in the statement of profit and loss [Refer note 39]	19.45	13.68
(4) Gratuity cost recognised in the other comprehensive income (OCI)		
Return on plan assets (excluding interest income)	(0.26)	0.65
Actuarial (gains) / losses	(4.92)	43.92
Net (income) / expense for the period recognised in OCI	(5.18)	44.57

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 50: EMLOYEE BENEFIT PLANS (Contd.)

- (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)	
	As at March 31, 2021	As at March 31, 2020
Change in assumptions		
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(11.40)	(11.35)
50 basis points decrease in discount rate	12.42	12.35
50 basis points increase in salary escalation rate	12.19	10.41
50 basis points decrease in salary escalation rate	(11.30)	(13.02)

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 19 years (Previous year - 19 years).
- (i) Expected contribution to the plan for the next annual reporting period is ₹11.46 Crore (Previous year - ₹54.60 Crore).

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

Projected benefits payable in future years from the date of reporting

	Funded plan- Gratuity	
	As at March 31, 2021	As at March 31, 2020
1 st following year	35.78	32.12
2 nd following year	19.60	22.52
3 rd following year	29.44	32.90
4 th following year	27.94	28.95
5 th following year	25.88	27.60
sum of years 6 to 10 th	87.66	95.78

50.3 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 33 and 39 for the leave encashment provision / change in the balance sheet and statement of profit and loss.



Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 51: AUDITORS REMUNERATION (INCLUDING TAXES)

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
As audit fees	1.30	1.13
For other services	0.52	0.52
For reimbursement of expenses	0.03	0.25
	1.85	1.90

NOTE 52: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gross amount required to be spent by the Company	26.99	20.35
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above [Refer note 42]	33.74	20.36
	33.74	20.36
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornascent Care Institute	33.56	17.24
(ii) UNM Foundation	-	1.71
	33.56	18.95

NOTE 53: DONATIONS INCLUDE POLITICAL CONTRIBUTIONS AS UNDER

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Electoral Bonds	-	35.00
Prudent Electoral Trust	10.00	-
	10.00	35.00

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 54: EARNINGS PER SHARE

	Year ended March 31, 2021	Year ended March 31, 2020
Basic earnings per share (₹)	27.57	25.76
Diluted earnings per share (₹)	27.57	25.76

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 March 31, 2021	Year ended March 31, 2020
Profit for the year used in calculation of basic earning per share (₹ in Crore)	1,324.91	1,238.14
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 55: OPERATING SEGMENTS

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. Hence the Company does not have any reportable segment as per Ind AS - 108 “Operating Segments”.

The Company’s operations are wholly confined within India and as such there is no reportable geographical information.

NOTE 56: CERTIFIED EMISSION REDUCTION (CERs)

	As at March 31, 2021	As at March 31, 2020
No. of CERs inventory	3,91,411	3,052
No. of CERs under certification	52,04,387	3,91,411

Inventories of CERs are valued at cost or market price whichever is lower.

NOTE 57: RELATED PARTY DISCLOSURES

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

1	Parent Company	Torrent Investments Private Limited (formerly known as Torrent Private Limited)
2	Subsidiaries	Torrent Power Grid Limited, Torrent Pipavav Generation Limited, Torrent Solargen Limited, Jodhpur Wind Farms Private Limited, Latur Renewable Private Limited, TCL Cables Private Limited (w.e.f. November 05, 2019), Torrent Solar Power Private Limited (w.e.f. July 28, 2020), Torrent Saurya Urja 2 Private Limited (w.e.f. February 05, 2021), Torrent Saurya Urja 3 Private Limited (w.e.f. February 17, 2021)
3	Associates	Wind Two Renergy Private Limited, Wind Four Renergy Private Limited (upto June 04, 2019), Wind Five Renergy Private Limited (upto August 30, 2019)
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	Samir Mehta Jinal Mehta
6	Non-executive directors	Sudhir Mehta Pankaj Patel Samir Barua Keki Mistry Bhavna Doshi Dharmishta Raval Pankaj Joshi (upto December 17, 2019) Sunaina Tomar (w.e.f. February 13, 2020) Varun Mehta
7	Relatives of key management personnel*	

8 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, Torrent Gas Pune Limited (formerly known as Mahesh Gas Limited), Torrent Gas Private Limited, Torrent Fincorp Private Limited

* where transactions have taken place during the year and / or previous year or where balances are outstanding at the year end
#The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date").

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NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
Nature of transactions												
Sale of cables	-	-	-	-	-	-	-	-	-	0.97	-	0.97
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	-	0.16	-	0.16
Tornascent Care Institute	-	-	-	-	-	-	-	-	-	0.81	-	0.81
Sale of electricity	-	-	-	-	-	-	0.31	0.23	17.53	9.57	17.84	9.80
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	17.48	9.54	17.48	9.54
Executive and non-executive directors	-	-	-	-	-	-	0.31	0.23	-	-	0.31	0.23
UNM Foundation	-	-	-	-	-	-	-	-	-	0.03	-	0.03
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.05	-	0.05	-
Dividend income	30.75	15.32	-	-	-	-	-	-	-	-	30.75	15.32
Torrent Power Grid Ltd.	11.99	15.32	-	-	-	-	-	-	-	-	11.99	15.32
Latur Renewable Private Ltd.	12.10	-	-	-	-	-	-	-	-	-	12.10	-
Jodhpur Wind Farms Private Ltd.	6.66	-	-	-	-	-	-	-	-	-	6.66	-
Interest income	76.39	62.30	13.02	6.29	-	-	-	-	-	-	89.41	68.59
Torrent Solargen Ltd.	67.85	52.15	-	-	-	-	-	-	-	-	67.85	52.15
Latur Renewable Private Ltd.	2.49	4.79	-	-	-	-	-	-	-	-	2.49	4.79
Jodhpur Wind Farms Private Ltd.	2.43	5.36	-	-	-	-	-	-	-	-	2.43	5.36
TCL Cables Private Ltd.	3.62	-	-	-	-	-	-	-	-	-	3.62	-
Wind Two Renergy Private Ltd.	-	-	13.02	6.29	-	-	-	-	-	-	13.02	6.29
Dividend paid	-	-	-	-	-	-	-	-	141.58	427.32	141.58	427.32
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	-	141.58	427.32	141.58	427.32
Services provided (rent income including tax)	0.29	0.05	-	-	-	-	-	-	0.41	0.40	0.70	0.45
UNM Foundation	-	-	-	-	-	-	-	-	-	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
Latur Renewable Private Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Jodhpur Wind Farms Private Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Torrent Solar Power Private Ltd.	*	-	-	-	-	-	-	-	-	-	*	-

Notes

forming part of the standalone financial statements for the year ended March 31, 2021



NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors	Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
TCL Cables Private Ltd.	0.24	-	-	-	-	-	-	-	-	0.24	-
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	*	-	*	-
Torrent Power Services Private Ltd.	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	0.39	0.37	0.39	0.37
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	-	*	-	*	-
Services received / remuneration paid	-	-	-	-	-	-	-	1.60	1.33	1.60	1.33
Varun Mehta	-	-	-	-	-	-	-	1.60	1.33	1.60	1.33
Transfer of capital work-in-progress	-	26.23	-	-	-	-	-	-	-	-	26.23
Torrent Solargen Ltd.	-	26.23	-	-	-	-	-	-	-	-	26.23
Purchase of cables	95.38	-	-	-	-	-	-	-	-	95.38	-
TCL Cables Private Ltd.	95.38	-	-	-	-	-	-	-	-	95.38	-
Shared expenditure charged to	1.73	2.02	0.28	0.27	-	-	-	0.06	-	2.07	2.29
Torrent Pipavav Generation Ltd.	0.39	0.37	-	-	-	-	-	-	-	0.39	0.37
Torrent Solargen Ltd.	0.67	1.04	-	-	-	-	-	-	-	0.67	1.04
Torrent Power Grid Ltd.	0.09	0.05	-	-	-	-	-	-	-	0.09	0.05
Latur Renewable Private Ltd.	0.20	0.20	-	-	-	-	-	-	-	0.20	0.20
Jodhpur Wind Farms Private Ltd.	0.38	0.36	-	-	-	-	-	-	-	0.38	0.36
Wind Two Renergy Private Ltd.	-	-	0.28	0.24	-	-	-	-	-	0.28	0.24
Wind Five Renergy Private Ltd.	-	-	-	0.03	-	-	-	-	-	-	0.03
Torrent Gas Pune Ltd.	-	-	-	-	-	-	-	0.06	-	0.06	-
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	*	-	*	-
Impairment in value of investment	1.60	1.55	-	-	-	-	-	-	-	1.60	1.55
Torrent Pipavav Generation Ltd.	1.60	1.55	-	-	-	-	-	-	-	1.60	1.55
Transfer of gratuity/leave liability to / (from)	0.89	(0.24)	-	-	-	-	-	0.59	0.29	1.48	0.05
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	0.51	(0.20)	0.51	(0.20)
Torrent Power Grid Ltd.	0.16	(0.24)	-	-	-	-	-	-	-	0.16	(0.24)
TCL Cables Private Ltd.	0.73	-	-	-	-	-	-	-	-	0.73	-
Tonascent Care Institute	-	-	-	-	-	-	-	-	0.07	-	0.07

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors	Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
Torrent Gas Pune Ltd.	-	-	-	-	-	-	-	(0.22)	0.01	(0.22)	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	0.30	0.41	0.30	0.41
Managerial remuneration@	-	-	-	-	-	-	22.69	-	-	22.69	21.23
Samir Mehta	-	-	-	-	-	-	10.00	-	-	10.00	10.00
Jinal Mehta	-	-	-	-	-	-	12.69	-	-	12.69	11.23
Commission to non-executive directors^	-	-	-	-	-	-	6.41	-	-	6.41	6.26
Sudhir Mehta	-	-	-	-	-	-	5.00	-	-	5.00	5.00
Samir Barua	-	-	-	-	-	-	0.32	-	-	0.32	0.30
Keki Mistry	-	-	-	-	-	-	0.24	-	-	0.24	0.18
Pankaj Patel	-	-	-	-	-	-	0.21	-	-	0.21	0.17
Bhavna Doshi	-	-	-	-	-	-	0.32	-	-	0.32	0.29
Dharmishta Raval	-	-	-	-	-	-	0.27	-	-	0.27	0.23
Suraina Tomar#	-	-	-	-	-	-	0.05	-	-	0.05	-
Pankaj Joshi#	-	-	-	-	-	-	-	-	-	-	0.09
Sitting fees to non-executive directors^	-	-	-	-	-	-	0.56	-	-	0.56	0.50
Samir Barua	-	-	-	-	-	-	0.14	-	-	0.14	0.13
Keki Mistry	-	-	-	-	-	-	0.09	-	-	0.09	0.07
Pankaj Patel	-	-	-	-	-	-	0.07	-	-	0.07	0.06
Bhavna Doshi	-	-	-	-	-	-	0.14	-	-	0.14	0.12
Dharmishta Raval	-	-	-	-	-	-	0.11	-	-	0.11	0.10
Suraina Tomar#	-	-	-	-	-	-	0.01	-	-	0.01	-
Pankaj Joshi#	-	-	-	-	-	-	-	-	-	-	0.02
Donation	-	-	-	-	-	-	-	1.51	6.00	1.51	6.00
Tonascent Care Institute	-	-	-	-	-	-	-	1.51	-	1.51	-
UNM Foundation	-	-	-	-	-	-	-	33.56	18.95	33.56	18.95
Contribution towards CSR	-	-	-	-	-	-	-	33.56	17.24	33.56	17.24
Tonascent Care Institute	-	-	-	-	-	-	-	-	1.71	-	1.71
UNM Foundation	-	-	-	-	-	-	-	-	-	-	-
Contribution to employee benefit plans (net)	-	-	-	-	63.05	25.84	-	-	-	63.05	25.84
TPL (Ahmedabad) Gratuity Trust	-	-	-	-	47.69	11.80	-	-	-	47.69	11.80
TPL (Ahmedabad) Superannuation Fund	-	-	-	-	6.87	6.00	-	-	-	6.87	6.00

Notes

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NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
TPL (Surat) Gratuity Trust	-	-	-	-	4.51	5.50	-	-	-	-	4.51	5.50
TPL (Surat) Superannuation Fund	-	-	-	-	1.29	1.19	-	-	-	-	1.29	1.19
TPL (SUGEN) Gratuity Trust	-	-	-	-	1.60	0.35	-	-	-	-	1.60	0.35
TPL (SUGEN) Superannuation Fund	-	-	-	-	0.49	0.46	-	-	-	-	0.49	0.46
TPL (DGEN) Gratuity Trust	-	-	-	-	0.28	0.20	-	-	-	-	0.28	0.20
TPL (DGEN) Superannuation Fund	-	-	-	-	0.32	0.34	-	-	-	-	0.32	0.34
Equity contribution	0.15	-	-	-	-	-	-	-	-	-	0.15	-
Torrent Solar Power Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Torrent Saurya Urja 2 Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Torrent Saurya Urja 3 Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Purchase of shares	-	2.00	-	-	-	-	-	-	-	-	-	2.00
Torrent Solargen Ltd.	-	2.00	-	-	-	-	-	-	-	-	-	2.00
Redemption of non-convertible debentures	-	-	-	64.54	-	-	-	-	-	-	-	64.54
Wind Four Renergy Private Ltd.	-	-	-	20.33	-	-	-	-	-	-	-	20.33
Wind Five Renergy Private Ltd.	-	-	-	44.21	-	-	-	-	-	-	-	44.21
Loans given	234.97	1,422.60	18.70	153.02	-	-	-	-	-	-	253.67	1,575.62
Torrent Pipavav Generation Ltd.	1.75	1.61	-	-	-	-	-	-	-	-	1.75	1.61
Torrent Solargen Ltd.	8.25	1,398.14	-	-	-	-	-	-	-	-	8.25	1,398.14
Latur Renewable Private Ltd.	2.00	20.65	-	-	-	-	-	-	-	-	2.00	20.65
Jodhpur Wind Farms Private Ltd.	0.50	2.20	-	-	-	-	-	-	-	-	0.50	2.20
TCL Cables Private Ltd.	222.47	-	-	-	-	-	-	-	-	-	222.47	-
Wind Two Renergy Private Ltd.	-	-	18.70	153.02	-	-	-	-	-	-	18.70	153.02
Loans received back	202.33	735.42	19.00	0.80	-	-	-	-	-	-	221.33	736.22
Torrent Solargen Ltd.	85.65	712.82	-	-	-	-	-	-	-	-	85.65	712.82
Latur Renewable Private Ltd.	55.40	15.40	-	-	-	-	-	-	-	-	55.40	15.40
Jodhpur Wind Farms Private Ltd.	54.51	7.20	-	-	-	-	-	-	-	-	54.51	7.20
TCL Cables Private Ltd.	6.77	-	-	-	-	-	-	-	-	-	6.77	-
Wind Two Renergy Private Ltd.	-	-	19.00	0.80	-	-	-	-	-	-	19.00	0.80
Deposits received	*	*	-	-	-	-	-	-	*	*	*	*
Latur Renewable Private Ltd.	-	*	-	-	-	-	-	-	-	-	-	*

NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
Jodhpur Wind Farms Private Ltd.	-	*	-	-	-	-	-	-	-	-	-	*
Torrent Solar Power Private Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Consideration received pursuant to scheme of arrangement	256.95	-	-	-	-	-	-	-	-	-	256.95	-
TCL Cables Private Ltd.	256.95	-	-	-	-	-	-	-	-	-	256.95	-
Utilisation of non-fund based limit of the Company by	32.87	24.40	-	-	-	-	-	-	-	-	32.87	24.40
Torrent Solargen Ltd.	-	23.00	-	-	-	-	-	-	-	-	-	23.00
Jodhpur Wind Farms Private Ltd.	0.70	0.70	-	-	-	-	-	-	-	-	0.70	0.70
Latur Renewable Private Ltd.	0.70	0.70	-	-	-	-	-	-	-	-	0.70	0.70
Torrent Solar Power Private Ltd.	9.44	-	-	-	-	-	-	-	-	-	9.44	-
TCL Cables Private Ltd.	22.03	-	-	-	-	-	-	-	-	-	22.03	-
Guarantees given in favour of the debenture trustee for NCD	600.00	-	-	-	-	-	-	-	-	-	600.00	-
Jodhpur Wind Farms Private Ltd.	300.00	-	-	-	-	-	-	-	-	-	300.00	-
Latur Renewable Private Ltd.	300.00	-	-	-	-	-	-	-	-	-	300.00	-

@ excluding provision for gratuity and leave encashment; insurance premium for group personal accident and group mediclaim.
Sitting fees and Commission of Miss Sunaina Tomar and Shri Pankaj Joshi (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.
^ excluding Goods and Services Tax.

(c) Key management personnel compensation

	Year ended March 31, 2021		Year ended March 31, 2020	
	22.69		21.23	
Short-term employee benefits	22.69		21.23	

Notes

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NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Balances at the end of the year												
Current liabilities	34.41	-	-	-	-	-	18.91	18.76	0.81	0.49	54.13	19.25
Torrent Power Grid Ltd.	0.16	*	-	-	-	-	-	-	-	-	0.16	*
Torrent Solargen Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Torrent Pipavav Generation Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Latur Renewable Private Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Jodhpur Wind Farms Private Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
TCL Cables Private Ltd.	34.25	-	-	-	-	-	-	-	-	-	34.25	-
Torrent Solar Power Private Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
UNM Foundation	-	-	-	-	-	-	-	-	-	-	-	-
Tomascent Care Institute	-	-	-	-	-	-	-	-	*	*	-	*
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	-	-	0.07	-	0.07
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Torrent Power Services Private Ltd.	-	-	-	-	-	-	-	-	0.51	-	0.51	-
Torrent Gas Pune Ltd.	-	-	-	-	-	-	-	-	-	-	-	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	0.30	0.41	0.30	0.41
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Sudhir Mehta	-	-	-	-	-	-	5.00	5.00	-	-	5.00	5.00
Samir Mehta	-	-	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Jinal Mehta	-	-	-	-	-	-	2.50	2.50	-	-	2.50	2.50
Samir Barua	-	-	-	-	-	-	0.32	0.30	-	-	0.32	0.30
Keki Mistry	-	-	-	-	-	-	0.24	0.18	-	-	0.24	0.18
Pankaj Patel	-	-	-	-	-	-	0.21	0.17	-	-	0.21	0.17
Bhavna Doshi	-	-	-	-	-	-	0.32	0.29	-	-	0.32	0.29
Dharmishta Raval	-	-	-	-	-	-	0.27	0.23	-	-	0.27	0.23
Surajna Tomar#	-	-	-	-	-	-	0.05	-	-	-	0.05	-
Pankaj Joshi#	-	-	-	-	-	-	-	0.09	-	-	-	0.09
Investment in equities	417.32	417.17	-	-	-	-	-	-	0.05	0.06	417.37	417.23
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

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Tomascent Care Institute	-	-	-	-	-	-	-	-	0.05	0.03	0.05	0.03
UNM Foundation	-	-	-	-	-	-	-	-	-	0.03	-	0.03
Latur Renewable Private Ltd.	110.00	110.00	-	-	-	-	-	-	-	-	110.00	110.00
Jodhpur Wind Farms Private Ltd.	111.00	111.00	-	-	-	-	-	-	-	-	111.00	111.00
TCL Cables Private Ltd.	2.00	2.00	-	-	-	-	-	-	-	-	2.00	2.00
Torrent Solar Power Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Torrent Saurya Ujja 2 Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Torrent Saurya Ujja 3 Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Impairment in value of investment	15.95	14.35	-	-	-	-	-	-	-	-	15.95	14.35
Torrent Pipavav Generation Ltd.	15.95	14.35	-	-	-	-	-	-	-	-	15.95	14.35
Investment in non-convertible debentures (including amortise premium)												
Wind Two Renergy Private Ltd.	-	-	110.18	103.78	-	-	-	-	-	-	110.18	103.78
Torrent Pipavav Generation Ltd.	-	-	110.18	103.78	-	-	-	-	-	-	110.18	103.78
Loans (including interest) (current)	116.33	76.03	-	0.07	-	-	-	-	-	-	116.33	76.10
Torrent Pipavav Generation Ltd.	60.98	59.23	-	-	-	-	-	-	-	-	60.98	59.23
Torrent Solargen Ltd.	52.00	16.66	-	-	-	-	-	-	-	-	52.00	16.66
Latur Renewable Private Ltd.	-	0.05	-	-	-	-	-	-	-	-	-	0.05
Jodhpur Wind Farms Private Ltd.	-	0.09	-	-	-	-	-	-	-	-	-	0.09
TCL Cables Private Ltd.	3.35	-	-	-	-	-	-	-	-	-	3.35	-
Wind Two Renergy Private Ltd.	-	-	-	0.07	-	-	-	-	-	-	-	0.07
Loans (including interest) (non-current)	914.53	948.41	155.71	157.88	-	-	-	-	-	-	1,070.24	1,106.29
Torrent Solargen Ltd.	698.83	810.62	-	-	-	-	-	-	-	-	698.83	810.62
Latur Renewable Private Ltd.	-	65.12	-	-	-	-	-	-	-	-	-	65.12
Jodhpur Wind Farms Private Ltd.	-	72.67	-	-	-	-	-	-	-	-	-	72.67
TCL Cables Private Ltd.	215.70	-	-	-	-	-	-	-	-	-	215.70	-
Wind Two Renergy Private Ltd.	-	-	155.71	157.88	-	-	-	-	-	-	155.71	157.88
Trade and other receivables	0.34	0.24	0.07	-	-	0.03	-	-	1.39	0.83	1.83	1.07
Tomascent Care Institute	-	-	-	-	-	-	-	-	0.01	-	0.01	-
Torrent Solargen Ltd.	0.20	-	-	-	-	-	-	-	-	-	0.20	-

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(d) Related party balances

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Torrent Power Grid Ltd.	-	0.24	-	-	-	-	-	-	-	-	-	0.24
Latur Renewable Private Ltd.	0.04	-	-	-	-	-	-	-	-	-	0.04	-
Jodhpur Wind Farms Private Ltd.	0.10	-	-	-	-	-	-	-	-	-	0.10	-
Wind Two Renergy Private Ltd.	-	-	0.07	-	-	-	-	-	-	-	0.07	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	1.38	0.83	-	-	1.38	0.83
Executive and non-executive directors	-	-	-	-	-	-	0.03	-	-	-	0.03	-
Utilisation of non-fund based limit of the Company by	92.17	50.30	-	-	-	-	-	-	-	-	92.17	50.30
Torrent Solargen Ltd.	28.50	48.38	-	-	-	-	-	-	-	-	28.50	48.38
Jodhpur Wind Farms Private Ltd.	0.96	0.96	-	-	-	-	-	-	-	-	0.96	0.96
Latur Renewable Private Ltd.	0.96	0.96	-	-	-	-	-	-	-	-	0.96	0.96
Torrent Solar Power Private Ltd.	9.44	-	-	-	-	-	-	-	-	-	9.44	-
TCL Cables Private Ltd.	52.31	-	-	-	-	-	-	-	-	-	52.31	-
Guarantees given in favour of the debenture trustee for NCD including interest thereon	615.59	-	-	-	-	-	-	-	-	-	615.59	-
Jodhpur Wind Farms Private Ltd.	308.00	-	-	-	-	-	-	-	-	-	308.00	-
Latur Renewable Private Ltd.	307.59	-	-	-	-	-	-	-	-	-	307.59	-
Guarantees given to lenders of subsidiaries	-	284.50	-	-	-	-	-	-	-	-	-	284.50
Jodhpur Wind Farms Private Ltd.	-	284.50	-	-	-	-	-	-	-	-	-	284.50

Sitting fees and Commission of Miss Sunaina Tomar and 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.

Footnote:

- 1 Loans granted to related parties carries interest rate of 8.50% (Previous year - 9.00%).

Notes

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Notes

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NOTE 58: 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 23,24) and debt (borrowings as detailed in note 25).

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 March 31, 2021	As at March 31, 2020
Debt	7,803.51	8,612.94
Total equity	10,750.99	9,714.61
Debt to equity ratio	0.73	0.89

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.

(b) Categories of financial instruments

	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	95.55	95.55	79.42	79.42
Bank balance other than cash and cash equivalents	93.22	93.22	144.78	144.78
Investment in bonds and debentures	124.15	124.15	115.89	115.89
Trade receivables	1,275.52	1,275.52	1,180.58	1,180.58
Loans	1,232.44	1,232.44	1,215.31	1,215.31
Other financial assets	2,081.76	2,081.76	1,826.52	1,826.52
	4,902.64	4,902.64	4,562.50	4,562.50
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	241.63	241.63	502.20	502.20
Investment in equity instruments	0.05	0.05	0.06	0.06
	241.68	241.68	502.26	502.26

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 58: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Measured at amortised cost				
Borrowings	6,071.12	6,127.19	7,296.28	7,345.53
Trade payables	1,086.88	1,086.88	1,136.97	1,136.97
Other financial liabilities	2,772.29	2,790.95	2,607.69	2,621.06
	9,930.29	10,005.02	11,040.94	11,103.56

Footnotes:

- The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.
- Non current loan and Inter corporate Deposits carries the interest rates that are variable in nature and hence carrying value is considered as same as fair value.

(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 : Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes quoted equity instruments, investments in mutual funds that have quoted price.

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

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)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2021	As at March 31, 2020		
Investment in mutual fund units	241.63	502.20	Level 1	Quoted bid prices in an active market
	241.63	502.20		

(2) Financial liabilities at amortised cost

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2021	As at March 31, 2020		
Fixed rate borrowings (Non-convertible debentures)	1,556.42	1,527.62	Level 2	Inputs other than quoted prices that are observable based on yields provided by FIMMDA
	1,556.42	1,527.62		

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 58: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(d) Financial risk management objectives

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

Unhedged foreign currency exposures:

Nature of transactions	Currency	As at	
		March 31, 2021	March 31, 2020
Financial liabilities			
Trade payable	USD	-	32.66
Trade payable	EURO	235.94	196.57
Capital liability	EURO	0.06	0.06

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.



Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 58: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

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

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings^	1,498.50	1,485.64
Floating rate borrowings^	5,689.42	6,842.80
	7,187.92	8,328.44

^ Transactions cost reduced from the borrowing is excluded.

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 March 31, 2021	Year ended March 31, 2020
Impact on profit before tax - increase in 50 basis points	(28.45)	(34.21)
Impact on profit before tax - decrease in 50 basis points	28.45	34.21

Credit risk

Trade receivables:

- (1) Exposures to credit risk

The Company is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

- (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 March 31, 2021 and March 31, 2020. 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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 58: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

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

As at March 31, 2021

	(₹ in Crore)	
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,243.21	80.20
More than 6 months but less than or equal to 1 year	99.55	62.79
More than one year	181.83	106.08
	1,524.59	249.07

As at March 31, 2020

	(₹ in Crore)	
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,208.31	88.93
More than 6 months but less than or equal to 1 year	74.75	38.40
More than one year	131.76	106.91
	1,414.82	234.24

- (5) Movement in the expected credit loss allowance

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	234.24	151.81
Transfer pursuant to scheme of arrangement [Refer note 62]	(6.65)	-
Movement in expected credit loss allowance on trade receivable, net [Refer note 42]	21.48	82.43
Closing balance [Refer note 17]	249.07	234.24

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets:

The Company is having balances in cash and cash equivalents, term deposits with banks, Inter corporate deposits, Loans to related parties, 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. Loans receivable from related parties have negligible credit risk and hence no risk of default is perceived on them.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 58: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Liquidity risk

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

Maturities of financial liabilities:

The Company’s remaining contractual maturity for its 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 and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2021

	(₹ in Crore)			
	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	4,313.34	3,960.75	8,274.09
Trade payables	-	111.23	31.54	142.77
Lease liabilities	-	17.73	29.50	47.23
Other financial liabilities	-	10.00	-	10.00
	-	4,452.30	4,021.79	8,474.09
Current financial liabilities				
Trade payables	970.77	-	-	970.77
Lease liabilities	6.77	-	-	6.77
Other financial liabilities (including interest and current maturity of borrowings)^	3,278.67	-	-	3,278.67
	4,256.21	-	-	4,256.21
Total financial liabilities	4,256.21	4,452.30	4,021.79	12,730.30

As at March 31, 2020

	(₹ in Crore)			
	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	4,995.18	5,626.58	10,621.76
Trade payables	-	73.88	61.40	135.28
Lease liabilities	-	22.69	27.48	50.17
Other financial liabilities	-	0.24	-	0.24
	-	5,091.99	5,715.46	10,807.45
Current financial liabilities				
Trade payables	1,027.26	-	-	1,027.26
Lease liabilities	6.95	-	-	6.95
Other financial liabilities (including interest and current maturity of borrowings)^	3,287.01	-	-	3,287.01
	4,321.22	-	-	4,321.22
Total financial liabilities	4,321.22	5,091.99	5,715.46	15,128.67

^ Transactions cost reduced from the borrowing is excluded.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 59: IMPACT OF COVID-19 PANDEMIC

The spread of COVID-19 pandemic had impacted the demand for electricity and collection of electricity bills from consumers during the first half of the current year. Gradual revival of the economy has resulted in an increase in demand for electricity and the measures taken by the Company to recover the dues, has improved the collection efficiency and consequently there is a reversal of past provision for doubtful debts made in earlier periods in the distribution franchisee business.

The Company has considered the all possible impact of COVID-19 pandemic including the second wave of COVID-19 in India in preparation of these standalone financial statements for the year ended March 31, 2021. The Company has made detailed assessment of its liquidity position, recoverability of carrying values of its financial and non-financial assets and impact on revenues and believes that there is no material adjustments required to be made in the financial statements for the year ended March 31, 2021. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Company.

NOTE 60: PROVISION FOR ONEROUS CONTRACTS

The Company has a provision of ₹162.80 Crore (March 31, 2020 - ₹161.78 Crore) in respect of certain onerous contracts towards potential damages and other project related costs, arising from expected delays or failure to set up certain wind power generation capacities, awarded to the Company in a prior period under a competitive bidding process. The expected outflow will be determined at the time of final resolution of the matter.

NOTE 61: GOVERNMENT GRANT

(a) 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.

(b) Movement of government grant

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Opening balance	21.57	24.29
Add: Grants during the year	-	-
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 35]	(2.72)	(2.72)
Closing balance	18.85	21.57
Non-current portion [Refer note 28]	16.39	18.85
Current portion [Refer note 32]	2.46	2.72
	18.85	21.57



Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 62: SCHEME OF ARRANGEMENT

The National Company Law Tribunal (NCLT) vide its Order dated December 17, 2020, has sanctioned the Scheme of Arrangement (“the Scheme”) for transfer and vesting of Cable Business Undertaking (“CBU”) of the Company, on a going concern basis by way of slump sale, to TCL Cables Private Limited a wholly owned subsidiary of the Company, under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The certified copy of the said order has been filed with Registrar of Companies on January 15, 2021 (“Effective Date”) and the Scheme is legally effective from April 01, 2020 (“Appointed Date”). Accordingly, the effect of the Scheme has been given in the financial statements for the year ended March 31, 2021 with effect from the Appointed Date.

The CBU had a book value (net of related liabilities) of ₹249.68 Crore (Refer point (b) below) which has been transferred under the Scheme for a lump sum consideration of ₹256.95 Crore based on the report of independent valuer, adjusted for working capital adjustments as per the Scheme. The surplus of consideration over book value of ₹7.27 Crore has been included in Other Income for the financial year ended March 31, 2021.

(a) Gain on account of Scheme of Arrangement

	(₹ in Crore)
Cash consideration received (net of cost to sell)	256.95
Net assets transferred (b)	249.68
Gain on account of Scheme of Arrangement	7.27

(b) Summary of net assets of Cable Business Undertaking as at the Appointed Date, in terms of Scheme of Arrangement:

	(₹ in Crore)
	As at April 01, 2020
Non-current assets	
Property, plant and equipment	50.59
Intangible assets	0.10
Financial assets	
Loans	1.06
Other financial assets	0.03
Other non-current assets	3.60
Current assets	
Inventories	61.27
Financial assets	
Trade receivables	156.22
Cash and cash equivalents	0.34
Bank balances other than cash and cash equivalents	1.88
Loans	1.11
Other financial assets	0.17
Other current assets	4.07
Total assets (A)	280.44
Non-current liabilities	
Financial liabilities	
Provisions	2.18
Current liabilities	
Financial liabilities	
Trade payables	
Total outstanding dues of micro and small enterprises	0.91
Total outstanding dues other than micro and small enterprises	17.17
Other financial liabilities	5.10
Other current liabilities	4.40
Provisions	1.00
Total liabilities (B)	30.76
Book value (net of related liabilities) (A-B)	249.68

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 62: SCHEME OF ARRANGEMENT (Contd.)

(c) The key financial data pertaining Cable Business Undertaking (including inter unit transactions) for the financial year ended March 31, 2020 included in Company’s results are as below:

	(₹ in Crore)
	Year ended March 31, 2020
Total income	440.97
Total expense	420.03
Profit before tax	20.94

NOTE 63: SOCIAL SECURITY CODE

The Indian Parliament has approved the Code on Social Security, 2020 (“Code”) which may likely impact the obligations of the Company for contribution to employees’ provident fund and gratuity. The effective date from which the Code is applicable and the rules to be framed under the Code are yet to be notified. In view of this, impact if any, of the change will be assessed and accounted in the period in which the Code and the rules thereunder are notified.

NOTE 64: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on May 20, 2021.

Signature to Note 1 to 64		
In terms of our report attached		For and on behalf of the Board of Directors
For Price Waterhouse Chartered Accountants LLP Firm Registration Number : 012754N / N500016		Samir Mehta Chairperson DIN:00061903
Priyanshu Gundana Partner Membership No.: 109553	Lalit Malik Chief Financial Officer	Rahul Shah Company Secretary
Mumbai, May 20, 2021		Ahmedabad, May 20, 2021



Independent Auditor’s Report

To the Members of Torrent Power Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1.
- We have audited the accompanying consolidated financial statements of Torrent Power Limited (hereinafter referred to as the ‘Holding Company’) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group” hereinafter), its associate (refer Note 41 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as “the consolidated financial statements”).
2.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3.
- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4.
- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following Key Audit Matters have been reproduced from our report, of even date, on the audit of standalone financial statements of the Holding Company.

Independent Auditor’s Report (Contd.)

Key Audit Matter	How our audit addressed the key audit matter
i) Impairment assessment for Power Plant located at Dahej (Refer to note 42(1) to the consolidated financial statements): The carrying amount of Property, Plant & Equipment (“PPE”) includes an amount of ₹2,879.40 crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India (“DGEN”). DGEN started its commercial operations from November 2014 (“COD”) and has operated only intermittently after COD, including during the current financial year. As a result of the above, and given the current economic environment, management has carried out an impairment assessment of DGEN with the help of an external valuer, in accordance with Ind AS 36 ‘Impairment of Assets’ and has measured the recoverable amount based on ‘value in use’ which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN. Such assessment involved several key assumptions including expected demand of electricity, future price of fuel, exchange rate, expected tariff rates of electricity, discount rate and current electricity market scenario considered by management based on past trends and current and likely future state of the industry. The value in use arrived at by the management is higher than the carrying amount of PPE pertaining to DGEN and accordingly, no additional impairment provision is considered necessary as at March 31, 2021 by management. We considered this to be a key audit matter as the carrying value of DGEN at March 31, 2021 is significant to the Holding Company’s balance sheet and there is significant judgement and estimation involved in the discounted cash flow (DCF) model used by the management to assess the value in use of DGEN.	Our procedures in relation to management’s impairment assessment of DGEN included the following: <ul style="list-style-type: none">Assessed and tested the design and operating effectiveness of the Holding Company’s controls over impairment assessment.Perused the report issued by the external valuer engaged by the management.Evaluated independence, competence, capability and objectivity of the external valuer.Evaluated the reasonableness of cash flow projections used by the Holding Company and the key assumptions used.With the involvement of auditors experts, assessed the reasonableness of the assumptions considered in the discounted cash flow projections for determining value in use.Discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same, within a reasonable foreseeable range. We noted that the resulting valuation was not materially different to Holding Company’s valuation.Checked the arithmetic accuracy of the computations included in the discounted cash flow projections.Reviewed the adequacy of disclosure in the consolidated financial statements. <p>Based on the above procedures performed, we considered management’s assessment of impairment of DGEN to be reasonable.</p>
ii) Assessment of recoverability of Deferred tax assets on unutilised tax credits (Refer to note 43 to the consolidated financial statements) The Holding Company has recognised deferred tax assets on the unutilised tax credits, representing Minimum Alternate Tax (MAT) paid on the accounting profit in the current year and in earlier years in which the Holding Company did not have normal taxable profit. The assets have been recognised on the basis of Holding Company’s assessment of availability of future taxable profits to offset the accumulated deferred tax assets on the unutilised tax credits. The future taxable profit projections involve several key assumptions including expected demand of electricity, future prices of fuel, expected tariff rates of electricity, exchange rate and current electricity market scenario covering the period over which MAT Credit can be claimed as per the Income-tax Act, 1961. In preparing the profit projections, management has considered, past trends, applicable tariff regulations/ agreements and current and likely future state of the industry. We considered this a key audit matter as the amount of deferred tax assets on unutilised tax credits is material to the financial statements and significant management judgement is required in assessing the recoverability of accumulated deferred tax assets on unutilised tax credits based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Holding Company’s future business plans.	Our audit procedures included the following: <ul style="list-style-type: none">Assessed and tested the design and operating effectiveness of the Holding Company’s controls over recognition and assessment of recoverability of deferred tax assets on unutilised tax credits.Reviewed the Holding Company’s accounting policy in respect of recognizing deferred tax assets on unutilised tax credits.Assessed the reasonableness of the assumptions underlying profit projections made by management, by reviewing the past trends, available tariff orders and relevant economic and industry indicators.Evaluated whether the tax credit entitlements are legally available to the Holding Company for the forecast recoupment period, considering the provisions of Income-tax Act, 1961.Checked the arithmetic accuracy of the underlying calculations of the profit projections.Performed sensitivity analysis over the assumptions used in determining the projected taxable profits, within reasonably foreseeable range.Reviewed the adequacy of disclosures made in the financial statements with regard to deferred taxes. <p>Based on the above procedures performed by us, we considered the management’s assessment of recoverability of deferred tax assets in respect of accumulated deferred tax assets on unutilised tax credits to be reasonable.</p>



Independent Auditor’s Report (Contd.)

Other Information

5. The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the board report, management discussion and analysis, business responsibility report, report on corporate governance, but does not include the consolidated financial statements and our auditor’s report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the report of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.
- We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

6. The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Independent Auditor’s Report (Contd.)

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



Independent Auditor’s Report (Contd.)

- 11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- 14. The consolidated financial statements include the Group’s share of total comprehensive income (comprising of profit/ loss and other comprehensive income) of ₹Nil for the year ended March 31, 2021 as considered in the consolidated financial statements, in respect of one associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors and the financial statements

Report on other Legal and Regulatory requirements

- 15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies, its associate company is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

Independent Auditor’s Report (Contd.)

- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate– Refer Note 45(a) to the consolidated financial statements.
 - ii. The Group and its associate have long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Group and its associate did not have any derivative contracts as at March 31, 2021.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and its associate company during the year ended March 31, 2021.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.
- 16. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 21109553AAAAAD7145

Place: Mumbai
Date: May 20, 2021

Corporate Overview
Performance Review
Operational Excellence
ESG
Statutory Reports
Financial Statements



Annexure A to Independent Auditor’s Report

Referred to in paragraph 15(f) of the Independent Auditor’s Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section 3 of section 143 of the Act

- 1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Torrent Power Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies and its associate company, as of that date.

Management’s Responsibility for Internal Financial Controls

- 2. The respective Board of Directors of the Holding company, its subsidiary companies and its associate company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, are responsible for establishing and maintaining internal financial controls based on internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

- 3. Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
- 4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- 5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Annexure A to Independent Auditor’s Report (Contd.)

Referred to in paragraph 15(f) of the Independent Auditor’s Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2021

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

- 8. In our opinion, the Holding Company, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

- 9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one associate company, is based on the corresponding reports of the auditors of such company. Our opinion is not modified in respect of this matter.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 21109553AAAAAD7145

Place: Mumbai
Date: May 20, 2021

Consolidated Balance Sheet

as at March 31, 2021

	Notes	As at March 31, 2021	As at March 31, 2020
(₹ in Crore)			
Assets			
Non-current assets			
Property, plant and equipment	4	17,129.25	17,366.37
Right-of-use assets	5	178.35	187.94
Capital work-in-progress	6	837.73	567.40
Intangible assets	7	18.44	14.98
Intangible assets under development		-	0.19
Financial assets			
Investments	8	124.20	115.95
Loans	9	174.31	176.19
Other financial assets	10	57.22	1.09
Deferred tax assets (net)	43	24.50	19.86
Non-current tax assets (net)	11	12.83	22.06
Other non-current assets	12	337.48	327.35
		18,894.31	18,799.38
Current assets			
Inventories	13	450.35	598.24
Financial assets			
Investments	14	341.58	607.59
Trade receivables	15	1,420.29	1,279.75
Cash and cash equivalents	16	107.28	91.16
Bank balances other than cash and cash equivalents above	17	95.14	189.10
Loans	18	30.61	15.38
Other financial assets	19	2,122.80	1,925.33
Other current assets	20	76.36	117.11
		4,644.41	4,823.66
		23,538.72	23,623.04
Equity and liabilities			
Equity			
Equity share capital	21	480.62	480.62
Other equity	22	9,703.62	8,672.92
		10,184.24	9,153.54
Non-controlling interests		36.36	35.63
		10,220.60	9,189.17
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	6,672.18	7,796.30
Trade payables	24		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		116.11	109.71
Lease liabilities	47	30.96	33.05
Other financial liabilities	25	1.17	0.24
Deferred tax liabilities (net)	43	527.51	552.80
Other non-current liabilities	26	1,160.34	1,132.44
		8,508.27	9,624.54
Current liabilities			
Financial liabilities			
Borrowings	27	-	3.28
Trade payables	28		
Total outstanding dues of micro and small enterprises		38.17	25.19
Total outstanding dues other than micro and small enterprises		936.62	1,012.72
Lease liabilities	47	5.05	4.91
Other financial liabilities	29	2,908.14	2,784.65
Other current liabilities	30	542.02	584.01
Provisions	31	335.30	372.87
Current tax liabilities (net)	32	44.55	21.70
		4,809.85	4,809.33
		23,538.72	23,623.04

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, May 20, 2021

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 20, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
(₹ in Crore)			
Income			
Revenue from operations	33	12,172.66	13,640.63
Other income	34	141.81	177.59
Total income		12,314.47	13,818.22
Expenses			
Electrical energy purchased		3,358.36	3,709.40
Fuel cost		3,610.55	4,250.54
Cost of materials consumed	35	104.21	250.60
Purchase of stock-in-trade		48.24	53.69
Changes in inventories of finished goods and work-in-progress	36	8.86	1.45
Employee benefits expense	37	538.94	532.05
Finance costs	38	775.73	954.55
Depreciation and amortisation expense	39	1,279.55	1,304.27
Other expenses	40	1,038.26	1,286.83
Total expenses		10,762.70	12,343.38
Profit before exceptional items and tax		1,551.77	1,474.84
Exceptional items	42	-	1,000.00
Profit before tax		1,551.77	474.84
Tax expense			
Current tax	43	287.85	309.26
Deferred tax	43	(31.95)	(1,013.30)
		255.90	(704.04)
		1,295.87	1,178.88
Profit for the year			
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	48	6.13	(44.60)
Tax relating to remeasurement of the defined benefit plans	43	2.02	(15.58)
Other comprehensive income for the year, net of tax		4.11	(29.02)
Total comprehensive income for the year		1,299.98	1,149.86
Profit for the year attributable to:			
Owners of the Company		1,290.93	1,174.15
Non-controlling interests		4.94	4.73
		1,295.87	1,178.88
Other comprehensive income for the year attributable to:			
Owners of the Company		4.11	(29.02)
Non-controlling interests		-	-
		4.11	(29.02)
Total comprehensive income for the year attributable to:			
Owners of the Company		1,295.04	1,145.13
Non-controlling interests		4.94	4.73
		1,299.98	1,149.86
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	52	26.86	24.43

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, May 20, 2021

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 20, 2021



Consolidated Statement of Cash Flows

for the year ended March 31, 2021

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
(₹ in Crore)			
Cash flow from operating activities			
Profit before tax		1,551.77	474.84
Adjustments for :			
Depreciation and amortisation expense	39	1,279.55	1,304.27
Amortisation of deferred revenue	33	(82.62)	(74.09)
Provision of earlier years written back	33	(2.47)	(3.69)
Loss on sale / discarding of property, plant and equipment	40	12.03	39.64
Gain on disposal of property, plant and equipment	34	(3.56)	(2.89)
Bad debts written off (net of recovery)	40	54.55	(17.41)
Provision for onerous contracts	40	1.02	189.78
Allowance for doubtful debts (net)	40	14.62	82.43
Exceptional items	42	-	1,000.00
Finance costs	38	775.73	954.55
Interest income	34	(79.66)	(81.96)
Gain on sale of current investments in mutual funds	34	(19.35)	(49.77)
Gain on sale of non-current investments	34	-	(8.64)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	34	(2.75)	1.79
Net gain arising on financial assets / liabilities measured at amortised cost	34	(11.39)	(13.84)
Net unrealised loss / (gain) on foreign currency transactions		10.49	12.30
Operating profit before working capital changes		3,497.96	3,807.31
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		147.89	28.79
Trade receivables		(209.71)	(115.08)
Loans		(15.60)	(1.81)
Other financial assets		(168.57)	(27.51)
Other assets		65.89	(31.14)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(66.11)	209.45
Other financial liabilities		71.55	45.83
Provisions		(32.46)	12.81
Other liabilities		(47.50)	(20.56)
Cash generated from operations		3,243.34	3,908.09
Taxes paid (net)		(255.78)	(297.68)
Net cash flow generated from operating activities		2,987.56	3,610.41
Cash flow from investing activities			
Payments for property, plant and equipment & intangible assets		(1,295.97)	(1,356.78)
Proceeds from sale of property, plant and equipment & intangible assets		7.42	9.55
Non-current redemption of debentures from associates		-	191.62
Purchase of non-current investments		(1.86)	(1.92)
Loans to related parties		(18.70)	(153.02)
Repayment of loans from related parties		19.00	0.80
(Investments) / redemption in bank deposits (net) (maturity more than three months)		91.90	24.43
(Investments) / redemption in inter corporate deposits		(100.24)	25.00
Interest received		99.88	63.94
(Purchase of) / proceeds from current investments (net)		288.11	67.25
Net cash generated from / (used in) investing activities		(910.46)	(1,129.13)

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2021

	Year ended March 31, 2021	Year ended March 31, 2020
(₹ in Crore)		
Cash flow from financing activities		
Proceeds from long-term borrowings	900.00	1,778.05
Proceeds from short-term borrowings	700.00	263.36
Repayment of long-term borrowings	(860.75)	(360.36)
Prepayment of long-term borrowings	(1,124.84)	(1,970.64)
Repayment of short-term borrowings	(703.28)	(560.13)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	116.04	185.69
Dividend paid (including dividend distribution tax)	(268.55)	(968.31)
Principal elements of lease payments	(7.10)	(5.71)
Finance costs paid	(808.68)	(864.32)
Net cash generated from / (used) in financing activities	(2,060.98)	(2,506.19)
Net (decrease) / increase in cash and cash equivalents	16.12	(24.91)
Cash and cash equivalents as at beginning of the year	91.16	116.07
Cash and cash equivalents as at end of the year	107.28	91.16
Footnotes:		
1 Cash and cash equivalents as at end of the year:		
Balances with banks		
Balance in current accounts	104.92	89.87
Cheques on hand	0.58	0.94
Cash on hand	1.78	0.35
	107.28	91.16
2 The consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".		

See accompanying notes forming part of the consolidated financial statements

In terms of our report attachedFor and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLPSamir Mehta
Firm Registration Number : 012754N / N500016Chairperson
DIN:00061903

Priyanshu GundanaLalit MalikRahul Shah
PartnerChief Financial OfficerCompany Secretary
Membership No.: 109553

Mumbai, May 20, 2021Ahmedabad, May 20, 2021

	(₹ in Crore)
Balance as at April 01, 2019	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2020	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2021	480.62

B. OTHER EQUITY [Refer note 22]

	(₹ in Crore)					Non- controlling interests	Total
	Securities premium	Debt redemption reserve	Contingency reserve	Special reserve	General reserve	Other equity attributable to equity holders of the Company	
Balance as at April 01, 2019	0.03	197.90	9.76	78.07	3,583.89	8,489.61	37.39
Profit for the year	-	-	-	-	-	1,174.15	4.73
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(29.02)	-
Total comprehensive income for the year	-	-	-	-	-	1,145.13	4.73
Transfer to debt redemption reserve	-	60.20	-	-	-	-	-
Transfer to contingency reserve	-	-	1.83	-	-	-	-
Transaction with owners in their capacity as owners:							
Dividend (including interim dividend) paid	-	-	-	-	-	(797.82)	(5.38)
Dividend distribution tax paid	-	-	-	-	-	(164.00)	(1.11)
Balance as at March 31, 2020	0.03	258.10	11.59	78.07	3,583.89	8,672.92	35.63
Profit for the year	-	-	-	-	-	1,290.93	4.94
Other comprehensive income for the year, net of income tax	-	-	-	-	-	4.11	-
Total comprehensive income for the year	-	-	-	-	-	1,295.04	4.94
Transfer to debt redemption reserve	-	(70.84)	-	-	-	-	-
Transfer to contingency reserve	-	-	1.87	-	-	-	-
Transaction with owners in their capacity as owners:							
Dividend (including interim dividend) paid	-	-	-	-	-	(264.34)	(4.21)
Balance as at March 31, 2021	0.03	187.26	13.46	78.07	3,583.89	9,703.62	36.36

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, May 20, 2021

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 20, 2021

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 1: GENERAL INFORMATION

These financial statements comprise financial statements of Torrent Power Limited (“the Company”) and its subsidiaries (hereinafter referred to as “the Group”) and associate for the year ended March 31, 2021.

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 Group is engaged in the business of generation, transmission and distribution of electricity and of manufacture and sale of Cable. Information on the Group's structure is provided in note 41.

NOTE 1A: NEW STANDARDS OR INTERPRETATIONS ADOPTED BY THE GROUP

The Group has applied the following amendment to Ind AS for the first time for its annual reporting period commencing April 01, 2020:

- i) Ind AS - 1 and Ind AS – 8, Definition of Material
- ii) Ind AS - 103, Definition of a Business
- iii) Ind AS - 116, COVID-19 related concessions

The above other amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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 Group 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;

- 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 Principles of consolidation:

Subsidiaries

The consolidated financial statements comprise the financial statements of Torrent Power Limited and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.





Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS 12 “Income Taxes” applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the Group’s accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e. year ended on March 31.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss and consolidated statement of changes in equity respectively.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations”. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group’s share of losses of an associate or a joint venture exceeds the Group’s interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

2.3 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 Group 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.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Business combination – common control transaction

- Business combinations involving entities that are controlled by the Group 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 consolidated statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries 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 a business include the carrying amount of goodwill relating to such business.

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

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 Group 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 Group 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 Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the consolidated 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 consolidated 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 April 01, 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.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 group 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 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%	3.34%	1.58% to 31.67%
Railway siding	1.80% to 5.28%	-	-
Plant and machinery	1.80% to 7.00%	5.28%	3.60% to 12.66%
Electrical fittings and apparatus	5.28% to 19.00%	6.33%	6.33% to 9.50%
Furniture and fixtures	5.28% to 15.00%	6.33%	6.33% to 9.50%
Vehicles	9.50%	9.50%	9.50% to 11.88%
Office equipment	3.60% to 19.00%	5.28% to 15.00%	6.33% to 19.00%

@ 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 Group, 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 group 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.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 is 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 :

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 recognised 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.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period

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 capitalised 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 consolidated 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 includes 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 consolidated 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 for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued 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.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.12 Revenue recognition:

- Revenue is recognised, when the control of the goods or services has been transferred to consumers, net of discounts and other similar allowances.
- (i) Revenue from power supply and transmission charges 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. Revenue from power supply exclude taxes and duties.
These adjustments / accruals are carried forward as ‘Unbilled revenue’ under “Other current financial assets” in Note 21, 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 Services Tax.
 - (iii) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.
 - (iv) 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. Similarly contribution by third party towards construction of overhead transmission lines 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 consolidated financial statements are prepared in Indian rupee (INR) which is functional as well as presentation currency of the Group.

Transactions and balances

In preparing the financial statements of each individual Group entity 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 arising on foreign currency borrowings are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group’s monetary items at rates different from those at which they were initially recorded during the financial year are recognised as income or expense in the financial year in which they arise.

2.14 Employee benefits:

Defined contribution plans

Contributions 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 Group has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the consolidated 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.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 consolidated 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 consolidated 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 recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group’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 consolidated 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 consolidated 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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 consolidated 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.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 Group 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) attributable to owners of the Company by the weighted average number of equity shares outstanding during the year.

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

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

2.17 Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognised when the Group 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 Group 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.



NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 (other than financial assets at fair value through profit or loss) are added to 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 consolidated statement of profit and loss within other gains / (losses) in the period in which it arises. Net gains / (losses) from these financial assets is included in other income.

iv) **Impairment of financial assets**

The Group 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 Group follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

The Group applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on days past due. The Group recognises expected loss rates in case of unbilled revenue after considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 Group’s consolidated balance sheet) when:

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

When the entity has transferred an asset, the Group 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 Group has not retained control over the financial asset. Where the Group 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 on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

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 Group’s financial liabilities include trade and other payables, loans and borrowings.

i) Classification

All the Group’s financial liabilities are measured at amortised cost.

ii) Initial measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

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.

iv) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or waived off or have expired. An exchange between the Group 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.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.20 Leases:

The group as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee’s incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset’s lease term on a straight-line basis.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

2.21 Exceptional items:

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head “Exceptional items.”

2.22 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 “*”.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

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 Group 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 Group has not recognised those truing up adjustment claims which are disputed and for which the group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities. [Refer note 33 & 44]

3.2 Property, plant and equipment:

i) Service concession arrangements

The Group has assessed applicability of Appendix D of Ind AS 115 “Service Concession Arrangements” with respect to its property, plant and equipment. In assessing the applicability, the Group has exercised judgment in relation to the provisions of the Electricity Act, 2003, conditions provided under transmission and distribution license and / or agreements. Further, the Company has ability to pledged the assets pursuant to which it has control and ability to direct the use of assets. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable.

ii) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment. [Refer note 42(1)]

3.3 Taxes:

Significant 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, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Deferred tax assets are recognised for unused tax 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 for unused tax credits that can be recognised, based upon the likely timing and the level of future taxable profits. [Refer note 43(d)]

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Contd.)

3.4 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. 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 recognised nor disclosed as contingent liability. The management judgement is involved in classification under ‘remote’, ‘possible’ or ‘probable’ which is carried out based on expert advice, past judgements, experiences etc. [Refer note 45(a)]

3.5 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. 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. Information about the various estimates and assumptions made in determining present value of defined benefit obligation are disclosed in note 48.2.

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT
As at March 31, 2021

Particulars	Gross carrying amount				Accumulated depreciation and impairment loss				Net carrying amount	
	As at April 01, 2020	Additions during the year	Deductions during the year	Adjustments	As at April 01, 2020	For the year		Deductions during the year		As at March 31, 2021
						Depreciation	Impairment			
Freehold land	441.74	-	-	-	-	-	-	-	-	441.74
Buildings	1,545.97	118.33	0.09	22.88	241.51	56.44	-	0.02	297.93	1,389.16
Railway siding	1.86	-	-	-	0.25	0.05	-	-	0.30	1.56
Plant and machinery	21,631.97	860.13	27.30	(6.47)	6,191.44	1,181.22	-	12.37	7,360.29	15,098.04
Electrical fittings and apparatus	43.32	8.60	0.28	0.32	15.27	3.21	-	0.12	18.36	33.60
Furniture and fixtures	48.53	8.77	0.12	0.04	14.08	3.37	-	0.08	17.37	39.85
Vehicles	27.55	2.60	1.28	-	9.30	2.59	-	0.83	11.06	17.81
Office equipment	142.37	23.39	0.69	0.25	45.09	13.19	-	0.45	57.83	107.49
Total	23,883.31	1,021.82	29.76	17.02	6,516.94	1,260.07	-	13.87	7,763.14	17,129.25

As at March 31, 2020

Particulars	Gross carrying amount				Accumulated depreciation and impairment loss					Net carrying amount (₹ in Crore)
	As at April 01, 2019	Additions during the year	Deductions during the year	Adjustments	As at April 01, 2019	For the year		Deductions during the year	As at March 31, 2020	
						Depreciation	Impairment			
Freehold land	409.10	32.64	*	-	-	-	-	-	-	441.74
Buildings	1,505.68	43.38	5.62	2.53	187.47	54.11	-	0.07	241.51	1,304.46
Railway siding	1.86	-	-	-	0.20	0.05	-	-	0.25	1.61
Plant and machinery	20,093.15	1,567.41	28.52	(0.07)	3,990.35	1,212.96	1,000.00	11.87	6,191.44	15,440.53
Electrical fittings and apparatus	40.26	3.12	0.07	0.01	12.27	3.06	-	0.06	15.27	28.05
Furniture and fixtures	45.11	3.63	0.21	*	10.92	3.28	-	0.12	14.08	34.45
Vehicles	23.50	5.71	1.66	-	7.87	2.62	-	1.19	9.30	18.25
Office equipment	121.07	22.46	1.24	0.08	34.07	11.76	-	0.74	45.09	97.28
Total	22,239.73	1,678.35	37.32	2.55	4,243.15	1,287.84	1,000.00	14.05	6,516.94	17,366.37

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

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

Footnotes:

- 1 The above property, plant & equipment have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].
- 2 Capital commitment:
Refer note 45 (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 ₹15.99 Crore (Previous year - ₹2.55 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs” and ₹1.03 Crore pertaining to reversal of Goods and Services Tax Credit.
- 4 The weighted average rate for capitalisation of borrowing cost relating to general borrowing is in the range of 7.81% to 7.95% (Previous year - 9.00%).
- 5 Additions to plant and machinery includes capitalisation of directly attributable costs incurred by the Group under various headings.
- 6 Refer note 42(1) for impairment loss in respect of DGEN power plant
- 7 The closing balance of accumulated depreciation and impairment consist impairment loss of ₹1,014.07 Crore (March 31, 2020- ₹1,014.07 Crore).
- 8 Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a fellow subsidiary are as under:

Particulars	Proportion of holding	(₹ in Crore)	
		As at March 31, 2021	As at March 31, 2020
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	3.04	2.52



Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount	
	As at April 01, 2020	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021
Land	170.11	-	1.83	-	171.94	6.85	6.94	-	13.79
Buildings	27.70	-	-	-	27.70	3.45	4.39	-	7.84
Plant and machinery	0.38	-	-	-	0.38	0.05	0.05	-	0.10
Office equipment	0.14	-	-	-	0.14	0.04	0.04	-	0.08
Total	198.33	-	1.83	-	200.16	10.39	11.42	-	21.81

As at March 31, 2020

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount	
	As at April 01, 2019	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Deductions during the year	As at March 31, 2020
Land	-	174.59	-	4.48	170.11	-	6.90	0.05	6.85
Buildings	-	13.21	14.49	-	27.70	-	3.45	-	3.45
Plant and machinery	-	0.38	-	-	0.38	-	0.05	-	0.05
Office equipment	-	0.14	-	-	0.14	-	0.04	-	0.04
Total	-	188.32	14.49	4.48	198.33	-	10.44	0.05	10.39

Footnotes:
1 The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].
2 Refer note 47 for disclosure relating to right-of-use asset.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 6 : CAPITAL WORK-IN-PROGRESS

As at March 31, 2021

Particulars	(₹ in Crore)				
	As at April 01, 2020	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2021
Capital work-in-progress	567.40	1,239.03	968.70	-	837.73
Total	567.40	1,239.03	968.70	-	837.73

As at March 31, 2020

Particulars	(₹ in Crore)				
	As at April 01, 2019	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2020
Capital work-in-progress	359.27	1,838.57	1,587.88	(42.56)	567.40
Total	359.27	1,838.57	1,587.88	(42.56)	567.40

Footnotes:
1 The above Capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].
2 Capital work-in-progress include borrowing costs of ₹12.37 Crore (March 31, 2020 - ₹11.55 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs”.
3 Adjustment during the previous year includes ₹23.03 Crore of impairment provision [Refer note 58] and ₹19.53 Crore write off.

NOTE 7 : INTANGIBLE ASSETS

As at March 31, 2021

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Computer software	42.31	14.21	-	56.52	27.33	10.75	-	38.08	18.44
Total	42.31	14.21	-	56.52	27.33	10.75	-	38.08	18.44

As at March 31, 2020

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Deductions during the year	As at March 31, 2020	As at March 31, 2020
Computer software	36.96	5.80	0.45	42.31	19.65	8.13	0.45	27.33	14.98
Total	36.96	5.80	0.45	42.31	19.65	8.13	0.45	27.33	14.98

Footnote:
1 The above computer software has been mortgaged and hypothecated to secure borrowings of the Company and certain subsidiaries [Refer note 23].

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 8 : NON-CURRENT INVESTMENTS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Investment in non-convertible debentures (unquoted) (at amortised cost)		
Wind Two Renergy Pvt. Ltd.		
Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each (No. of debentures - March 31, 2021: 9,070, March 31, 2020: 9,070)	110.18	103.78
	110.18	103.78
Investment in equity instruments (unquoted) (at fair value through profit or loss)		
AEC Cements & Constructions Ltd.		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 9,61,500, March 31, 2020: 9,61,500) (As at March 31, 2021 & March 31, 2020 Gross investment - ₹0.61 Cr, Impairment in value of investment - ₹0.61 Cr)	-	-
Tidong Hydro Power Ltd.		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 24,500, March 31, 2020: 24,500) (As at March 31, 2021 & March 31, 2020 Gross investment - ₹0.02 Cr, Impairment in value of investment - ₹0.02 Cr)	-	-
Tornascent Care Institute @ #		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 50,000, March 31, 2020: 25,000)	0.05	0.03
UNM Foundation @ #		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: Nil, March 31, 2020: 25,000)	-	0.03
	0.05	0.06
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	1.93
7.57% GOI Bond - 2033	1.92	1.92
7.73% GOI Bond - 2034	1.86	-
	13.97	12.11
	124.20	115.95
Aggregate amount of quoted investments	13.97	12.11
Aggregate amount of unquoted investments	110.23	103.84
	124.20	115.95
Aggregate amount of provision for impairment in value of investments	0.63	0.63
Aggregate amount of market value of quoted investments	14.85	13.03

@ 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.

The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date").

\$ 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 22 - Contingency reserve]

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 9 : NON-CURRENT LOANS

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Loans to related parties (including interest accrued) [Refer note 55(d)]	155.70	157.88
Security deposits	18.61	18.31
	174.31	176.19

NOTE 10 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Inter-corporate deposits #	53.54	-
Bank fixed deposits	3.59	0.99
Other advances	0.09	0.10
	57.22	1.09

include ₹53.54 Crore (March 31, 2020 - ₹Nil) on which a lien has been created in favour of lenders

NOTE 11 : NON-CURRENT TAX ASSETS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Advance income tax (net)	12.83	22.06
	12.83	22.06

NOTE 12 : OTHER NON-CURRENT ASSETS

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Capital advances	103.89	68.62
Advances for goods and services	148.85	170.28
Balances with government authorities	62.97	63.42
Prepaid expenses	21.77	25.03
	337.48	327.35

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 13 : INVENTORIES

(valued at lower of cost and net realizable value)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Stores and spares	228.31	295.24
Fuel	158.00	241.82
Raw materials	36.23	27.85
Work-in-progress	6.36	7.37
Finished goods	18.09	23.13
Packing materials	1.17	1.25
Loose tools	2.19	1.58
	450.35	598.24

Footnotes:

- 1

The cost of stores and spares inventories recognised as an expense includes ₹3.73 Crore (Previous year - ₹2.70 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 and certain subsidiaries.
- 3

The above carrying amount includes goods in transit as under:

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Stores and spares	0.57	-
Fuel	2.49	-
	3.06	-

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 14 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Investment in mutual funds (unquoted)		
Axis Liquid Fund- Growth (No. of units- March 31, 2021: 85,635, March 31, 2020: Nil)	19.57	-
HDFC Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 1,13,069)	-	33.57
ICICI Liquid Plan - Regular - Growth (No. of units- March 31, 2021: 36,98,890, March 31, 2020: Nil)	112.19	-
ICICI Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 1,96,72,586)	-	211.97
IDFC Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 14,07,462)	-	150.00
SBI Liquid Fund Direct Growth (No. of units- March 31, 2021: 3,94,356, March 31, 2020: Nil)	127.05	-
SBI Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 4,61,238)	-	150.07
Tata Liquid Fund Direct Plan - Growth (No. of units- March 31, 2021: 2,53,251, March 31, 2020: Nil)	82.77	-
Tata Overnight Fund- Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 5,88,180)	-	61.98
	341.58	607.59
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	341.58	607.59
	341.58	607.59
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-

NOTE 15 : TRADE RECEIVABLES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables		
Secured - Considered good #	557.28	514.65
Unsecured - Considered good	863.01	765.10
- Credit impaired	250.42	235.80
	1,670.71	1,515.55
Less: Allowance for bad and doubtful debts	250.42	235.80
	1,420.29	1,279.75

Group holds security deposits in respect of electricity receivables.

Footnotes:

- 1

Refer note 56 for credit risk related disclosures.
- 2

Refer note 23 for charge on current assets including trade receivables.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 16 : CASH AND CASH EQUIVALENTS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Balance in current accounts	104.92	89.87
Cheques on hand	0.58	0.94
Cash on hand	1.78	0.35
	107.28	91.16

NOTE 17 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Unpaid dividend accounts	10.09	9.55
Unpaid fractional coupon accounts	0.35	0.35
Balance in fixed deposit accounts # (maturity of more than three months but less than twelve months)	84.70	179.20
	95.14	189.10

include ₹Nil (March 31, 2020 - ₹100.81 Crore) on which a lien has been created in favour of lenders

NOTE 18 : CURRENT LOANS

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Loans to related parties [Refer note 55(d)]	-	0.07
Security deposits	30.61	15.31
	30.61	15.38

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 19 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Inter-corporate deposits #	326.70	280.00
Interest accrued on non-current investments	0.24	0.21
Interest accrued on deposits	7.78	25.64
Unbilled revenue (including revenue gap / surplus) [Refer note 44(a)]	1,677.46	1,506.47
	2,012.18	1,812.32
Other advances / receivables		
Considered good	110.62	113.01
Considered credit impaired	6.06	6.06
	116.68	119.07
Less : Allowance for doubtful advances	6.06	6.06
	110.62	113.01
	2,122.80	1,925.33

include ₹123.20 Crore (March 31, 2020 - ₹130.00 Crore) on which a lien has been created in favour of lenders

NOTE 20 : OTHER CURRENT ASSETS

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Advances for goods and services	42.47	89.06
Balances with government authorities	0.94	0.82
Prepaid expenses	32.95	27.23
	76.36	117.11



Notes

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NOTE 21 : EQUITY SHARE CAPITAL

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2020) 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 March 31, 2020) equity shares of ₹10 each	480.62	480.62
	480.62	480.62

Footnotes:

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

	No. of shares As at March 31, 2021	No. of shares As at March 31, 2020
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 March 31, 2020) of ₹10 each fully paid up are held by the Parent Company - Torrent Investments Private Limited (Formerly known as 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 March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Torrent Investments Private Limited (Formerly known as Torrent Private Limited)	25,74,22,311	53.56%	25,74,22,311	53.56%
Gujarat State Financial Services Ltd.	4,68,71,621	9.75%	4,68,71,621	9.75%
Axis Mutual Fund Trustee Ltd.	3,75,81,431	7.82%	2,95,72,552	6.15%

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

During FY 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 August 13, 2015.

- 6
- Distributions made and proposed:

Interim dividend for FY 2020-21 of ₹5.50 per equity share [Previous year - ₹11.60 per equity share (including ₹5.00 per equity share as a special dividend)] aggregating to ₹264.34 Crore [Previous year - ₹672.11 Crore (including dividend distribution tax of ₹114.60 Crore)] was paid in March 2021.

The Board of Directors at its meeting held on May 20, 2021 has recommended a dividend of 55.00% (₹5.50 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 ₹264.34 Crore.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 22 : OTHER EQUITY

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	187.26	258.10
Contingency reserve	13.46	11.59
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	5,840.91	4,741.24
	9,703.62	8,672.92

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 was required to create a Debenture Redemption Reserve(DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not required to create DRR. Accordingly, the Company has not created DRR during the year and DRR created till previous years will be transferred to retained earnings on redemption of debentures.

- 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 Group 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 23 : NON-CURRENT BORROWINGS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.37	366.68
10.35% Series 2A, 2B & 2C	100.00	200.00
8.95% Series 3A, 3B & 3C	165.00	245.00
7.65% Series 5	100.00	100.00
7.30% Series 6	300.00	-
	848.37	911.68
Term loans @		
From banks	4,945.31	6,598.32
	4,945.31	6,598.32
	5,793.68	7,510.00
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A, 4B & 4C	269.65	269.48
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	297.94	-
7.00% Series 1 (In respect of Latur Renewable Private Limited)	297.92	-
	865.51	269.48
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	12.99	16.82
	12.99	16.82
	878.50	286.30
	6,672.18	7,796.30

@ After considering unamortised expense of ₹20.37 Crore as at March 31, 2021 and ₹25.93 Crore as at March 31, 2020.

After considering unamortised expense of ₹4.49 Crore as at March 31, 2021 and ₹0.52 Crore as at March 31, 2020.

Current maturities		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.32	183.32
10.35% Series 2A, 2B & 2C	100.00	100.00
8.95% Series 3A, 3B & 3C	80.00	-
	363.32	283.32
Term loans \$		
From banks	741.23	783.74
	741.23	783.74
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
	1,108.37	1,070.88
Amount disclosed under the head 'Other current financial liabilities' [Refer note 29]	(1,108.37)	(1,070.88)
	-	-

\$ After considering unamortised expense of ₹3.09 Crore as at March 31, 2021 and ₹4.27 Crore as at March 31, 2020.



NOTE 23 : NON-CURRENT BORROWINGS (Contd.)

Footnotes:

- 1 Nature of security
- (i) 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 ₹5,689.42 Crore and non convertible debentures of ₹1,211.69 Crore along with lenders of cash credits and non-fund based credit facilities. (except assets detailed in (i) & (ii) below which are not provided as security to holders of non convertible debentures of Series no. 5 and Series no. 6 respectively)

(i) Assets not given as security to non convertible debenture holders of Series no. 5

a immovable assets, movable fixed assets and debt service reserve accounts pertaining to the Renewable Projects;

b leasehold land bearing plot nos. B15 and B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch;

(ii) Assets not given as security to non convertible debenture holders of Series no. 6

a immovable and movable assets of Renewable Projects;

b debt service reserve accounts maintained for the benefit of lenders of term loans;

c investments / deposits made out of Non-Convertible Debenture Reserve;

d leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch;

e non-agricultural plot of land at village Kamatghar, Taluka Bhiwandi, District Thane bearing survey no.119, Hissa no. 2/3 along with building thereon;

f immovable property located at no. 2, Dharam Marg, Chanakya Puri, New Delhi.

(ii) Amount of term loan of ₹20.58 Crore from bank is secured by way of first pari passu charge created on the entire movable properties including transmission towers, insulators and other movable assets, book debts, operating cash flows, revenues, intangibles, trust and retention account of subsidiary Company, Torrent Power Grid Limited.
- 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
2021-22	748.14	363.32
2022-23	324.35	558.37
2023-24	360.25	670.00
2024-25	469.87	290.00
2025-26	670.48	200.00
2026-27	690.76	-
2027-28	490.95	-
2028-29	438.46	-
2029-30	438.46	-
2030-31	438.46	-
2031-32	383.65	-
2032-33	272.98	-

- 3 Undrawn term loans from banks, based on approved facilities, were ₹980.00 Crore as at March 31, 2021.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 24 : NON-CURRENT TRADE PAYABLES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	116.11	109.71
	116.11	109.71

NOTE 25 : OTHER NON-CURRENT FINANCIAL LIABILITIES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Payables for purchase of property, plant and equipment	0.04	0.24
Sundry payables	1.13	-
	1.17	0.24

NOTE 26 : OTHER NON-CURRENT LIABILITIES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Deferred revenue		
Contribution received from consumers [Refer note 44(b)]	1,088.64	1,058.34
Capital grant from government [Refer note 59(b)]	16.39	18.85
Sundry payables	55.31	55.25
	1,160.34	1,132.44

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 27 : CURRENT BORROWINGS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Secured loans		
Cash credit from banks	-	3.28
	-	3.28

Footnotes:

- 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.
- Undrawn cash credit from banks, based on approved facilities, were ₹1,150.00 Crore as at March 31, 2021.

Net debt reconciliation :

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	107.28	91.16
Current investments	341.58	607.59
Current borrowings	-	(3.28)
Non-current borrowings (including current maturities and interest accrued but not due)	(7,887.70)	(9,002.72)
Lease Liabilities	(36.01)	(37.96)
	(7,474.85)	(8,345.21)

	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Lease liabilities	
Net balance as at April 01, 2019	116.07	626.86	(300.05)	(9,479.31)	-	(9,036.43)
Cash flows	(24.91)	(67.25)	296.77	556.77	5.71	767.09
New lease	-	-	-	-	(41.13)	(41.13)
Interest expense	-	-	(4.08)	(846.39)	(2.54)	(853.01)
Interest paid	-	-	4.08	766.21	-	770.29
Gain on sale of current investments	-	49.77	-	-	-	49.77
Fair value adjustment	-	(1.79)	-	-	-	(1.79)
Net balance as at March 31, 2020	91.16	607.59	(3.28)	(9,002.72)	(37.96)	(8,345.21)
Cash flows	16.12	(288.11)	3.28	1,089.41	7.10	827.80
New lease	-	-	-	-	(1.83)	(1.83)
Interest expense	-	-	(9.90)	(699.43)	(3.32)	(712.65)
Interest paid	-	-	9.90	725.04		734.94
Gain on sale of current investments	-	19.35	-	-	-	19.35
Fair value adjustment	-	2.75	-	-	-	2.75
Net balance as at March 31, 2021	107.28	341.58	-	(7,887.70)	(36.01)	(7,474.85)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 28 : CURRENT TRADE PAYABLES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises [Refer note 46] #	38.17	25.19
Total outstanding dues other than micro and small enterprises	936.62	1,012.72
	974.79	1,037.91

Amount due to micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act,2006) have been determined based on the information available with the Group.

NOTE 29 : OTHER CURRENT FINANCIAL LIABILITIES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt [Refer note 23]	1,108.37	1,070.88
Interest accrued but not due on loans and security deposits	79.20	104.82
Investor education and protection fund #		
Unpaid / Unclaimed dividend	10.09	9.55
Unclaimed fractional coupons	0.35	0.35
Book overdraft	7.81	14.96
Security deposits from consumers @	1,221.06	1,173.10
Other deposits	3.39	4.01
Payables for purchase of property, plant and equipment^	331.16	287.91
Sundry payables (including for employees related payables)	146.71	119.07
	2,908.14	2,784.65

There is no amount due and outstanding to be credited to investor education and protection fund as at March 31, 2021.
@ Security deposits from consumers in the Group's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience.
^ including dues to micro and small enterprises for ₹7.91 Crore (March 31, 2020 - ₹1.08 Crore) [Refer note 46]

NOTE 30 : OTHER CURRENT LIABILITIES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Credit balances of consumers [Refer note 44(d)]	85.71	87.48
Service line deposits from consumers [Refer note 44(c)]	189.85	194.82
Deferred revenue		
Contribution received from consumers [Refer note 44(b)]	83.26	77.42
Capital grant from government [Refer note 59(b)]	2.46	2.72
Statutory dues	172.98	202.77
Sundry payables	7.76	18.80
	542.02	584.01

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 31 : CURRENT PROVISIONS

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Provision for gratuity [Refer note 48.2(d)]	12.25	54.60
Provision for compensated absences \$	132.00	128.39
	144.25	182.99
Other provisions		
Provision for indirect taxes	0.25	0.10
Provision for onerous contracts [Refer note 58]	190.80	189.78
	191.05	189.88
	335.30	372.87

\$ In the current year, provision for compensated absences is disclosed under current provision as the Group does not have an unconditional right to defer settlement for at least twelve months however these are generally not repayable within a period of twelve months based on historical experience.

Movement in provision for indirect taxes:		
Opening balance as on April 01	0.10	0.07
Additional provision recognised	0.15	0.03
Closing balance as on March 31	0.25	0.10
Movement in provision for onerous contracts:		
Opening balance as on April 01	189.78	-
Additional provision recognised	1.02	189.78
Closing balance as on March 31	190.80	189.78

NOTE 32 : CURRENT TAX LIABILITIES

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Provision for taxation (net of tax paid)	44.55	21.70
	44.55	21.70

Notes

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NOTE 33 : REVENUE FROM OPERATIONS

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	11,772.45	13,124.52
Revenue from sale of cable products		
Manufactured goods	149.54	322.14
Revenue from trading of RLNG	112.48	51.13
	12,034.47	13,497.79
Less: Discount for prompt payment of bills	17.73	24.27
	12,016.74	13,473.52
Other operating income		
Provisions of earlier years written back	2.47	3.69
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 44(b)(ii)] #	79.90	71.37
Capital grant from government [Refer note 59(b)]	2.72	2.72
Income from Generation Based Incentive	22.53	29.24
Insurance claim receipt	0.34	2.67
Miscellaneous income	47.96	57.42
	155.92	167.11
	12,172.66	13,640.63

Amortisation of deferred revenue are recognised within the scope of Ind AS 115.

Footnotes:

- 1
- Disclosure given above presents disaggregated revenue from contracts with customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.
- 2
- Timing of revenue recognition (from contract with customers) : Revenue from power supply is recognised over a period of time.
- 3
- Revenue from operations for year ended March 31, 2021 includes ₹250.62 Crore (Previous year - ₹165.07 Crore) on account of favourable orders received from the Appellate Tribunal for Electricity in respect of disputed Revenue Gap related to carrying costs of earlier years

NOTE 34 : OTHER INCOME

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income from financial assets at amortised cost		
Deposits	28.38	38.66
Consumers	36.40	28.27
Contingency reserve investments	1.01	0.87
Loans to related parties [Refer note 55(b)]	13.02	6.29
Others	0.85	7.87
	79.66	81.96
Gain on disposal of property, plant and equipment	3.56	2.89
Gain on sale of current investments in mutual funds	19.35	49.77
Gain on sale of non-current investments	-	8.64
Net gain arising on financial assets / liabilities measured at amortised cost	11.39	13.84
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	2.75	(1.79)
Net gain on foreign currency transactions	0.22	0.01
Miscellaneous income	24.88	22.27
	141.81	177.59

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 35 : COST OF MATERIALS CONSUMED

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Cost of materials consumed	190.47	346.64
Less: Allocated to capital works	86.26	96.04
	104.21	250.60

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

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Inventory of finished goods		
Opening stock	23.13	23.31
Less: Closing stock	18.09	23.13
	5.04	0.18
Inventory of work-in-progress		
Opening stock	7.37	8.75
Less: Closing stock	6.36	7.37
	1.01	1.38
Less: Allocated to capital works	(2.81)	0.11
	8.86	1.45

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	610.60	605.32
Contribution to provident and other funds [Refer note 48.1]	42.67	39.79
Employees welfare expenses	26.26	26.02
Compensated absences	19.31	33.95
Gratuity [Refer note 48.2(e)(3)]	19.96	13.70
	718.80	718.78
Less: Allocated to capital works, repairs and other relevant revenue accounts #	179.86	186.73
	538.94	532.05

includes allocated to capital works of ₹84.60 Crore (Previous year - ₹88.71 Crore)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 38 : FINANCE COSTS

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense for financial liabilities classified as amortised cost		
Term loans	532.28	711.79
Non convertible debentures	167.15	134.60
Working capital loans	9.90	4.08
Security deposits from consumers	53.14	70.20
Lease liabilities	3.32	2.54
Others	2.42	2.23
Other borrowing costs	10.42	16.29
Amotisation of borrowing costs	10.51	14.17
Unwinding of discount	3.40	10.08
	792.54	965.98
Less: Allocated to capital works	16.81	11.43
	775.73	954.55

NOTE 39 : DEPRECIATION AND AMORTISATION EXPENSE

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense on property, plant and equipment	1,260.07	1,287.84
Depreciation expense on right-of-use assets	11.42	10.44
Amortisation expense on intangible assets	10.75	8.13
	1,282.24	1,306.41
Less: Transfer from others	0.10	0.10
Less: Allocated to capital works	2.59	2.04
	1,279.55	1,304.27

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 40 : OTHER EXPENSES

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	195.91	220.57
Rent and hire charges	15.07	15.85
Repairs to		
Buildings	8.03	11.25
Plant and machinery	359.81	361.48
Others	17.84	15.58
	385.68	388.31
Insurance	36.03	25.85
Rates and taxes	11.68	11.47
Vehicle running expenses	37.28	31.42
Electricity expenses	27.38	27.69
Security expenses	42.76	41.59
Water charges	18.35	20.75
Power transmission and scheduling charges	34.36	34.69
Corporate social responsibility expenses [Refer note 50]	34.32	20.76
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	12.03	39.64
Commission to non-executive directors [Refer note 55(b)]	8.42	6.41
Directors sitting fees	0.73	0.67
Auditors remuneration [Refer note 49]	2.13	2.05
Legal, professional and consultancy fees	34.44	35.58
Donations [Refer note 51]	36.55	69.79
Net loss on foreign currency transactions	10.71	12.32
Bad debts written off (net)	54.55	(17.41)
Provision for onerous contracts [Refer note 58]	1.02	189.78
Allowance for doubtful debts (net of recovery)	14.62	82.43
Miscellaneous expenses	94.19	103.70
	1,108.21	1,363.91
Less: Allocated to capital works, repairs and other relevant revenue accounts ^	69.95	77.08
	1,038.26	1,286.83

^ includes allocated to capital works of ₹9.82 Crore (Previous year - ₹11.49 Crore)



Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 41: COMPOSITION OF THE GROUP

(a) Subsidiaries

(1) Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2021	As at March 31, 2020
Torrent Solargen Limited	Power Generation	India	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%
Latur Renewable Private Limited	Power Generation	India	100%	100%
Jodhpur Wind Farms Private Limited	Power Generation	India	100%	100%
TCL Cables Private Limited (w.e.f. November 05, 2019)	Manufacturing of Cables	India	100%	100%
Torrent Solar Power Private Limited (w.e.f. July 28, 2020)	Power Generation	India	100%	NA
Torrent Saurya Urja 2 Private Limited (w.e.f. February 05, 2021)	Power Generation	India	100%	NA
Torrent Saurya Urja 3 Private Limited (w.e.f. February 17, 2021)	Power Generation	India	100%	NA

(2) Disclosure of additional information pertaining to the Parent Company and its Subsidiaries as per Schedule III of Companies Act, 2013 as at and for the year ended March 31, 2021:

Name of the entity in the Group	Consolidated share in net assets i.e total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Company	100.30%	10,251.23	102.24%	1,324.91	82.48%	3.39	102.18%	1,328.30
Torrent Solargen Limited	(0.16)%	(16.26)	(1.67)%	(21.62)	-	-	(1.66)%	(21.62)
Torrent Pipavav Generation Limited	0.31%	31.55	(0.12)%	(1.57)	-	-	(0.12)%	(1.57)
Torrent Power Grid Limited	0.97%	98.67	1.10%	14.29	(0.24)%	(0.01)	1.10%	14.28
Latur Renewable Private Limited	1.08%	110.65	0.54%	6.95	-	-	0.53%	6.95
Jodhpur Wind Farms Private Limited	1.08%	110.07	0.03%	0.38	-	-	0.03%	0.38
TCL Cables Private Limited	(0.14)%	(14.10)	(0.74)%	(9.55)	17.76%	0.73	(0.68)%	(8.82)
Torrent Solar Power Private Limited	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Saurya Urja 2 Private Limited	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Saurya Urja 3 Private Limited	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Non-controlling interests	0.36%	36.36	0.38%	4.94	-	-	0.38%	4.94
Consolidation adjustments	(3.80)%	(387.69)	(1.76)%	(22.83)	-	-	(1.76)%	(22.83)
Total	100.00%	10,220.60	100.00%	1,295.87	100.00%	4.11	100.00%	1,299.98

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 41: COMPOSITION OF THE GROUP (Contd.)

(b) Associates

Details of the Company's associates are as follows:

Name of Associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Quoted fair value	Carrying amount as at March 31, 2021
			As at March 31, 2021	As at March 31, 2020		
Wind Two Renergy Private Limited	Power Generation	India	0%	0%	Unlisted	#
Wind Four Renergy Private Limited (upto June 04, 2019)	Power Generation	India	NA	NA	Unlisted	@
Wind Five Renergy Private Limited (upto August 30, 2019)	Power Generation	India	NA	NA	Unlisted	@

As at March 31, 2021 the Company had made investments in the one entity in the form of secured redeemable (with premium) non-convertible debentures and does not hold any equity investments. To protect the investment aggregating to ₹90.70 Crore (March 31, 2020, ₹90.70 Crore) made by the Company, the Company has acquired certain rights which include the right to nominate directors on the board. Considering the above facts and based on the requirements of Ind AS, the investments in aforesaid entities have been classified as Investments in associates. As the Company does not have any equity interest, the Company does not have any share in the profit, loss or comprehensive income of the entities and accordingly, there is no impact on the consolidated statement of profit and loss and the aforesaid investments in redeemable debentures of ₹90.70 Crore (March 31, 2020, ₹90.70 Crore) have been carried at amortized cost.

@ During the previous year, Wind Four Renergy Private Limited and Wind Five Renergy Private Limited have ceased to be associates of the Company. There is no impact of this development on the consolidated financial statements for the previous year.

NOTE 42: IMPAIRMENT ASSESSMENT

(1) DGEN Power Plant

Net carrying value of Property, Plant & Equipment (“PPE”) as at March 31, 2021 includes ₹2,879.42 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, Gujarat (“DGEN”). DGEN started commercial operations with effect from November 2014 and thereafter has operated only intermittently / partially, including during the year ended March 31, 2021.

In view of the above and given the current economic environment, the Group has carried out an impairment assessment of DGEN as at March 31, 2021 by considering the recoverable amount based on value in use of DGEN in accordance with Indian Accounting Standard 36 ‘Impairment of Assets’. Value in use is determined considering a discount rate of 13% and cash flow projections over a period of 19 years (March 31, 2020 - 20 years), being the balance useful life of DGEN in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 on the basis that the Group expects to supply power in the future, inter alia, under long term power purchase agreements. Based on the assessment, recoverable value of PPE by using value in use is ₹3,007.00 Crore which is higher than the carrying amount of PPE and accordingly no additional impairment provision is required as at March 31, 2021. The management has conducted sensitivity analysis on impairment tests of the value in use of DGEN. The management believes that reasonable possible change in key assumption would not materially impact the impairment assessment as at March 31, 2021.

During the previous year, the Group had provided for impairment loss of ₹1,000.00 Crore, which has been disclosed as ‘Exceptional items’.

Assessment of ‘value-in-use’ involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry. Management reviews such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any.

Notes

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NOTE 42: IMPAIRMENT ASSESSMENT (Contd.)

(2) Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited (“TPGL”), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Ltd. (“GPCL”), 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, Government of Gujarat (“GoG”) vide its letter dated December 06, 2017, communicated that the said project may not be developed and accordingly, the joint venture is intended to be dissolved. With reference to this, in the month of March 2019, GPCL has written a letter to Collector, Amreli stating that the land is surrendered to the Government and requested Energy and Petroleum Department, GoG to take further action in the matter. The management has made an impairment assessment of the carrying amount of the land by comparing it with the circle rates published by GoG for the purpose of levy of stamp duty, on the basis of which it has been concluded that there is no impairment in the carrying amount of the land. The timing of the recoverability of the amounts invested in land would depend upon the availability of the buyer. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial statements of TPGL for the year ended March 31, 2021 have been prepared on a non - going concern basis. The recovery of the amount invested for land is dependent on the ability of GoG to find a suitable buyer for the land.

NOTE 43: INCOME TAX EXPENSE

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

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax on profits for the year	287.84	308.82
Adjustment for current tax of prior periods	0.01	0.44
	287.85	309.26
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(230.96)	(914.18)
(Decrease) / increase in deferred tax liabilities	199.01	(99.11)
	(31.95)	(1,013.30)
Income tax expense	255.90	(704.04)

(b) Reconciliation of income tax expense

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	1,551.77	474.84
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.944%)	542.25	165.93
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	16.33	60.10
Tax incentives / deductions	(327.57)	(333.00)
Impairment loss of DGEN unit	-	160.65
Unutilised Minimum Alternate Tax (MAT) credit recognised due to change in MAT rate from 21.55% to 17.47%	-	(463.40)
Unabsorbed depreciation / tax credits and other items	24.88	(294.76)
Total	255.89	(704.48)
Adjustment for current tax of prior periods	0.01	0.44
Total expense as per statement of profit and loss	255.90	(704.04)

Notes

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NOTE 43: INCOME TAX EXPENSE (Contd.)

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.

Taxation Laws (Amendment) Act, 2019, inter alia, reduced the effective rate of MAT from 21.55% to 17.47%. The net deferred tax credit in the previous year includes the impact of this change amounting ₹463.40 Crore, due to the Group's ability to utiliseaccumulated MAT credit in future years, not previously recognized. Further the net deferred tax credit in the previous year includes ₹549.90 crore, mainly arising on account of a provision for impairment in the carrying value of DGEN Power Plant [Refer note 42], provision for certain onerous contracts [Refer note 58] and reassessment of management's reasonable estimate for the future taxable profits, which would be available to utilisesuch additional MAT Credit.

(c) Income tax recognised in other comprehensive income

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	6.13	(44.60)
Income tax expense / (income) recognised in other comprehensive income	2.02	(15.58)

(d) Deferred tax balances

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

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	1,834.73	1,605.79
Deferred tax liabilities	(2,337.74)	(2,138.73)
	(503.01)	(532.94)
Disclosed as deferred tax assets (net)	24.50	19.86
Disclosed as deferred tax liabilities (net)	(527.51)	(552.80)
	(503.01)	(532.94)

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

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2021

	(₹ in Crore)			
	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,138.73)	(199.01)	-	(2,337.74)
Provision for compensated absences	41.59	2.07	-	43.66
Provision for onerous contracts	56.53	0.36	-	56.89
Allowance for doubtful debts	33.29	12.92	-	46.21
Unabsorbed depreciation / MAT credit entitlement	1,477.02	210.28	-	1,687.30
Others	(2.64)	5.33	(2.02)	0.67
	(532.94)	31.95	(2.02)	(503.01)

Notes

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NOTE 43: INCOME TAX EXPENSE (Contd.)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2020

	Opening balance	Recognised in profit or loss	Recognised in OCI	(₹ in Crore) Closing balance
Property, plant and equipment	(2,237.84)	99.11	-	(2,138.73)
Provision for compensated absences	35.01	6.58	-	41.59
Provision for onerous contracts	-	56.53	-	56.53
Allowance for doubtful debts	18.69	14.60	-	33.29
Unabsorbed depreciation / MAT credit entitlement	625.96	851.06	-	1,477.02
Others	(3.64)	(14.58)	15.58	(2.64)
	(1,561.82)	1,013.30	15.58	(532.94)

(3) Unrecognised deferred tax assets

	As at March 31, 2021	As at March 31, 2020
Accumulated MAT credit entitlement	16.81	18.47
	16.81	18.47

As at March 31, 2021, Unused tax credit that shall expire as follows:

Financial year	(₹ in Crore) Amount
2021-22	1.95
2022-23	1.29
2023-24	4.21
2024-25	4.61
2025-26	4.47
2026-27	0.28
	16.81

Management has made an assessment of the amount of taxable income that would be available in future to offset the Accumulated MAT credit entitlement 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.

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NOTE 44: REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Unbilled revenue

- (1) Revenue from contracts with customers include unbilled revenue towards FPPPA claims and other true up adjustments which is recognised considering applicable tariff regulations / tariff orders, past trends of approval and management's probability estimate.

The Group has not recognized those truing up adjustment claims which are subject of dispute and for which the Group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities.

(2) Movement in unbilled revenue

	As at March 31, 2021	As at March 31, 2020
Opening balance	1,498.72	1,435.11
Add: Income accrued during the year as per tariff regulations / orders	2,227.37	2,491.78
Less: Amount billed during the year to the consumers as per tariff orders	(2,083.76)	(2,428.17)
Closing balance	1,642.33	1,498.72
Disclosed under		
Unbilled revenue [Refer note 19]	1,677.46	1,506.47
Sundry payables [Refer note 25 & note 29]	(35.13)	(7.75)
	1,642.33	1,498.72

(b) Contribution received from consumers

(i) Nature of contribution received from consumers

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

(ii) Movement of contribution received from consumers

	As at March 31, 2021	As at March 31, 2020
Opening balance	1,135.76	1,021.44
Add: Contribution received during the year	116.04	185.69
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 33]	(79.90)	(71.37)
Closing balance	1,171.90	1,135.76
Non-current portion [Refer note 26]	1,088.64	1,058.34
Current portion [Refer note 30]	83.26	77.42
	1,171.90	1,135.76

(c) Service line deposit from consumers

	As at March 31, 2021	As at March 31, 2020
Opening balance	194.82	258.73
Add: Received during the year (net of refund)	111.07	121.78
Less: Transferred to contribution received from consumers	(116.04)	(185.69)
Closing balance [Refer note 30]	189.85	194.82

Footnote:

- 1 Service line deposits are collected against the cost of capital work to be carried out for new connection or load extension on application by consumers. On the completion of the work, such contribution is transferred to deferred revenue under the head liabilities.

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NOTE 44: REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

(d) Credit balance of consumers

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Opening balance	87.48	71.89
Add / (less) : Adjustment to current billing (net)	(1.77)	15.59
Closing balance [Refer note 30]	85.71	87.48

NOTE 45: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Disputed income tax matters	29.27	17.96
Disputed sales tax matters	5.25	5.25
Disputed service tax matters	0.49	-
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	2.88	2.88
Disputed stamp duty matters	0.35	0.35
Disputed value added tax matters	3.36	3.26
Disputed central sales tax matters	4.78	3.04
Claims against the Group not acknowledged as debt [Refer footnote 3 below]	148.36	21.39

The Group has evaluated the impact of Supreme Court (“SC”) judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from 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. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Group is not material and accordingly, no provision has been made in the financial statements.

Footnotes :

- 1 Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the Group will likely be upheld in the appellate process and accordingly no provision has been made in the consolidated financial statements for such demands.
- 2 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.
- 3 Break up of claims against the Group not acknowledged as debt

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Claim of regulatory surcharge including interest in franchise distribution business	68.59	-
Penalty order issued by Directorate General of Foreign Trade (DGFT) in distribution business	50.53	-
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	15.35	12.88
Compensation payable for short lifting for material	8.46	-
Others	5.43	8.51
	148.36	21.39

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 45: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS (Contd.)

(b) Contingent assets

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Claim for coal grade slippage	9.39	12.41
Claim of compensation for short lifting of material	8.46	-
	17.85	12.41

(c) Capital and other commitments

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	455.19	408.39

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 Group and the required disclosures are given below:

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
(a) Principal amount remaining unpaid [Refer notes 28 and 29]	45.96	26.09
(b) Interest due thereon	0.03	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	4.77	1.07
(ii) Interest paid under section 16 of the MSMED Act, to the suppliers, beyond the appointed day during the year	*	0.01
(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)	0.09	0.15
(e) The amount of interest accrued and remaining unpaid [b+d]	0.12	0.18
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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NOTE 47: LEASES

This note provides information for leases where the group is a lessee.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

	Notes	As at March 31, 2021	As at March 31, 2020
(₹ in Crore)			
Land	5	158.15	163.26
Buildings	5	19.86	24.25
Plant and machinery	5	0.28	0.33
Office equipment	5	0.06	0.10
Total		178.35	187.94

Lease liabilities

	As at March 31, 2021	As at March 31, 2020
(₹ in Crore)		
Current	5.05	4.91
Non-current	30.96	33.05
Total	36.01	37.96

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
(₹ in Crore)			
Depreciation charge of right-of-use assets	39	11.42	10.44
Interest expense (included in finance costs)	38	3.32	2.54
Expense relating to short-term leases (included in other expenses)	40	1.55	3.91
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	40	0.17	0.39
Total		16.46	17.28

(iii) Maturities of lease liabilities:

As at March 31, 2021

	Non-current lease liabilities	Current lease liabilities
(₹ in Crore)		
Less than 1 year	-	6.77
Between 1 year and 5 years	17.73	-
5 years and above	29.50	-
Total	47.23	6.77

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forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 47: LEASES (Contd.)

As at March 31, 2020

	Non-current lease liabilities	Current lease liabilities
(₹ in Crore)		
Less than 1 year	-	6.95
Between 1 year and 5 years	22.69	-
5 years and above	27.48	-
Total	50.17	6.95

(iv) The total cash outflow for leases for the year was ₹7.10 Crore (March 31, 2020 ₹5.71 Crore).

(v) Lease asset of Shil, Mumbra and Kalwa (franchise area)

Torrent Power Limited (“TPL”) has entered into a Distribution Franchise Agreement (“Agreement”) dated February 11, 2019 with Maharashtra State Electricity Distribution Group Ltd. (“MSEDCL”) whereby as per the Agreement TPL would distribute the electricity in the area of Shil, Mumbra and Kalwa in Thane District in Maharashtra (“Franchise area”) for 20 years (effective from March 01, 2020).

As per the Agreement TPL would purchase electricity from MSEDCL at the rate which would be derived through mechanism as mentioned in the Agreement which is linked to the number of units purchased and would distribute electricity to the Consumers at the tariff which has been approved by Maharashtra Electricity Regulation Commission (MERC).

Further as per the Agreement TPL has right to use existing assets of MSEDCL in the Franchise area provided it shall perform all the obligations and accepts all liabilities of MSEDCL on behalf of distribution licensee in Franchise area and MSEDCL shall not charge any rent for the use of such assets.

Considering the facts of the arrangement, TPL has the right to obtain substantially all of the economic benefits from use of MSEDCL assets of the Franchise area and the right to direct the use of the said assets for 20 years and accordingly it would meet the definition of Lease as per Ind AS 116. Further, for distribution of electricity, TPL would purchase power from MSEDCL for which payment would be made as per the franchise agreement which is linked to the number of units purchased. Accordingly the payments by TPL to MSEDCL is variable in nature and there are no fixed payments in the form of minimum purchase commitments, take or pay or any sort of fixed charges is required to be made.

Considering the entire payment made by TPL for this arrangement is variable in nature and there would be no lease liability required to be recognised with a corresponding right of use assets on initial recognition in accordance with Ind AS 116 and considering non-availability of relevant observable information for lease payments, management estimates and cost benefit analysis, total consideration payable to MSEDCL towards purchase of electricity has been shown as ‘Electrical energy purchased’ in the Financial Statements.

(vi) Impact on the financial statements as on April 01, 2019 due to adoption of Ind AS 116

The Group has adopted Ind AS - 116 retrospectively from April 01, 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 01, 2019. The new accounting policies are disclosed in note 2.20.

On adoption of Ind AS - 116, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of Ind AS - 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 9.00%.

NOTE 47: LEASES (Contd.)

(a) Practical expedients applied :

In applying Ind AS - 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at April 01, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

(b) Measurement of lease liabilities:

	(₹ in Crore)
Operating lease commitments disclosed as at March 31, 2019*	-
Discounted using the lessee's incremental borrowing rate at the date of initial application	-
Add: finance lease liabilities recognised as at March 31, 2019	-
(Less): short-term leases not recognised as a liability	-
(Less): low-value leases not recognised as a liability	-
Add / (less): contracts reassessed as lease contracts	-
Add / (less): adjustments as a result of extension and termination options^	26.63
Add / (less): adjustments relating to changes in the index or rate affecting variable payments	-
Lease liability recognised as at April 01, 2019	26.63

* The Group's significant leasing arrangements, are in respect of land, residential flats, office premises, plant and machinery and equipment taken on lease. The arrangements range, (i) for land between 20 years to 99 years & (ii) for other than land between 11 months to 10 years generally, and are usually renewable by mutual consent on mutually agreeable terms or can be terminated at the option of the Group during the tenure of the lease term. Further the Group has not entered into any material financial lease. Accordingly there were no future minimum lease payments under non-cancellable operating leases required to be disclosed under the previous standard Ind AS - 17.

^ The Group has extension and termination options available in the lease contracts and the majority of extension and termination options are exercisable by the Group. Accordingly the Group on adoption of Ind AS 116 Leases has recognised such lease liabilities by measuring present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019.

(c) Adjustments recognised in the balance sheet on April 01, 2019

The change in accounting policy affected the following items in the balance sheet on April 01, 2019:

- Right-of-use assets – increased by ₹188.32 Crore
- Prepayments – decreased by ₹161.69 Crore
- Lease liabilities – increased by ₹26.63 Crore



NOTE 48: EMPLOYEE BENEFIT PLANS

48.1 Defined contribution plan

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

The Group'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 Group's superannuation scheme for qualifying employees is administered through its various superannuation trust funds. The Group'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 Group has no further obligation in respect of such plans beyond the contributions made.

The Group's contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to ₹42.67 Crore (Previous year - ₹39.79 Crore) 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 Group operates through various gratuity trust, a 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 Group 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 Group. In case of death while in service, the gratuity is payable irrespective of vesting.

The Group 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 Group to actuarial risks such as: asset volatility, interest rate risk, longevity risk and salary risk as described below :

Asset volatility

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

Interest risk

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

Longevity risk

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

Salary risk

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at March 31, 2021. 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.

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NOTE 48: EMPLOYEE BENEFIT PLANS (Contd.)

(c) Significant assumptions

The principal assumptions used for the purpose of the actuarial valuation were as follows.

	As at March 31, 2021	As at March 31, 2020
Discount rate	7.08%	6.93%
Salary escalation rate	8.50%	8.50%

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

Balances of defined benefit plan

	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	288.99	289.52
Fair value of plan assets	276.74	235.02
Net (asset) / liability [Refer note 31]	12.25	54.50

(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:

	As at March 31, 2021	As at March 31, 2020
(1) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	289.52	244.20
Current service cost	16.18	12.24
Interest cost	20.06	19.34
Actuarial (gains) / losses from changes in demographic assumptions	-	2.39
Actuarial (gains) / losses arising changes in financial assumptions	(3.72)	21.64
Actuarial (gains) / losses from experience adjustments	(2.15)	19.92
Liability transferred in	0.23	0.16
Liability transferred out	(0.66)	(0.35)
Benefits paid directly by employer	(1.57)	(2.80)
Benefits paid	(28.90)	(27.22)
Obligation at the end of the year	288.99	289.52
(2) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	235.02	225.81
Interest income	16.28	17.88
Return on plan assets (excluding interest income)	0.26	(0.65)
Contributions received	54.08	19.20
Benefits paid	(28.90)	(27.22)
Plan assets at the end of the year, at fair value	276.74	235.02
(3) Gratuity cost recognized in the statement of profit and loss		
Current service cost	16.18	12.24
Interest cost, net	3.78	1.46
Net gratuity cost recognized in the statement of profit and loss [Refer note 37]	19.96	13.70

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NOTE 48: EMPLOYEE BENEFIT PLANS (Contd.)

	As at March 31, 2021	As at March 31, 2020
(4) Gratuity cost recognized in the other comprehensive income (OCI)		
Return on plan assets (excluding interest income)	(0.26)	0.65
Actuarial (gains) / losses	(5.87)	43.95
Net (income) / expense for the year recognized in OCI	(6.13)	44.60

(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 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.

	As at March 31, 2021	As at March 31, 2020
Change in assumptions		
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(11.73)	(11.37)
50 basis points decrease in discount rate	12.78	12.37
50 basis points increase in salary escalation rate	12.53	10.43
50 basis points decrease in salary escalation rate	(11.62)	(13.03)

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 19 years (Previous year - 19 years).

(i) Expected contribution to the plan for the next annual reporting period is ₹12.25 Crore (Previous year - ₹54.60 Crore).

(j) Cash flow projection from the fund

Projected benefits payable in future years from the date of reporting

	As at March 31, 2021	As at March 31, 2020
1 st following year	36.23	32.13
2 nd following year	20.07	22.52
3 rd following year	29.94	32.91
4 th following year	28.60	29.19
5 th following year	26.35	27.60
sum of years 6 to 10 th	92.85	96.03

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forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 48: EMPLOYEE BENEFIT PLANS (Contd.)

48.3 Other long-term employee benefit obligations

The leave obligation covers the Group's liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Group 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 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 March 31, 2021	Year ended March 31, 2020
As audit fees	1.53	1.24
For other services	0.57	0.56
For reimbursement of expenses	0.03	0.25
	2.13	2.05

NOTE 50: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gross amount required to be spent by the Group	27.57	20.76
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above [Refer note 40]	34.32	20.76
	34.32	20.76
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornascent Care Institute	34.14	17.24
(ii) UNM Foundation	-	2.11
	34.14	19.35

NOTE 51: DONATIONS INCLUDE POLITICAL CONTRIBUTIONS AS UNDER

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Electoral Bonds	-	35.00
Prudent Electoral Trust	10.00	-
	10.00	35.00

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NOTE 52: EARNINGS PER SHARE

	Year ended March 31, 2021	Year ended March 31, 2020
Basic earnings per share (₹)	26.86	24.43
Diluted earnings per share (₹)	26.86	24.43

Basic and diluted earnings per share

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

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year attributable to the Company used in calculation of basic earnings per share (₹ in Crore)	1,290.93	1,174.15
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 Group's performance and applies the resources to whole of the Group's business viz. "Generation, Transmission and Distribution of Power" as an integrated utility. Further, the Group's cable business is not a reportable segment in terms of revenue, profit, assets and liabilities. Hence the Group does not have any reportable segment as per Ind AS - 108 "Operating Segments".

The Group's operations are wholly confined within India and as such there is no reportable geographical information.

NOTE 54: CERTIFIED EMISSION REDUCTION (CERs)

	As at March 31, 2021	As at March 31, 2020
No. of CERs inventory	3,91,411	3,052
No. of CERs under certification	52,04,387	3,91,411

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 Investments Private Limited (formerly known as Torrent Private Limited)
2	Associates	Power Grid Corporation of India Ltd., Wind Two Renergy Private Ltd., Wind Four Renergy Private Ltd. (upto June 04, 2019), Wind Five Renergy Private Ltd. (upto August 30, 2019)
3	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, TPG Superannuation Fund, TPL (DGEN) Gratuity Trust, TPL (DGEN) Superannuation Fund
4	Key management personnel	Samir Mehta Jinal Mehta
5	Non-executive directors	Sudhir Mehta Pankaj Patel Samir Barua Keki Mistry Bhavna Doshi Dharmishita Raval Pankaj Joshi (upto December 17, 2019) Sunaina Tomar (w.e.f. February 13, 2020)
6	Relatives of key management personnel*	Varun Mehta
7	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, Torrent Gas Pune Limited (formerly known as Mahesh Gas Ltd.), Torrent Gas Private Limited, Torrent Fincorp Private Limited

* where transactions have taken place during the year and / or previous year or where balances are outstanding at the year end
The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date").

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NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
Nature of transactions										
Sale of cables	-	-	-	-	-	-	-	0.97	-	0.97
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	0.16	-	0.16
Tornascent Care Institute	-	-	-	-	-	-	-	0.81	-	0.81
Sale of electricity	-	-	-	-	0.31	0.23	17.53	9.57	17.84	9.80
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	17.48	9.54	17.48	9.54
Executive and non-executive directors	-	-	-	-	0.31	0.23	-	-	0.31	0.23
UNM Foundation	-	-	-	-	-	-	-	0.03	-	0.03
Tornascent Care Institute	-	-	-	-	-	-	0.05	-	0.05	-
Interest income	13.02	6.29	-	-	-	-	-	-	13.02	6.29
Wind Two Renergy Private Ltd.	13.02	6.29	-	-	-	-	-	-	13.02	6.29
Dividend paid	4.21	5.38	-	-	-	-	141.58	427.32	145.79	432.70
Torrent Investments Private Ltd.	-	-	-	-	-	-	141.58	427.32	141.58	427.32
Power Grid Corporation of India Ltd.	4.21	5.38	-	-	-	-	-	-	4.21	5.38
Services provided (rent income including tax)	-	-	-	-	-	-	0.41	0.40	0.41	0.40
UNM Foundation	-	-	-	-	-	-	-	0.01	-	0.01
Tornascent Care Institute	-	-	-	-	-	-	-	0.01	-	0.01
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	-	-	-
Torrent Power Services Private Ltd.	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	0.39	0.37	0.39	0.37
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	-	-	-	-
Services received / remuneration paid	0.79	0.76	-	-	-	-	1.60	1.33	2.39	2.09
Power Grid Corporation of India Ltd.	0.79	0.76	-	-	-	-	-	-	0.79	0.76
Varun Mehta	-	-	-	-	-	-	1.60	1.33	1.60	1.33
Transmission income	41.86	43.53	-	-	-	-	-	-	41.86	43.53
Power Grid Corporation of India Ltd.	41.86	43.53	-	-	-	-	-	-	41.86	43.53
Shared expenditure charged to	0.29	0.27	-	-	-	-	0.06	-	0.35	0.27
Wind Two Renergy Private Ltd.	0.28	0.24	-	-	-	-	-	-	0.28	0.24
Wind Five Renergy Private Ltd.	-	0.03	-	-	-	-	-	-	-	0.03
Torrent Gas Pune Ltd.	-	-	-	-	-	-	0.06	-	0.06	-
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	-	-
Power Grid Corporation of India Ltd.	0.01	-	-	-	-	-	-	-	-	-



NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
	(₹ In Crore)									
Transfer of gratuity / leave liability to / (from)	-	-	-	-	-	-	0.59	0.29	0.59	0.29
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	0.51	(0.20)	0.51	(0.20)
Tonascent Care Institute	-	-	-	-	-	-	-	0.07	-	0.07
Torrent Gas Pune Ltd.	-	-	-	-	-	-	(0.22)	0.01	(0.22)	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	0.30	0.41	0.30	0.41
Managerial remuneration@	-	-	-	-	22.69	21.23	-	-	22.69	21.23
Samir Mehta	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Jinal Mehta	-	-	-	-	12.69	11.23	-	-	12.69	11.23
Commission to non-executive directors^	-	-	-	-	6.41	6.26	-	-	6.41	6.26
Sudhir Mehta	-	-	-	-	5.00	5.00	-	-	5.00	5.00
Samir Barua	-	-	-	-	0.32	0.30	-	-	0.32	0.30
Keki Mistry	-	-	-	-	0.24	0.18	-	-	0.24	0.18
Pankaj Patel	-	-	-	-	0.21	0.17	-	-	0.21	0.17
Bhavna Doshi	-	-	-	-	0.32	0.29	-	-	0.32	0.29
Dharmishta Raval	-	-	-	-	0.27	0.23	-	-	0.27	0.23
Sunaina Tomar#	-	-	-	-	0.05	-	-	-	0.05	-
Pankaj Joshi#	-	-	-	-	-	0.09	-	-	-	0.09
Sitting fees to non-executive directors^	-	-	-	-	0.58	0.52	-	-	0.58	0.52
Samir Barua	-	-	-	-	0.16	0.15	-	-	0.16	0.15
Keki Mistry	-	-	-	-	0.09	0.07	-	-	0.09	0.07
Pankaj Patel	-	-	-	-	0.07	0.06	-	-	0.07	0.06
Bhavna Doshi	-	-	-	-	0.14	0.12	-	-	0.14	0.12
Dharmishta Raval	-	-	-	-	0.11	0.10	-	-	0.11	0.10
Sunaina Tomar#	-	-	-	-	0.01	-	-	-	0.01	-
Pankaj Joshi#	-	-	-	-	-	0.02	-	-	-	0.02
Donation	-	-	-	-	-	-	1.51	6.00	1.51	6.00
Tonascent Care Institute	-	-	-	-	-	-	1.51	-	1.51	-
UNM Foundation	-	-	-	-	-	-	-	6.00	-	6.00
Contribution towards CSR	-	-	-	-	-	-	34.14	19.35	34.14	19.35
Tonascent Care Institute	-	-	-	-	-	-	34.14	17.24	34.14	17.24
UNM Foundation	-	-	-	-	-	-	-	2.11	-	2.11

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NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
	(₹ in Crore)									
Contribution to employee benefit plans (net)	-	-	63.09	25.88	-	-	-	-	63.09	25.88
TPL (Ahmedabad) Gratuity Trust	-	-	47.69	11.80	-	-	-	-	47.69	11.80
TPL (Ahmedabad) Superannuation Fund	-	-	6.87	6.00	-	-	-	-	6.87	6.00
TPL (Surat) Gratuity Trust	-	-	4.51	5.50	-	-	-	-	4.51	5.50
TPL (Surat) Superannuation Fund	-	-	1.29	1.19	-	-	-	-	1.29	1.19
TPL (SUGEN) Gratuity Trust	-	-	1.60	0.35	-	-	-	-	1.60	0.35
TPL (SUGEN) Superannuation Fund	-	-	0.49	0.46	-	-	-	-	0.49	0.46
TPL (DGEN) Gratuity Trust	-	-	0.28	0.20	-	-	-	-	0.28	0.20
TPL (DGEN) Superannuation Fund	-	-	0.32	0.34	-	-	-	-	0.32	0.34
TPG Superannuation Fund	-	-	0.04	0.04	-	-	-	-	0.04	0.04
Redemption of non-convertible debentures	-	64.54	-	-	-	-	-	-	-	64.54
Wind Four Renergy Private Ltd.	-	20.33	-	-	-	-	-	-	-	20.33
Wind Five Renergy Private Ltd.	-	44.21	-	-	-	-	-	-	-	44.21
Loan Given	18.70	153.02	-	-	-	-	-	-	18.70	153.02
Wind Two Renergy Private Ltd.	18.70	153.02	-	-	-	-	-	-	18.70	153.02
Loan received back	19.00	0.80	-	-	-	-	-	-	19.00	0.80
Wind Two Renergy Private Ltd.	19.00	0.80	-	-	-	-	-	-	19.00	0.80
Deposits received	-	-	-	-	-	-	-	-	-	-
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	-	-	-
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	-	-	-	-

^ excluding Goods and Services Tax.
@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.
Sitting fees and Commission of Miss Sunaina Tomar and Shri Pankaj Joshi (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

(c) Key management personnel compensation

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits	22.69	21.23
	22.69	21.23

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NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

	Associates		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
	(₹ in Crore)							
Balances at the end of the year								
Current liabilities								
UNM Foundation	-	-	18.91	18.76	0.81	0.49	19.72	19.25
Tornascent Care Institute	-	-	-	-	-	*	-	*
Torrent Investments Private Ltd.	-	-	-	-	*	0.07	*	0.07
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-
Torrent Power Services Private Ltd.	-	-	-	-	0.51	-	0.51	-
Torrent Gas Pure Ltd.	-	-	-	-	*	*	*	*
Torrent Gas Private Ltd.	-	-	-	-	-	0.01	-	0.01
Torrent Fincorp Private Ltd.	-	-	-	-	0.30	0.41	0.30	0.41
Sudhir Mehta	-	-	-	-	*	-	*	-
Samir Mehta	-	-	5.00	5.00	-	-	5.00	5.00
Jinal Mehta	-	-	10.00	10.00	-	-	10.00	10.00
Samir Barua	-	-	2.50	2.50	-	-	2.50	2.50
Keki Mistry	-	-	0.32	0.30	-	-	0.32	0.30
Pankaj Patel	-	-	0.24	0.18	-	-	0.24	0.18
Bhavna Doshi	-	-	0.21	0.17	-	-	0.21	0.17
Dharmishta Raval	-	-	0.32	0.29	-	-	0.32	0.29
Sunaina Tomar#	-	-	0.27	0.23	-	-	0.27	0.23
Pankaj Joshi#	-	-	0.05	-	-	-	0.05	-
Investment in equities	-	-	-	0.09	-	-	-	0.09
Tornascent Care Institute	-	-	-	-	0.05	0.06	0.05	0.06
UNM Foundation	-	-	-	-	0.03	0.03	0.05	0.03
Investment in non-convertible debentures (including amortise premium)	110.18	103.78	-	-	-	-	110.18	103.78
Wind Two Renergy Private Ltd.	110.18	103.78	-	-	-	-	110.18	103.78
Loans (including interest) (current)	-	0.07	-	-	-	-	-	0.07
Wind Two Renergy Private Ltd.	-	0.07	-	-	-	-	-	0.07

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

	Associates		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
	(₹ in Crore)							
Loans (including interest) (non-current)								
Wind Two Renergy Private Ltd.	155.70	157.88	-	-	-	-	155.70	157.88
Trade and other receivables	8.44	10.49	0.03	-	1.39	0.83	9.86	11.32
Tornascent Care Institute	-	-	-	-	0.01	-	0.01	-
Wind Two Renergy Private Ltd.	0.07	-	-	-	-	-	0.07	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	1.38	0.83	1.38	0.83
Executive and non-executive directors	-	-	0.03	-	-	-	0.03	-
Power Grid Corporation of India Ltd.	8.37	10.49	-	-	-	-	8.37	10.49
# Sitting fees and Commission of Miss Sunaina Tomar and 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.

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forming part of the consolidated financial statements for the year ended March 31, 2021



Notes

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NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW

(a) Capital management

The Group 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 Group's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 21, 22) and debt (borrowings as detailed in note 23).

The Group's management reviews the capital structure of the Group 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 Group'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 year is as follows.

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Debt	7,808.50	8,897.90
Total equity	10,705.17	9,706.94
Debt to equity ratio	0.73	0.92

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

(b) Categories of financial instruments

	(₹ in Crore)			
	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalent	107.28	107.28	91.16	91.16
Bank balance other than cash and cash equivalents	95.14	95.14	189.10	189.10
Investment in bonds and debentures	124.15	124.15	115.89	115.89
Trade receivables	1,420.29	1,420.29	1,279.75	1,279.75
Loans	204.92	204.92	191.57	191.57
Other financial assets	2,180.02	2,180.02	1,926.42	1,926.42
	4,131.80	4,131.80	3,793.89	3,793.89
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	341.58	341.58	607.59	607.59
Investment in equity instruments	0.05	0.05	0.06	0.06
	341.63	341.63	607.65	607.65

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forming part of the consolidated financial statements for the year ended March 31, 2021

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

	(₹ in Crore)	
	As at March 31, 2021	
	Carrying value	Fair value
Financial liabilities		
Measured at amortised cost		
Borrowings	6,672.18	6,733.38
Trade payables	1,090.90	1,090.90
Other financial liabilities	2,909.31	2,927.97
	10,672.39	10,752.25
	11,732.09	11,794.71

Footnotes:

- 1
- The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.
- 2
- Non current loan and Inter corporate Deposits carries the interest rates that are variable in nature and hence carrying value is considered as same as fair value.

(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 :
- Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes quoted equity instruments, investments in mutual funds that have quoted price.
- Level 2 :
- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.
- Level 3 :
- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

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 March 31, 2021	As at March 31, 2020		
Investment in mutual fund units	341.58	607.59	Level 1	Quoted bid prices in an active market
	341.58	607.59		

(2) Financial liabilities at amortised cost

	(₹ in Crore)			
	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2021	As at March 31, 2020		
Fixed rate borrowings (Non-convertible debentures)	2,161.55	1,527.62	Level 2	Inputs other than quoted prices that are observable based on yields provided by FIMMDA
	2,161.55	1,527.62		

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

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

(d) Financial risk management objectives

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations, routine and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group'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 Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Foreign currency risk

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

Unhedged foreign currency exposures:

(₹ in Crore)			
Nature of transactions	Currency	As at March 31, 2021	As at March 31, 2020
Financial liabilities			
Trade payable	USD	2.00	32.66
Trade payable	EURO	235.94	196.57
Capital liability	EURO	0.06	0.06

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 Group.

The Group 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 Group 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 Group.

Interest rate risk

Most of the Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group 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 Group's fixed and floating rate borrowings:

(₹ in Crore)		
	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings^	2,098.50	1,485.64
Floating rate borrowings^	5,710.00	7,415.54
	7,808.50	8,901.18

^ Transactions cost reduced from the borrowing is excluded.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

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

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.

(₹ in Crore)		
	Year ended March 31, 2021	Year ended March 31, 2020
Impact on profit before tax - increase in 50 basis points	(28.55)	(37.08)
Impact on profit before tax - decrease in 50 basis points	28.55	37.08

Credit risk

Trade receivables:

(1) Exposures to credit risk

The Group is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

(2) Credit risk management

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Group 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 March 31, 2021 and March 31, 2020. The Group is dependent on the domestic market for its business and revenues.

The Group'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, Group generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements

The Group 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 Group 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 March 31, 2021

(₹ in Crore)		
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,373.86	80.20
More than 6 months but less than or equal to 1 year	113.95	63.07
More than one year	182.90	107.15
	1,670.71	250.42

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

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

As at March 31, 2020

	(₹ in Crore)	
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,307.42	88.93
More than 6 months but less than or equal to 1 year	75.19	38.77
More than one year	132.94	108.10
	1,515.55	235.80

(5) Movement in the expected credit loss allowance

	(₹ in Crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	235.80	153.37
Movement in expected credit loss allowance on trade receivable calculated, net [Refer note 40]	14.62	82.43
Closing balance [Refer note 15]	250.42	235.80

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets:

The Group is having balances in cash and cash equivalents, term deposits with banks, Inter corporate deposits, Loans to related parties, investments in government securities and investment in mutual funds. With respect to investments, the Group limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Group's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Group therefore considers credit risks on such investments to be negligible. Loans receivable from related parties have negligible credit risk and hence no risk of default is perceived on them.

Liquidity risk

Liquidity risk is the risk that the Group 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 Group 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 Group's remaining contractual maturity for its financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

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

As at March 31, 2021

	(₹ in Crore)			
	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	5,028.78	3,960.75	8,989.53
Trade payables	-	111.23	31.54	142.77
Lease liabilities	-	17.73	29.50	47.23
Other financial liabilities	-	1.17	-	1.17
	-	5,158.91	4,021.79	9,180.70
Current financial liabilities				
Trade payables	974.79	-	-	974.79
Lease liabilities	6.77	-	-	6.77
Other financial liabilities (including interest and current maturity of borrowings)^	3,467.56	-	-	3,467.56
	4,449.12	-	-	4,449.12
	4,449.12	5,158.91	4,021.79	13,629.82

As at March 31, 2020

	(₹ in Crore)			
	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	5,323.70	6,109.83	11,433.53
Trade payables	-	73.88	61.40	135.28
Lease liabilities	-	22.69	27.48	50.17
Other financial liabilities	-	0.24	-	0.24
	-	5,420.51	6,198.71	11,619.22
Current financial liabilities				
Borrowings	3.28	-	-	3.28
Trade payables	1,037.91	-	-	1,037.91
Lease liabilities^	6.95	-	-	6.95
Other financial liabilities (including interest and current maturity of borrowings)^	3,515.44	-	-	3,515.44
	4,563.58	-	-	4,563.58
	4,563.58	5,420.51	6,198.71	16,182.80

^ Transactions cost reduced from the borrowing is excluded.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 57: IMPACT OF COVID-19 PANDEMIC

The spread of COVID-19 pandemic had impacted the demand for electricity and collection of electricity bills from consumers during the first half of the current year. Gradual revival of the economy has resulted in an increase in demand for electricity and the measures taken by the Group to recover the dues, has improved the collection efficiency and consequently there is a reversal of past provision for doubtful debts made in earlier periods in the distribution franchisee business.

The Group has considered the all possible impact of COVID-19 pandemic including the second wave of COVID-19 in India in preparation of these consolidated financial statements for the year ended March 31, 2021. The Group has made detailed assessment of its liquidity position, recoverability of carrying values of its financial and non-financial assets and impact on revenues and believes that there is no material adjustments required to be made in the financial statements for the year ended March 31, 2021. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Group.

NOTE 58: PROVISION FOR ONEROUS CONTRACTS

The Group has a provisions of ₹190.80 Crore (March 31, 2020 - ₹189.78 Crore) in respect of certain onerous contracts, towards potential damages and provisions of ₹23.03 Crore (March 31, 2020 - ₹23.03 Crore) in respect of other project related costs, arising from expected delays or failure to set up certain wind power generation capacities, awarded to the Group in a prior period under a competitive bidding process. The expected outflow will be determined at the time of final resolution of the matter.

NOTE 59: GOVERNMENT GRANT

(a) Nature of government grant

Ministry of Power, Government of India (Gol), 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 Gol. The Balance 50% was required to be funded by the Group. There are no unfulfilled conditions or other contingencies attached to these grants.

(b) Movement of government grant

	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
Opening balance	21.57	24.29
Add: Grants during the year	-	-
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 33]	(2.72)	(2.72)
Closing balance	18.85	21.57
Non-current portion [Refer note 26]	16.39	18.85
Current portion [Refer note 30]	2.46	2.72
	18.85	21.57

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 60: SOCIAL SECURITY CODE

The Indian Parliament has approved the Code on Social Security, 2020 (“Code”) which may likely impact the obligations of the Group for contribution to employees’ provident fund and gratuity. The effective date from which the Code is applicable and the rules to be framed under the Code are yet to be notified. In view of this, impact if any, of the change will be assessed and accounted in the period in which the Code and the rules thereunder are notified.

NOTE 61: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on May 20, 2021.

Signature to Note 1 to 61		
In terms of our report attached		For and on behalf of the Board of Directors
For Price Waterhouse Chartered Accountants LLP Firm Registration Number : 012754N / N500016		Samir Mehta Chairperson DIN:00061903
Priyanshu Gundana Partner Membership No.: 109553	Lalit Malik Chief Financial Officer	Rahul Shah Company Secretary
Mumbai, May 20, 2021		Ahmedabad, May 20, 2021

FORM AOC - 1

Statement pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 :

(a) Statement containing salient features of the financial statement of subsidiaries

1.	Name of Subsidiary Company	Torrent Power Grid Limited	Torrent Pipavav Generation Limited	Torrent Solargen Limited	Jodhpur Wind Farms Private Limited	Latur Renewable Private Limited	TCL Cables Private Limited	Torrent Saurya Urja 2 Private Limited	Torrent Saurya Urja 3 Private Limited	Torrent Solar Power Private Limited	(₹ in Crore)
2.	Financial year ended on	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	
3.	Share capital	90.00	50.00	80.05	111.00	110.00	2.00	0.05	0.05	0.05	
4.	Reserves and surplus	43.33	(16.76)	(96.31)	(0.93)	0.65	(16.10)	(0.01)	(0.01)	(0.02)	
5.	Total assets	178.18	94.34	915.58	432.48	434.26	244.46	0.05	0.05	0.04	
6.	Total liabilities (excluding share capital and reserves and surplus)	44.85	61.10	931.84	322.41	323.61	258.56	0.01	0.01	0.01	
7.	Investments	26.67	-	68.63	2.51	2.15	-	-	-	-	
8.	Turnover (Revenue from operations)	42.12	-	87.26	54.03	61.94	242.97	-	-	-	
9.	Profit / (loss) before taxation	19.39	(1.65)	(24.37)	0.41	9.18	(11.68)	(0.01)	(0.01)	(0.01)	
10.	Provision for taxation (including deferred tax)	0.08	-	(2.75)	0.03	2.23	(2.13)	-	-	-	
11.	Profit / (loss) after taxation	19.31	(1.65)	(21.62)	0.38	6.95	(9.55)	(0.01)	(0.01)	(0.01)	
12.	Other comprehensive income (net of tax)	(0.01)	-	-	-	-	0.73	-	-	-	
13.	Total comprehensive income	19.30	(1.65)	(21.62)	0.38	6.95	(8.82)	(0.01)	(0.01)	(0.01)	
14.	Proposed dividend	1.20	-	-	-	-	-	-	-	-	
15.	Extent of shareholding (in percentage)	74.00%	95.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	

Footnote :

- 1
- Torrent Pipavav Generation Limited, Torrent Saurya Urja 2 Private Limited, Torrent Saurya Urja 3 Private Limited and Torrent Solar Power Private Limited are yet to commence its operations.

FORM AOC - 1 (Contd.)

(b) Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Company

Name of Associates		Wind Two Renergy Private Limited	
1.	Latest audited balance sheet date	March 31, 2021	
2.	Date on which the associate was associated or acquired	December 12, 2017	
3.	Shares of associate held by the company on the year end		
(i)	Numbers	-	
(ii)	Amount of investment in associates	-	
(iii)	Extend of holding (in percentage)	0%	
4.	Description of how there is significant influence	The Company has acquired certain rights which include the right to nominate directors on the board. Considering the said facts and based on the requirements of Ind AS, Company has significant influence in the above company.	
5.	Reason why the associate is not consolidated	As the Company does not have equity interest in the above company, the Company does not have any share in the profit, loss or comprehensive income of the entity and accordingly, there is no impact on the Consolidated Statement of Profit and Loss.	
6.	Networth attributable to shareholding as per latest audited balance sheet	-	
7.	Profit / (loss) for the year	-	
(i)	Considered in consolidation	-	
(ii)	Not considered in consolidation	(5.39)	

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary
Ahmedabad, May 20, 2021



5 Years’ Highlights - Consolidated

Particulars	UoM	2020-21	2019-20	2018-19	2017-18	2016-17
TECHNICAL DATA						
Generation Capacity	MW	3,879	3,879	3,703	3,721	3,556
Units Billed by Generating Stations	MUs	11,649	12,168	10,004	9,671	7,543
Units Purchased	MUs	6,611	7,219	8,125	8,046	8,986
Units Sold	MUs	16,608	18,310	16,678	15,957	14,454
No. of Consumers	Mn	3.71	3.65	3.32	3.23	3.12
KEY FINANCIALS						
Total Income	₹ in Crore	12,314	13,818	13,341	11,776	10,191
EBITDA	₹ in Crore	3,607	3,734	3,389	3,381	2,651
Profit Before Exceptional Items and Tax	₹ in Crore	1,552	1,475	1,264	1,401	587
Total Comprehensive Income (after Non-controlling interests)	₹ in Crore	1,295	1,145	893	956	423
Equity Share Capital	₹ in Crore	481	481	481	481	481
Other Equity (Reserves and Surplus)	₹ in Crore	9,704	8,673	8,490	7,239	6,411
Loan Funds (Gross)	₹ in Crore	7,809	8,901	9,755	9,337	8,810
Fixed Assets	₹ in Crore	18,164	18,137	18,373	18,263	17,136
KEY FINANCIAL RATIOS						
EBITDA / Total Income	%	29.29	27.02	25.40	28.71	26.01
Net Profit Margin #	%	10.43	8.22	7.41	9.59	4.47
Return on Net Worth *#	%	12.42	11.05	9.54	12.62	5.57
Return on Capital Employed *#	%	10.01	9.32	8.23	9.62	7.31
Long Term Debt Equity Ratio *		0.73	0.92	0.90	1.01	1.06
Earnings Per Share	₹	26.86	24.43	18.70	19.61	8.93

Excluding Exceptional Items
* Deferred Tax Liability is included as a part of Equity

Corporate Information

Board of Directors

Sudhir Mehta, Chairman Emeritus
Samir Mehta, Chairperson
Pankaj Patel
Samir Barua
Keki Mistry
Bhavna Doshi
Dharmishta Raval
Sunaina Tomar, IAS (upto June 15, 2021)
Usha Sangwan (wef May 21, 2021)
Jinal Mehta, Managing Director

Audit Committee

Samir Barua, Chairperson
Keki Mistry
Bhavna Doshi
Dharmishta Raval

Stakeholders Relationship Committee

Pankaj Patel, Chairperson
Samir Mehta
Jinal Mehta

Nomination and Remuneration Committee

Pankaj Patel, Chairperson
Sudhir Mehta
Dharmishta Raval

Corporate Social Responsibility Committee

Bhavna Doshi, Chairperson
Samir Barua
Jinal Mehta

Risk Management Committee

Samir Barua, Chairperson
Bhavna Doshi
Sanjay Dalal (upto April 30, 2021)
Lalit Malik (wef May 01, 2021)

Committee of Directors

Samir Mehta, Chairperson
Jinal Mehta

Chief Financial Officer

Sanjay Dalal (upto April 30, 2021)
Lalit Malik (wef May 01, 2021)

Company Secretary

Rahul Shah

Statutory Auditors

Price Waterhouse Chartered Accountants LLP,
Chartered Accountants

Registered Office

Samanvay
600 Tapovan,
Ambawadi, Ahmedabad - 380015, Gujarat, India.
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Fax: +91 79 26764159

Corporate Identity Number

L31200GJ2004PLC044068

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Investor Services Email Id

cs@torrentpower.com

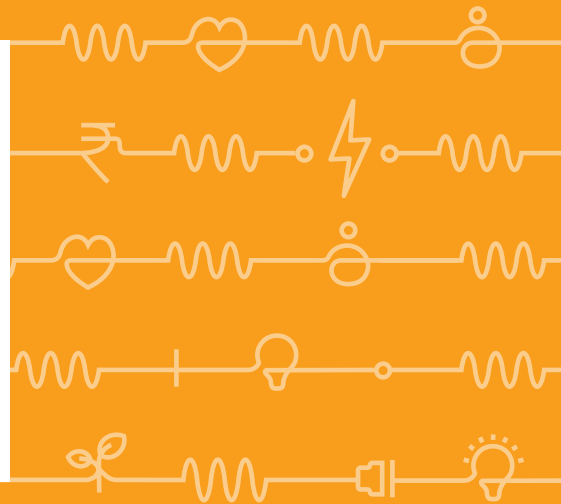
Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
Unit: Torrent Power Limited
5th floor, 506-508, Amarnath Business Centre-1,
Beside Gala Business Centre,
Nr. St. Xavier’s College Corner, Off. C. G. Road,
Ellisbridge, Ahmedabad - 380006 (Gujarat)
Phone: +91 79 26465179/86/87
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**Torrent Power Limited**

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/ Concept, content and design at **AICL** (hello@aicl.in)



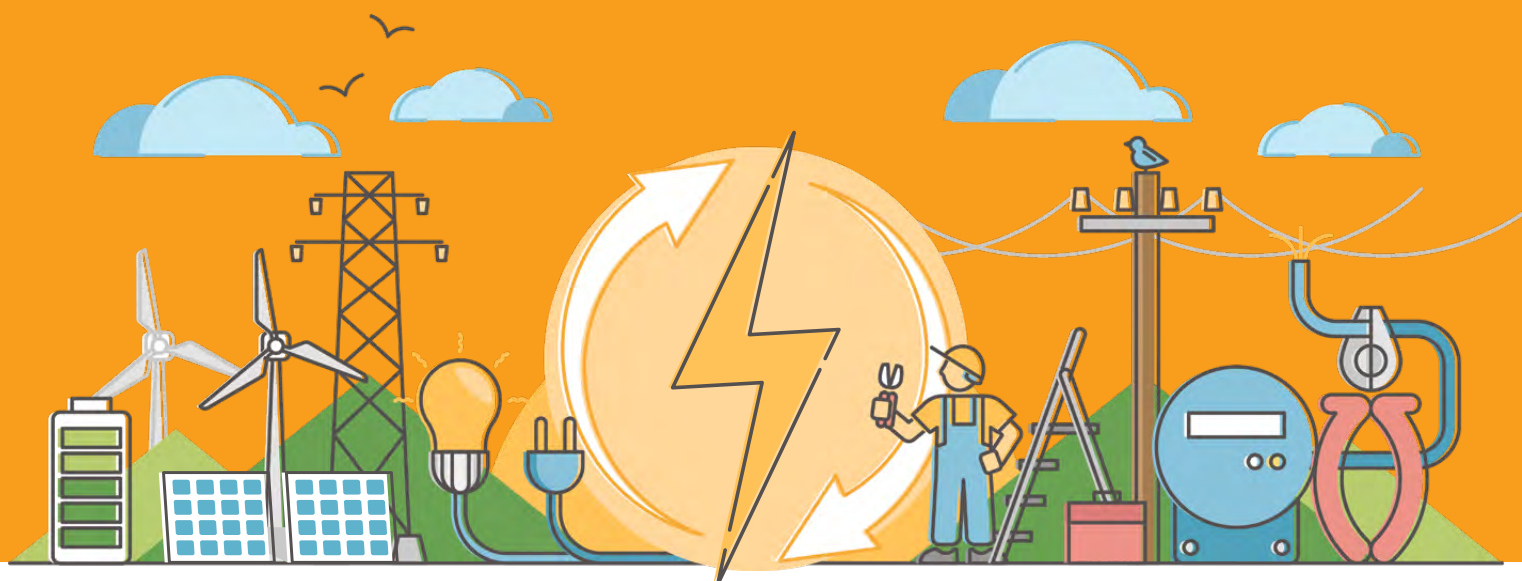
ACCELERATING GROWTH WITH SUSTAINABILITY

Since inception, our Company, Torrent Power has steadily expanded its footprint and delivered superior service to customers. Today, we are one of the India's leading integrated power utilities. This growth has been driven by our purpose, guided by our core values and fuelled by the passion and commitment of our people.

We have been able to maximise value creation for our stakeholders through a robust business model. It is our endeavour to align our growth strategy with national and global priorities. We are committed to accelerating our growth by operating with agility, responsibility and sustainability coupled with high governance standards.

India's growing economy, enabling policy framework and ambitions to achieve energy security and self-reliance have created a conducive environment for the accelerated growth of the power sector. We firmly believe that the integration of sustainability into core business strategy and operations is a prerequisite to achieving sustained competitive advantage and leveraging upcoming opportunities. In line with our belief, we have proactively developed and integrated a comprehensive ESG framework covering all relevant sustainability aspects into our business strategy and operations. Our ESG journey is guided by our vision of **"becoming a world-class integrated energy company powering India responsibly and sustainably"**.

Our growth strategy is based on the strategic themes of 'Investment in the Company's Growth Engines', 'Achieving Operational Excellence', 'Empowerment of Stakeholders', 'Deployment of Digital Technologies, and 'Taking Responsible Actions'. Our future-focused and holistic strategy framework ensures that we are on track to achieve 'Accelerated Growth with Sustainability'.



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ABOUT THE REPORT

We welcome you to Torrent Power's First Integrated Annual Report for FY22. The Report provides our stakeholders with a holistic view of the business model of the Company and details the sustainable impact we have created for our stakeholders while balancing the needs of people & our planet and ensuring our operations' profitability during the financial year from April 1, 2021 to March 31, 2022. It covers the Company's Vision, Mission and Strategic Themes together with an in-depth and transparent view of both financial and non-financial information. The Report also attempts to present the success and challenges of our value creation journey during this period, including the process to arrive at material issues and subsequently devising a comprehensive ESG strategy to cover a medium to long-term roadmap.

Frameworks Referred

The presentation of the Report is in adherence to the principles and requirements of the International Integrated Reporting Council's (IIRC) <IR> Framework. The report includes sustainability performance data aligned to the 'Core' option of the Global Reporting Initiative (GRI). Other reporting frameworks referred to include Sustainability Accounting Standards Board (SASB) parameters, United Nations Sustainable Development Goals (UN SDGs), National Voluntary Guidelines (NVG) and United Nations Global Compact (UNGC) principles. A linkage to various parameters of such frameworks referred against various GRI indicators is also annexed to this report.

The statutory sections of the Report have been developed in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by The Institute of Company Secretaries of India.

Reporting Boundary and Scope

The report covers all operations of the Company and its subsidiaries covering Thermal Generation, Renewable Generation, Licensed Distribution, Franchised Distribution, Transmission and Cables manufacturing business. The focus is to report on Key Material Topics identified through a systematic process by engaging various stakeholders.

Responsibility Statement

The Board of Directors acknowledge their accountability for the integrity and completeness of the Report, including its presentation, which is guided by the <IR> framework.

Feedback

In line with our goal to accelerate our sustainability journey in partnership with our stakeholders, we seek your valuable feedback and suggestions to continually improve our reporting standards and related processes. Please send in your suggestions to esg@torrentpower.com.

Forward-looking Statements

Certain statements in this Report may be forward-looking. Actual outcomes may vary from those expressed or implied. The Company assumes no responsibility to publicly amend, modify, update or revise any such statements on the basis of subsequent developments, information or events.



OUR CORE VALUES

We believe in and build upon six core values of Integrity, Passion for Excellence, Participative Decision Making, Concern for Society & Environment, Fairness with Care and Transparency.

Each of these timeless values act as our pillars of strength and ensure our longevity.



INTEGRITY

When truth is paramount

Thoughts and actions entail doing the right thing at all times and in all circumstances, whether or not anyone is watching. This requires inner courage and conviction, no matter what the consequences are. It is honouring one's commitments and being accountable for one's actions, end-to-end.



PASSION FOR EXCELLENCE

When best is not enough

Passion for excellence means not doing extra-ordinary things, but doing ordinary things in all pursuits exceedingly well. Passion and excellence are forces that fuel each other on the exclusive path to leadership. As we are what we repeatedly do, excellence then is not an act, but a habit.



PARTICIPATIVE DECISION MAKING

Involvement that engenders effectiveness

An ideal organisation facilitates participation and involvement of each of its members in various decision making processes, thus ensuring their commitment to such decisions as well as their outcome. It provides a platform for seeking and nurturing constructive ideas from individuals, teams and units which eventually yields exceptional results.



CONCERN FOR SOCIETY AND ENVIRONMENT

When every smile matters

Concern for Society & Environment is a sense of responsibility. Contribution to society defines our existence. It entails making a difference in the quality of lives and environment surrounding us. It is important to encourage fellow members on collective as well as individual basis to fulfil the responsibility of leaving behind a world rich in flora and fauna, time tested values and ideals and above all, in social fervour for our future generations.



FAIRNESS WITH CARE

Harnessing equality

Fairness and Care towards all fellow members are inextricably linked. Weaving the threads of equality, irrespective of caste, creed, religion and gender, into the day to day fabric, ensures fairness for each and every individual. Empathic care recognises the needs and aspirations of all. Only such fairness and care eventually lead fellow members to the dawn of eternal success.



TRANSPARENCY

Openness that builds enduring trust

Transparency implies openness. It is the opposite of secrecy. It encourages more informed decision making and aids in creating enduring trust among all stakeholders.

CHAIRMAN'S MESSAGE

Accelerating responsible growth for a sustainable future

Dear Stakeholders,

On behalf of the Torrent Power family, I welcome you to our first Integrated Annual Report that provides you with a view of our financial and non-financial performance for FY22. As a Company, we have always believed that we must create lasting value beyond financial returns for our stakeholders. This report shares the progress and challenges we have faced as we accelerated our growth with sustainability in the reporting year. This report also marks an important milestone in our continuous efforts to provide stakeholders with comprehensive and transparent information about the Company.

POWER SECTOR SCENARIO

As the pandemic ebbed, FY22 offered us new opportunities coupled with some challenges. The year started with a favourable outlook with a spike in power demand. In the first half of the year, we saw a growth in power demand of around 12%, highest in the decade. However, the growth trajectory soon derailed due to supply constraints of coal accompanied by high fuel prices of coal and gas. The Russia-Ukraine conflict and economic sanctions on Russia further impacted the situation. This was a year of power crisis where we saw load curtailment in some states due to the non-availability of fuel accompanied by a sharp increase in power rates. The rates were so high that the regulators had to intervene and cap power prices. The successive waves of the Covid-19 pandemic throughout the year heightened business continuity concerns. However, the resilience of our teams and the efficiency of our plants enabled us to deliver on our commitments to customers and other stakeholders despite these challenges.

Against the growing challenges of climate change, a paradigm shift to responsible energy generation, distribution and consumption is underway. The recent geopolitical conflicts reinstated the need for a swifter transition to cleaner fuels, which is imperative for sustainable development. Countries around the globe are

trying to reduce their reliance on fossil fuels and increase the concentration of renewables in their energy portfolio. India is also targeting about 500 GW of installed renewable energy capacity by 2030. Our country has been a leader in renewable energy installation and will likely lead the world on this journey to clean energy in the coming years. Various efforts by the Government to



promote the use of clean energy and reduce carbon footprint through multiple initiatives will accelerate India's move towards net-zero carbon emission by 2070.

The development of critical infrastructure sustains economic growth. The welfare of our people is intrinsically linked with the availability of adequate power generation capabilities and supplies. India has seen a GDP growth of 8.70% in FY22 which was led by public and private investments. The pace of infrastructure development and demand for electricity has also increased rapidly. This has led to an urgent need to scale installed power

generation capacities and expand distribution, transmission and grid infrastructure. These efforts must be facilitated by adequate government support through pragmatic power sector reforms and private sector investments.

ACCELERATING GROWTH WITH SUSTAINABILITY AT TORRENT POWER

Sustainable Growth

We are one of the industry leaders with integrated operations across power generation, transmission and distribution. During FY22, we grew our operational footprint inorganically through several strategic acquisitions to address the changing needs of our stakeholders and the dynamic external environment.

During the year, our Company successfully completed the acquisition of 51% stake in the power distribution company of Dadra & Nagar Haveli and Daman & Diu union territory spanning an area of 603 sq. kms. The target company distributes 9 billion units of power and has annual sales of ₹4,500 Crore. Your

Company has been managing these operations from April 1, 2022 and supplying electricity to around 1.5 lakh customers.

During the year, our Company also expanded its Renewable Energy portfolio (both solar and wind) by acquiring 231 MW of additional capacities. With such acquisition, the Company's renewable asset base grew to 1,018 MW and expanded our reach to the new states of Rajasthan and Madhya Pradesh. We have another 565 MW of renewable projects in the pipeline.

These investments will help us grow sustainably and profitably, creating value for our stakeholders in the medium and long term.

Operational and Financial Highlights FY22

We are led by our mission of powering India's economic growth and equitable development through access to reliable energy. We continued to deliver uninterrupted power supply to our customers – even in a year marked by a power crisis. Our efficient operations ensured that our distribution losses at licensed distribution remain one of the world's lowest at 3.9%. Our gas-based generation business had modest operations given fuel supply constraints, while the coal-based plant performed much better than last year because of resurgence in demand.

In FY22, our Earnings before Interest, Depreciation, Tax and exceptional items was higher by 6.1% compared to the previous year. The financials include a one-time non-cash charge of ₹1,300 Crore as a result of impairment of the DGEN plant. Excluding such impairment charges (net of tax), the adjusted Total Comprehensive Income (TCI) for FY22 remained higher at ₹1,389 Crore compared to ₹1,300 Crore for FY21. Company's financial performance is described in greater detail in the Management Discussion and Analysis section of this report.

Strengthening the Social Pillar

Since our inception, ensuring the safety and well-being of our employees, communities, customers and other stakeholders has been our priority. Our well-structured policies and ingrained safety culture have allowed us to operate with stringent safety measures serving the interests of all our stakeholders.

During the year, we won the British Safety Council's prestigious Sword of Honour award for excellence in health and safety and the Globe of Honour award for environmental sustainability. These recognitions testify to our high operational health and safety standards and environmental management policies and processes. We achieved five stars (>92% score) in the British Safety Council's audit and are one of just five organisations worldwide (of which only two, including Torrent Power, are

electric utilities) to receive both these prestigious recognitions in 2021. Further, we are the second Company ever from India to win both these accolades in a single year, a remarkable achievement by no means.

Employees are our strength and their determination and contributions have made us one of the leading power utilities in India. We strive to foster the holistic development of our employees to create a future-ready workforce. A conducive and safe workplace keeps our employees motivated and increases productivity, leading to higher operational efficiencies and customer delight. We are focused on building a workplace where diversity is respected and actively encourage women's participation in the workforce. This year, women constituted approximately 20% of the talent we recruited.

We are committed to partnering with our community to help them grow as we expand our business. Through the reporting year, we sharpened our focus on our community engagements and CSR endeavours. Various initiatives were undertaken to expand our flagship CSR platform – REACH (Reach EACh Child), which focuses on paediatric and women's care. Other CSR programmes of the group, including Sikshasetu, a teaching and learning initiative, Pratiti focusing on park development and maintenance and Abhivyakti, which promotes art and culture, are also making a tangible difference in the lives of our community members.

BUILDING A FUTURE-FIT COMPANY

Our focus on balancing financial and non-financial priorities and risk management is strengthening the foundation of our business and is critical for our continued success. We will continue looking for new opportunities in the distribution and transmission sectors through privatisation or franchising of distribution areas. We aim to increase our renewable portfolio through new bids or acquisitions in the coming years. As always, we remain steadfast in our commitment to good governance, a customer-centric approach and creating sustainable value for our stakeholders.

I express my gratitude to our stakeholders for their trust and faith in Torrent Power. With your support, we are firmly placed to take your Company forward on a path of financial progress and a sustainable future.

Best wishes,
Samir Mehta
Chairman



KEY PERFORMANCE HIGHLIGHTS

Our sound strategies that balance our stakeholders' short, medium and long-term needs have allowed us to perform on the financial and non-financial parameters consistently. We are driven by our passion for excellence and a firm belief of care & concern for society and the environment. Our performance has delivered on stakeholder expectations year after year on significant parameters like operational efficiency, customer service and ethical & transparent operations. While financial

and operational highlights have been presented during the past years, in the current report we also highlight the performance on non-financial parameters. Despite challenges related to the pandemic, high fuel prices, coal shortages and other external threats, we have ensured an uninterrupted power supply to our customers across our operational markets. As we take proactive steps to strengthen our capabilities across the energy value chain, we continue to be led by our mission to impact lives positively.

FINANCIAL PERFORMANCE HIGHLIGHTS

₹23,642 Crore

[Previous year – ₹20,365 Crore]

3 year CAGR – 24%

Market Capitalization

₹14,258 Crore

[Previous year – ₹12,173 Crore]

Revenue from operations

13.20%

[Previous year – 12.68%]

Return on net worth*

0.83

[Previous year – 0.73]

Debt to Equity

₹1,387 Crore

[Previous year – ₹1,296 Crore]

Profit after tax*

₹1,906 Crore

[Previous year – ₹1,358 Crore]

Capital Expenditure

CRISIL AA+/ Stable

(Upgraded from 'CRISIL AA/ Stable' in previous year)

Credit rating



*before exceptional items.

OPERATIONAL PERFORMANCE HIGHLIGHTS

4,110 MW

Operational Generation Capacity

231 MW

Renewable capacity acquired

565 MW

Renewable Generation Capacity in pipeline

603 sq. km

51% stake acquired in licensed distribution area of Dadra & Nagar Haveli and Daman & Diu

3.93%

Distribution Losses at Licensed Distribution

17 BN

Units power distributed in licensed and franchised distribution area

4 MN

Total no. of consumers served

24X7

Power Availability

>99%

Power Reliability

~100%

Collection efficiency in distribution areas

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

ENVIRONMENT

- 01 **> 90% clean energy** generation capacity
- 02 **43%** of green cover in generation power plants against statutory limit of 33%
- 03 Our Licensed distribution units won **British Safety Council's Globe of Honour Award**
- 04 **>87%** of total waste is diverted from disposal
- 05 **100% of power generation** facilities are Zero Liquid Discharge (ZLD)
- 06 **0.13 tCO₂e/GJ** GHG Emissions Intensity
- 07 **~1.14 lakh m³** of rain water harvested during the year
- 08 **100%** fly ash utilisation in thermal power plants

SOCIAL

- 01 **7,603** Total Workforce
- 02 **₹57 Crore** Expenditure incurred towards Community Development
- 03 **>93%** of employees trained during the year
- 04 **20% women** in total recruitment during the year
- 05 **38,372 hrs** of safety training provided during the year
- 06 **100%** of customer's complaints resolved within prescribed time
- 07 Our licensed distribution units **won British Safety Council's Sword of Honour** & Gas-based generation facilities got **5 star rating** for the 2nd time under Health and Safety audit

GOVERNANCE



Formation of Sustainability Committee



>55% Independent Directors



33% Women Directors

COMPANY OVERVIEW

Torrent Power is one of India's leading private integrated power utilities having a presence in power generation, transmission and distribution business. Additionally, we manufacture and supply high-quality power cables. Our operations span over six states of India - Gujarat, Maharashtra, Uttar Pradesh, Karnataka,

Rajasthan and Madhya Pradesh and one union territory of Dadra & Nagar Haveli and Daman & Diu. Our broad spectrum of capabilities offers us an unmatched advantage to efficiently provide electricity to our customers and deliver a superior experience.

GENERATION

We have an aggregate operational generation capacity of 4,110 MW at present, with a distinctive mix of coal-based, gas-based, solar and wind power plants. Further, 565 MW of renewable capacity is in pipeline.



362 MW

Coal-based Thermal Generation



2,730 MW

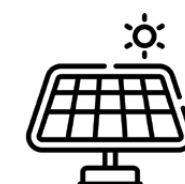
Gas-based Thermal Generation

3,092 MW

Total Thermal Generation Capacity



4,110 MW
Total Operational Generation Capacity



213 MW

Solar Generation



805 MW

Wind Generation

1,018 MW

Total Renewable Generation Capacity

565 MW
Renewable Capacity in pipeline consisting 450 MW Solar power and 115 MW Wind

In FY22, we acquired three renewable projects in line with our strategic objective to strengthen our renewables business, allowing us to expand our operational renewable portfolio by 231 MW.

DISTRIBUTION

Our unrelenting focus on service excellence and customer experience is best demonstrated by providing continuous power supply at >99.9% power availability in the licensed areas of Ahmedabad, Gandhinagar, Surat and Dahej SEZ. We take pride in maintaining our track record of supplying power 24x7 in our licensed areas of operations. Distribution losses at licensed distribution areas have declined to ~3.93%, one of the best globally. Our technology investments and operational farsight have enabled us to achieve operational excellence. As

a licensee, we are also establishing a distribution network in the Dholera Special Investment Region (DSIR), which spans 920 sq. km.

In our Franchised Distribution business, our focus is on expanding and upgrading the network in existing areas of Bhiwandi and Agra and improving the operations in the areas of Shil, Mumbra & Kalwa to serve electricity demand with minimum AT&C losses.

In line with our strategic intent to grow our distribution business, we have acquired 51% equity share capital of Dadra & Nagar Haveli and Daman & Diu Power Distribution Corporation Limited, with operations taken over with effect from April 01, 2022. With this acquisition, we now supply electricity to additional 0.2 million customers spread over 603 sq.km.

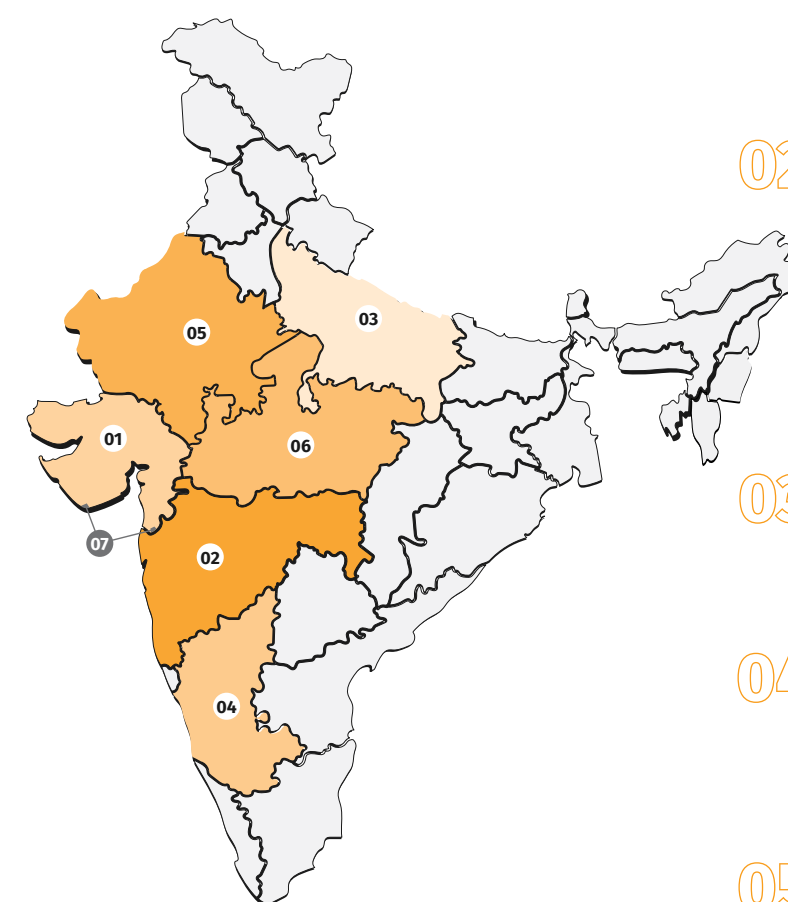
TRANSMISSION

We operate 249 km and 105 km of 400 kV double circuit transmission lines and 128 km of 220 kV double circuit transmission lines for transmission of power generated at our gas-based power plants to various off-take centres.



Aerial view of SUGEN, UNOSUGEN and GENSU plants

GEOGRAPHICAL FOOTPRINT

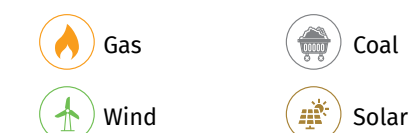


01	GUJARAT		
	AMGEN (362 MW)		Sabarmati, Ahmedabad
	DGEN (1200 MW)		Dahej, Bharuch
	SUGEN & UNOSUGEN (1530 MW)		Kamrej, Surat
	Wind (49.6 MW)		Jamnagar
	Wind (251.6 MW)		Kutch
	Wind (50.9 MW)		Rajkot
	Wind (50.4 MW)		Bhavnagar
	Wind (26 MW)		Surendranagar
	Wind (70 MW)		Amreli and Rajkot
	Solar (87 MW)		Kamrej, Surat
	Solar (25 MW)		Surendranagar
	Solar (51 MW)		Patan
	Ahmedabad and Gandhinagar		
	Surat		
	Dahej SEZ		
	Dholera		

02	MAHARASHTRA		
	Wind (126 MW)		Osmanabad
	Solar (50 MW)		Solapur
	Bhiwandi		
	Shil, Mumbra and Kalwa		
03	UTTAR PRADESH		
	Agra		
04	KARNATAKA		
	Wind (120 MW)		Gulbarga and Raichur, Karnataka
05	RAJASTHAN		
	Wind (24 MW)		Jaisalmer
06	MADHYA PRADESH		
	Wind (36 MW)		Mandsaur
07	DADRA & NAGAR HAVELI AND DAMAN & DIU		
	Dadra & Nagar Haveli and Daman & Diu		

Legends

Power Generation



Distribution Licensee Distribution Franchisee



AWARDS & CERTIFICATIONS

Awards are more than a pat on the back; they create value for the Company by enhancing our reputation and providing an additional reason to our stakeholders to take pride in being associated with Torrent Power. On the other hand, certifications assure our stakeholders of the hallmark quality of our operations. At Torrent Power, we have always worked with “Passion for Excellence”- one of our Core Values and a testimony of the same is reflected in the awards and certifications we received in FY22.

British Safety Council's prestigious

“Sword of Honour”
award for achieving excellence in the field of health and safety for Ahmedabad, Gandhinagar and Surat distribution operations and Gas-based generation facilities

“Globe of Honour”
award in the field of environmental sustainability for Ahmedabad, Gandhinagar and Surat distribution operations



Torrent Power has become first DISCOM in India to achieve **five-star rating** in Health and Safety under British Safety Council's Audit.

Our Gas-based generation facilities have also received a **five-star rating** for the 2nd time in a row under British Safety Council's Health and Safety Audit.

To compete for the “Sword of Honour” and “Globe of Honour” awards, an organisation goes through an exhaustive audit program in health, safety and environment. The organisation must demonstrate, to an independent panel of experts, its excellence in health & safety and environmental management throughout the business and must also achieve five stars (>92% score) in the British Safety Council's rigorous audit scheme. Our organisation is one of just 5 organisations (of which only two including Torrent Power are electric utilities) worldwide to receive both these prestigious recognitions. Torrent Power is only the second company ever from India to win both these accolades in a single year.

Our licensed distribution units have completed the 2nd Surveillance Audit for Integrated Management System (IMS) recertification. Our thermal plants are also IMS certified covering following certifications:



ISO 9001:2015
Quality Management System



ISO 50001:2018
Energy Management System



ISO 14001:2015
Environment Management System



ISO 45001:2018
Occupational Health and Safety Management System



ISO 55001:2014
Asset Management System (For gas-based generation facilities)



ISO 27001
Information Security Management System (For gas-based generation facilities)

Gas-based Generation Plants have implemented 5S (Workplace Management System) and have been certified by the **Quality Circle Forum of India (QCFI)** and **Union of Japanese Scientists and Engineers (JUSE)**



Meter testing laboratories at distribution units are **accredited by NABL** and comply with the requirements of international standards for testing and calibration laboratories **ISO 17025:2005**



Awards won in Annual Convention on Quality Concepts-2021 Competition held by QCFI across various chapters:

- **“GOLD”** by SUGEN team under ‘KAIZEN’ Competition
- **“GOLD”** by DGEN team under ‘Five S’ Competition
- **“GOLD”** by AMGEN team under ‘5S creativity/ Kaizen’ Competition
- **“SILVER”** by AMGEN team under ‘Allied Quality Concept’ Competition

Health and Safety systems at SUGEN have been appreciated by the National Safety Council of India with the **“Prashansa Patra”** award



The learning centre of AMGEN is CEA (Central Electricity Authority, New Delhi) recognised **Category-I Training Centre since 1987**. CEA has issued a certificate of recognition for five years till March 31, 2024.



AMGEN received **‘Eat Right Campus’** certification from FSSAI with a five-star rating

CORPORATE GOVERNANCE

Leading with Robust Governance

At Torrent Power, we believe that adopting robust governance principles goes beyond compliance requirements and is extremely vital for growing sustainable business. Ethical, transparent and accountable business conduct has earned us our stakeholders' trust and investor confidence. We have stringent policies that mandate that we lead with ethics and principles of good business conduct in all our actions. Our Code of Conduct lays down the guidelines for business conduct aligned to our value system and regulatory requirements. It guides members of the Board and employees to recognise and deal with critical

ethical issues and fosters a culture of honesty and accountability.

Our Core Governance Principles = Transparency, Integrity & Accountability

These principles continue to be the cornerstone of our success as we accelerate growth with sustainability. Further, timely and transparent disclosures enable our stakeholders, including investors, to understand and assess our financial and non-financial performance in line with established governance practices.

BOARD OF DIRECTORS

A well-instituted and vigilant Board to provide oversight and lead the way to weave sound governance principles in day-to-day operations is imperative for an organisation's success. Our

Board provides strategic direction to steer our business ahead through efficient and profitable operations besides serving as custodians of good governance.

A Strong Board

- A diverse board, rich in experience with varied professional experience and academic background
- Our nine-member Board has an optimum combination of Executive and Non-Executive Directors, including three Women Directors*
- More than 75% of the Board members are Non-Executive*
- More than 55% of the Board members are Independent Directors*
- 33% of the Board are Women Directors*

*As of March 31, 2022.

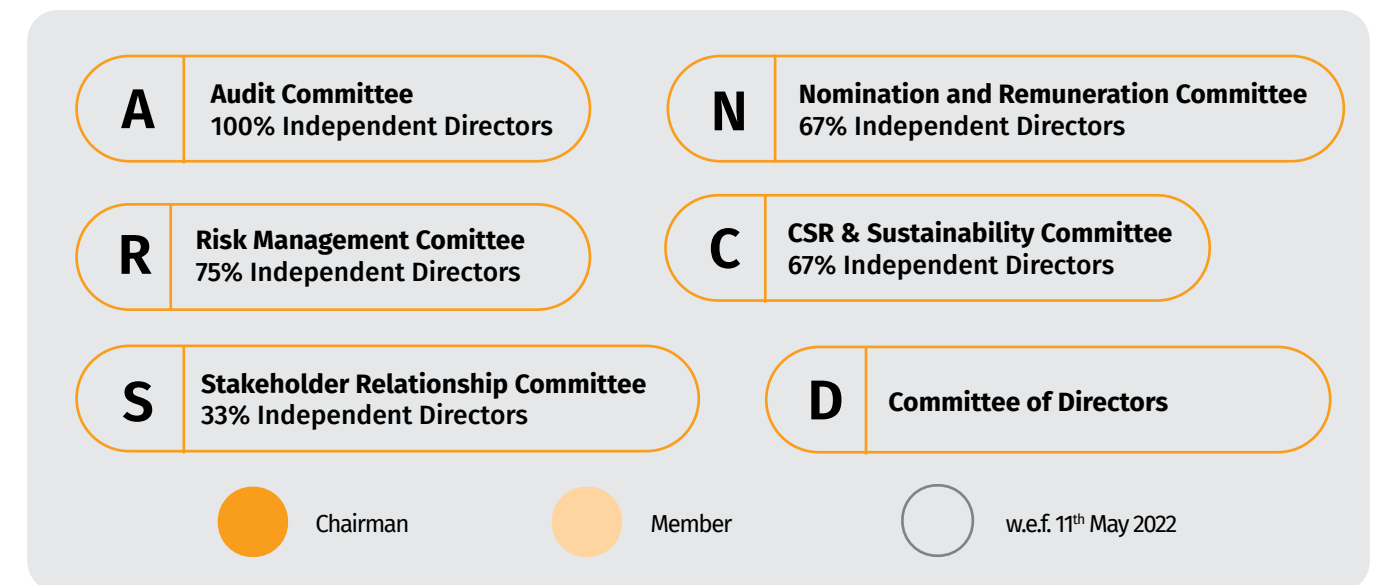
The Board oversees all strategic, operational and functional parameters of our Company. It ensures we run and grow our business in line with our stated goals and create long-term sustainable value for our stakeholders.

BOARD COMMITTEES

Board Committees chaired by Independent Directors bring specific domain expertise to facilitate timely decision making with due consideration to inherent or external risks. They provide recommendations on various issues relevant to our short, medium and long-term needs after thorough evaluations. Together, the Board and its committees play a crucial role in

helping us improve our performance efficiency and running transparent operations.

With a view to achieving our ESG goals, the Company has, during the year, enhanced the terms of reference of the CSR committee and re-designated the Committee as CSR and Sustainability Committee.



Meet our Board



SUDHIR MEHTA

N

Mr. Sudhir Mehta, Chairman Emeritus of ₹22,500 Crore Torrent Group, is the driving force behind its strong presence in Pharma and Power sectors. Born in 1954, Mr. Sudhir Mehta formally joined the family business in the early 70s.

After completing his education, Mr. Mehta joined his father in managing the affairs of Torrent Pharma and began learning the nuances of business and management under his watchful eyes. He brought great dynamism and large business acumen to the Group, resulting in the initial success of Torrent Pharma, the flagship company of the Torrent Group. He was instrumental in the commissioning of its first manufacturing facility at Ahmedabad and bagging the first export order to Russia. In recognition of its superior performance, Torrent Pharma earned the President's award for highest pharmaceuticals exports of ₹1,570 million in FY 1991-92.

The astute businessman in Mr. Mehta was quick to foresee the emerging opportunities in the power sector. He led Torrent's foray into this sector by acquiring the ailing Mahendra Cables in the late 80's, TCL Cables Private Limited. This was followed

by the acquisition of Ahmedabad Electricity Company and Surat Electricity Company in the early 90's, now part of Torrent Power Limited. Over the years, he planned strategies and built resources with the aim of making Torrent Power a leader in this sector. As a result of his efforts, a 655 MW dual fuel combined cycle power project was commissioned within stipulated cost and time.

Mr. Mehta took over as the Chairman of the Torrent Group in 1998 after the demise of his father, Mr. UN Mehta. Under the able leadership of Mr. Mehta, Torrent Group has since grown into a leading business group.

Torrent Pharma today has a strong presence in various therapeutic segments with seven world-class operational manufacturing plants and a state-of-the-art research centre. Torrent Pharma's global operations are spread across 40 countries with wholly owned subsidiaries in most major markets. The acquisition of Elder Pharma's Indian branded business in 2013, the Dermaceutical business of Zyg Pharma in 2015, the API plant of Glochem Industries in 2016, women healthcare brands from Novartis and Unichem's Indian branded business and its Sikkim Plant in 2017 further strengthened Torrent Pharma's position.

Alongside, Torrent Power today has a strong foothold in generation, distribution and transmission segments. The Company now has an aggregate installed generation capacity of ~4.1 GW, largely consisting of clean sources such as gas (2.7 GW) and renewables (1.0 GW). It distributes nearly 26 billion units of power per annum including units distributed at Dadra & Nagar Haveli and Daman & Diu and caters to a peak demand of approximately 4,850 MW to over 4 million customers across 12 cities.


**SAMIR
MEHTA**
S D

Mr. Samir Mehta, 58, is the Chairman of ₹22,500 Crore Torrent Group.

Under his leadership, Torrent Pharma took several strategic initiatives, including forays into new therapies and geographies, large investments in product development infrastructure and capabilities, and building state-of-the-art manufacturing facilities and acquisitions, thus establishing Torrent as one of India's fast growing and well-respected Pharma majors. His emphasis on professional organisational design, precise execution and operational efficiencies has built a strong and globally competitive generic business platform in Torrent Pharma.

Mr. Mehta has also guided the Group's entry and growth in the power sector. Torrent Power has systematically improved its performance on all efficiency parameters and ranks amongst the best run power utilities in the country. His emphasis on efficiency and reliability has

led the Company to demonstrate exemplary operational capabilities and high customer orientation, thus setting new benchmarks in the sector and attracting many accolades.

In a move to expand its business presence, Mr. Mehta mentored the Group's entry into the emerging City Gas Distribution (CGD) sector by participating in bidding rounds for new areas and acquiring existing CGD entities. In a short span, Torrent has established an investment plan of ₹10,000 Crore and started rolling out its network across 17 geographical areas in India.

Much before the current emphasis on CSR, Mr. Mehta always conducted business in a socially responsible way, giving a new dimension to the traditional meaning of CSR. He has emphasised environmental responsibility in industrial operations and the creation of local livelihoods in the influence areas of Torrent establishments. His belief that improving community health and school education of the underprivileged class are powerful instruments for social empowerment and upliftment has driven much of the Group's investments in CSR activities.

With a fine blend of business acumen and cautious entrepreneurial optimism, Mr. Mehta has positively influenced all aspects of the Group culture with his contemporary outlook and innovative ideas. Torrent Group has established a reputation for being employee-centric and, above all, fair and humane in all its dealings.

Invest India. Mr. Patel is also the Past President of the Federation of Indian Chamber of Commerce & Industry (FICCI).

He is a Member of the Board of Governors of the Indian Institute of Management (IIM), Ahmedabad. He is also the Chairman of the Board of Governors and Society, IIM, Udaipur. Mr. Patel is currently on the Governing Board of Ahmedabad University, CEPT and the Chairman of the School of Life Sciences - Ahmedabad University. He is also a Member of the Board of the Narsee Monjee Institute of Management Studies, a Member of the Governing Board of the Gujarat Law Society, Nirma University and the Anant National University, Ahmedabad.

Mr. Pankaj Patel is the Executive Chairman, Vice President and Trustee of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute, a Regional Cancer Centre and one of the largest cancer centres in India, reaching out to the needy and underprivileged cancer patients. He also officiates as the Chairman of the Deaf and Mute School, Ahmedabad.


**PANKAJ
PATEL**
N S

Mr. Pankaj Patel is the Chairman of Zydus Lifesciences Limited, an innovation-driven, global healthcare company with operations in more than 50 countries worldwide. A stalwart and a visionary, Mr. Pankaj Patel combines both research and techno-commercial expertise. Mr. Patel has been nominated as a Member of the Mission Steering Group (MSG), the highest policy making and steering body constituted under the National Health Mission (NHM) and of the Drug Technical Advisory Board by the Ministry of Health & Family Welfare, Govt. of India, New Delhi. Mr. Patel is also on the Board of


**SAMIR
BARUA**
A C R

Samir Kumar Barua was Director of IIMA (2007-2013) and Professor at IIMA (1980-2016).

Academic Qualification: M. Tech. (IIT Kanpur) in Industrial Engineering and Operations Research and PhD in Management (IIM Ahmedabad).

His academic and professional pursuits span several disciplines and functional areas in management, including corporate strategy, corporate governance, capital markets, portfolio theory, international finance, operations management, and decision sciences. He has been visiting faculty in academic institutions in several countries. He has extensive experience in designing and conducting national and international executive training programmes. He has co-authored two books, over 200 papers and articles and over 60 case studies in management.

He has been a consultant to many public and private organisations in the manufacturing, banking, energy and financial sectors. He has prepared policy papers for the finance minister, Ministry of Finance, Government of India; Reserve Bank of India (RBI); Securities Exchange Board of India (SEBI) in the areas of banking and capital markets. He has served as a member of several policy making committees set up by the government, including those on Reforms of Indian Capital Markets; Reforms of the Media Sector; Pricing of Petroleum Products. He was a member of the Committee set up by FICCI for preparing a Report on Reforms of Stock Exchanges.

He has been a member of the Technical Committee on Government Securities of RBI; Risk Management Group for Equities constituted by SEBI; Steering Committee and the Curriculum Committee on Certification for trading in Financial Markets of NSE; Governing Board of Bombay Stock Exchange; Derivatives Market Council of BSE; Index Committee of BSE; Governing Board of Foundation for Research on Portfolio Management of ICFAI; Technical Advisory Committee on Monetary Policy of RBI. He was a member of the Expert Committee on Pricing of Petroleum Products of the Government of India. He has worked with several Ministries of Government of India in diverse professional capacities.

He has served on the Board of over 25 corporate and non-corporate entities, that include fortune 500 companies and international organisations. He has been on the governing boards of several academic and training institutions. He is actively associated with several start-up ventures.

financial services domain, he is currently the Vice Chairman and CEO of Housing Development Finance Corporation Limited (HDFC). He is also the Non-Executive Chairman on the Board of Directors of HDFC ERGO General Insurance Company Ltd.

As a part of HDFC's core management team, Mr. Keki Mistry has played a critical role in the successful transformation of HDFC into India's leading integrated financial services conglomerate by facilitating the formation of companies including HDFC Bank Ltd., HDFC Asset Management Company Ltd., HDFC Life Insurance Company Ltd. and HDFC ERGO General Insurance Company Ltd.

He is currently a member of the Primary Markets Advisory Committee set up by the Securities and Exchange Board of India (SEBI). He was the Chairman of the CII National Council on Corporate Governance for five years (2016-17 to 2017-18 and 2019-20 to 2021-22).


**KEKI
MISTRY**
A

Mr. Keki Mistry joined as an Independent Director on the Board on January 28, 2010. He is a Member of the Audit Committee of the Board.

Born in 1954, Mr. Keki M. Mistry is a Fellow member of The Institute of Chartered Accountants of India. A renowned professional with over four decades of varied work experience in the banking and





USHA SANGWAN

A C R

Born in 1958, Usha Sangwan, 63 years, was the first ever woman Managing Director of LIC of India, the largest life insurer in the world in terms of number of customers. She is a postgraduate in Economics, a postgraduate Diploma holder in Human Resource Management and a Licentiate from the Insurance Institute of India. She joined LIC of India in 1981 as a Direct Recruit Officer and handled various important positions during her 37 years stint with LIC, finally reaching the top position of Managing Director.

She has worked in all core areas of life insurance, including Marketing, Personnel, Operations, Housing Finance, Group Business, Direct Marketing, International Operations, Corporate Communications, Investment-Risk Management and Research, Investment – Monitoring & Accounts, Customer Relationship, New Business and Reinsurance, Corporate Planning, Estate, Office Services, Health Insurance and HRD. Her expertise lies in

analytics, strategy, execution, people skill, customer centricity, use of technology, particularly in marketing and servicing and setting up of systems.

She was also a Board member of various national and international companies. Prominent among them are Axis Bank, Bombay Stock Exchange, Grasim Industries, Ambuja Cements, Ultratech Cement, GIC-RE, Voltas, LIC International Bahrain, Singapore, Nepal and Sri Lanka.

Presently she is an Independent Director on the Board of Godrej Housing Finance, Trident Ltd, and SBI Life. She is a member of the Bank Board Bureau set up by the Government of India. She is a member of the Women Empowerment Programme of Niti Aayog, Government of India, a Member of the BCCI Fempower programme and a chartered member of the Association of International Wealth Managers. She was also a jury member to select Women Transforming India by Niti Ayog and a Jury member to select the top 100 Women in Finance by AIWMI. She has travelled nationally and internationally widely.

She was featured in Forbes magazine as one of Asia's top 50 power business women. She has also been awarded the Most Powerful Business Woman Award by Business Today for three years consecutively. She was featured in Business World, Femina and on the cover page of Beurocracy. She was honoured by 92.7 Big FM, Colour TV, Dun & Bradstreet and Loksatta, among others.

Morgan Stanley and DSP Merrill Lynch. She has advised several large corporates and led their Equity and Debt offerings in Domestic as well as International Capital Markets. She now offers advisory services as RH Financial but is primarily engaged as an Independent Director on multiple Boards.

She graduated in Commerce from Gujarat University and did her Post Graduate in Management from the Indian Institute of Management, Ahmedabad (IIMA).

She is an Independent Director on the Boards of EIH Associated Hotels Limited, ICRA Limited, Navin Fluorine International Limited, Rain Industries Limited and Pipeline Infrastructure Limited.

She has also been closely associated with issues of Women Empowerment and financial inclusion and has served on the Boards of non-profits for over 18 years, including 12 years as Chairperson.



RADHIKA HARIBHAKTI

A C N R

Smt. Radhika Haribhakti joined as Non-Executive Independent Director on the Board on August 7, 2021.

Smt. Haribhakti is 63 years of age and has over 30 years of experience in Commercial and Investment Banking with Bank of America, JM



MAMTA VERMA, IAS

Smt. Mamta Verma, IAS, joined as Non-Executive Director on the Board on August 7, 2021.

Smt. Mamta Verma, IAS, 49 years is MA with Psychology and has done Masters of Public Policies from Minneapolis Hubert H. Humphrey School of Public Affairs, U.S.A. She is a Senior IAS Officer having rich experience in the field of Management & Administration. She has held positions in GoG such as Collector, District Development Officer, Additional Chief Executive,

Additional Industries Commissioner, Special Commissioner, Commercial Taxes, Industries Commissioner, Director & Municipal Administrator, Chief Executive Officer of Ahmedabad Urban Development Authority (AUDA) and Gujarat Urban Development Corporation (GUDA), Principal Secretary, Tourism, Yatratham and Civil Aviation.

During her tenure as Industries Commissioner and Chairperson of Industrial Extension Bureau, she was instrumental in implementation and execution of some of the most path-breaking reforms and initiatives of government of India such as "Ease of Doing Business Reforms" as well as "Competitive Ranking of Startups".

Presently she is Principal Secretary, Energy & Petrochemicals Department, Gandhinagar. Prior to her present assignment she was also instrumental in formulating policies such as Industrial Policy, 2015, Heritage Policy etc. and started as Industrial Commissioner and also acted as Principal Secretary, Tourism, Yatratham, Civil Aviation.



KETAN DALAL

A R

Mr. Ketan Dalal joined as Non-Executive Independent Director on the Board on May 11, 2022.

Ketan Dalal, 65, is a veteran Chartered Accountant with 40 years of extensive experience in taxation, corporate and investment structuring, including mergers and acquisitions. He was the Joint

Head, Tax, All India and the Managing Partner (West) and a member of the India Leadership Team at PwC India. Since April'17, he has been independently pursuing his professional interests and runs a boutique Structuring and Tax firm, Katalyst Advisors Pvt. Ltd.

He was a member of the "Working Group on Non-Resident Taxation" formed by the Ministry of Finance, Government of India in 2003. He has also served on various committees of several professional and business organisations. He was a member of SEBI committees, including the High Powered Advisory Committee (HPAC) on Consent Orders and Compounding.

He has been listed among India's leading tax advisors in International Tax Review, a leading global magazine on international tax policy and offers advice around the world. He has written several books and articles, including the "Indian Taxation Decoded - An MNC Perspective" in 2018.




**JINAL
MEHTA**
C S D

Jinal Mehta, 39, is the Managing Director of the Company. He has done his Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) from the University of Technology Sydney (UTS), Sydney, Australia.

He has more than 15 years of experience across all facets of the power sector – generation, transmission and distribution. He was involved during the project and operations phases of the 1,147.5 MW SUGEN Mega Power Project and 382.5 MW SUGEN Expansion (i.e. UNOSUGEN). Subsequently, he was responsible for the implementation of the 1,200 MW DGEN Mega Power Project. Thereafter, he took charge of the Company's distribution business in April'14 and led significant operational improvements in both the licensed and franchised distribution businesses in terms

of network modernisation, reduction in AT&C losses, improved customer services and timely regulatory approvals for recovery of costs. Under his leadership, the Company grew its Distribution business further by obtaining a distribution license for Dholera Special Industrial Region (SIR) and the Union Territory of Dadra & Nagar Haveli and Daman & Diu, and was appointed as the Distribution Franchisee by MSEDCL for Shil, Mumbra & Kalwa (SMK) in Thane District. During his leadership, Torrent Power has strengthened its leadership position in the Power Distribution business and distributes nearly 26 billion units of power per annum including units distributed at Dadra & Nagar Haveli and Daman & Diu and caters to a peak demand of approx. 4,850 MW to over 4 million customers across 12 cities.

Apart from conventional generation, transmission and distribution, his contribution to growing renewable capacity, both Solar and Wind Power, has resulted in renewable energy becoming a significant part of our generation portfolio today with plans for further growth. Accelerated commitment to increase the renewable portfolio has enabled the Company to undertake several acquisitions, during the period, with an aggregate capacity of 231 MW. With these acquisitions, the Company now has an aggregate installed generation capacity of ~4.1 GW, which consists largely of clean generation sources such as gas (2.7 GW) and renewables (1.0 GW).

OUR ESG GOVERNANCE FRAMEWORK

CSR and Sustainability Committee

The Board Committee acts as the apex committee providing leadership on the organisation's sustainability agenda and future goals.

ESG Steering Committee

Responsible for sustainability goal-setting and steering the sustainability agenda

- Provides guidance and operational insights and reviews activities of ESG working groups
- Identifies new ESG opportunities to incorporate into business operations

ESG Working Groups

Responsible for the implementation of the ESG initiatives, monitoring its progress, tracking the relevant data and KPIs, etc.

RISK MANAGEMENT

Helping achieve organisational objectives

Our risk management practices are guided by a comprehensive Enterprise Risk Management (ERM) framework, which lays down principles for identification, documentation, managing and monitoring risks being faced or likely to be faced by the Company. It helps consolidate all risks, focus on key risks, quantify & manage them better and implement proper controls to either reduce or eliminate the risks.

We are mindful that a robust risk management framework is an essential component of business strategy and enables an organisation to achieve sustained competitive advantage. Accordingly, we have laid out a detailed Risk Management Policy taking inputs from COSO's Framework: Enterprise Risk Management – Integrating with Strategy and Performance. This highlights our focus on considering risk in the strategy-setting process and driving performance. A direct outcome of this approach is risk-adjusted decision making, better capital allocation, enhanced risk oversight and improved performance management. It also helps us successfully respond to new opportunities in the market besides enhancing our brand appeal.

To supplement our ERM framework, we have put in place robust internal control systems to ensure efficiency in operations, optimum utilisation of resources, reliable financial reporting and compliance with all applicable laws and regulations. The internal control system is aligned to COSO Internal Control Integrated Framework. Our well-defined Risk Control Matrices serve as the primary document for internal control assessment, categorised into Entity Level controls, process-level controls and IT controls. The design and operating effectiveness of internal controls are evaluated and improved to make our operations more efficient. Internal auditors assess the adequacy and effectiveness of internal controls. They share periodic reports on their findings with the management and the Audit Committee along with recommendations for process improvements. Adequacy of internal financial controls concerning financial statements and their operating effectiveness are also assessed by statutory auditors annually.

RISK GOVERNANCE



The Company's Board is the apex body having direct oversight over the risk management process. We have constituted a Risk Management Committee (RMC) at the Board level in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The RMC consists of four members, including three Independent Directors and the Chief Risk Officer (CRO). It is responsible for monitoring and reviewing the Risk Management Policy, guiding the development of the Risk Management framework and reporting to the Board on Risk Management activities.

At the management level, the CRO is accountable for risk management processes. The CRO is responsible for reviewing reports for briefing the RMC and ensuring the achievement of objectives of the risk management framework. The CRO also acts as a communication link between the RMC and Risk Champions and recommends improvements in the risk management framework in line with global best practices.

Unit heads are designated as Risk Champions. Risk Champions and Risk Co-ordinators are accountable for monitoring the external macro-economic and industry landscape, identifying and assessing risks and developing appropriate mitigation strategies.



RISK MANAGEMENT PROCESS

Risk Identification

Risk identification involves the identification of events that could negatively affect the implementation of strategy or achievement of objectives. These events could emanate from internal or external factors. Risks identified are classified into unit risk, industry risk and macro-economic risk.

Risk Assessment and Mitigation

Risk Assessment involves assessing the extent to which identified risks can impact the achievement of objectives. The assessment is done from two perspectives - impact and likelihood. Based on this, risks are categorized into Low, Medium & High Risks. Mitigation plan with implementation timelines are prepared for all risks.

Risk Monitoring

Risk monitoring involves monitoring of the approved mitigation plan and timely reporting of the status of its implementation.

Creating/ Updating Risk Register

Identified risks are documented in risk registers. The risk registers are updated, reviewed and approved on quarterly basis.

Review and Reporting

Top priority risks are identified, reported and reviewed on periodic basis. Policy deviations, failure of existing control measures and other major issues, if any, are also reported.

KEY RISKS

Key risks and concerns affecting our operations and their mitigation plans are disclosed under Management Discussion and Analysis section forming part of this Report.

SUSTAINABLE VALUE CREATION



STAKEHOLDER ENGAGEMENT

Forging mutually beneficial connections

At Torrent Power, we are mindful of the importance of a robust and transparent stakeholder engagement framework for accelerated and sustainable growth. Effective engagement assists in translating stakeholder expectations into company goals and thereby helps set the base for effective business growth. We obtain constant feedback from all stakeholders, and it is an essential component of our approach to sustainable development. We derive our value proposition from our long-term strategic partnerships with capital providers, our people, suppliers, customers, the local

community and other significant stakeholders. We strive to maximise stakeholder value through responsible and sustainable operations.

We have identified and evaluated key stakeholders based on their potential to influence our business and the ability of our operations and performance to impact them. We communicate with them regularly through a combination of pre-determined, structured and need-based engagement techniques which are summarised below:

Stakeholder Group	Their Significance	Engagement Method
Capital providers [Shareholders & Lenders]	Capital providers are the core of our existence. We thrive on creating long-term value for them.	<ul style="list-style-type: none"> Investor meetings and presentations Quarterly earnings call AGM Regular meetings with bankers & other financial institutions
Board of Directors	The Board provides guidance and decisions on various aspects of the business including strategy execution and performance.	<ul style="list-style-type: none"> Board meetings Board committee meetings
Government and Regulators	The evolution of policy and regulatory frameworks is crucial for business sustainability. Therefore, engaging with regulatory bodies and government becomes inevitable.	<ul style="list-style-type: none"> Regular liaisoning Inputs on policy matters Scheduled meetings
Employees	Our people are the foundation of our success. We leverage their skills and competencies to execute our growth plans and strategies.	<ul style="list-style-type: none"> Employee engagement events Appraisal deliberations Feedback on employee engagement initiatives
Suppliers	We rely on several business partners for smooth and uninterrupted operations.	<ul style="list-style-type: none"> Supplier meetings
Customers	Our customers are fundamental to our business and we strive to provide them with quality and reliable power.	<ul style="list-style-type: none"> Customer service Customer meetings Customer satisfaction survey & feedback Customer care centres
Community	The support of our communities is crucial to strengthening our social licence to operate. Community engagement allows us to give back to society by enabling their socio-economic development	<ul style="list-style-type: none"> Community interaction through CSR initiatives Employee volunteerism for CSR activities
Media	Helps to keep our stakeholders informed of key business initiatives and developments	<ul style="list-style-type: none"> Media briefings Press releases
Industry Associations	Policy advocacy and thought leadership	<ul style="list-style-type: none"> Industry association memberships, meetings and conferences

MATERIALITY ASSESSMENT

What matters most

Identifying and prioritising issues that are most important to our business and stakeholders helps us focus our sustainability efforts to create economic, environmental and social value for all our stakeholders.

MATERIALITY ASSESSMENT PROCESS

Stakeholder priorities are continuously evolving and we must adapt our operations to meet their expectations. Being a part of the electric utility sector, Torrent Power is mindful of the potential impact our operations can have on society and the environment. Hence, we conducted a thorough materiality assessment to identify and prioritise material topics that are most relevant for the sustainable growth of our business.

Our materiality assessment approach is outlined below:



Developing the universe

To identify issues that are material for Torrent Power's long-term sustainability, a universe of such topics was developed. This universe of issues was developed after an extensive review of potential business risks, global standards and guidelines and reporting requirements of global standards such as GRI, Sustainability Accounting Standards Board (SASB), United Nations Sustainable Development Goals (UN SDGs), National Voluntary Guidelines (NVG), United Nations Global Compact (UNGC) and the International Framework <IR> by the International Integrated Reporting Council (IIRC). Focus areas of various ESG Rating platforms such as S&P Global Yearbook, FTSE Russell, MSCI, Sustainalytics, CDP (formerly Carbon Disclosure Project) and Dow Jones Sustainability Index (DJSI) were also considered while developing the universe of material issues for capturing broader sustainability trends, risks and opportunities.

Stakeholder Engagement

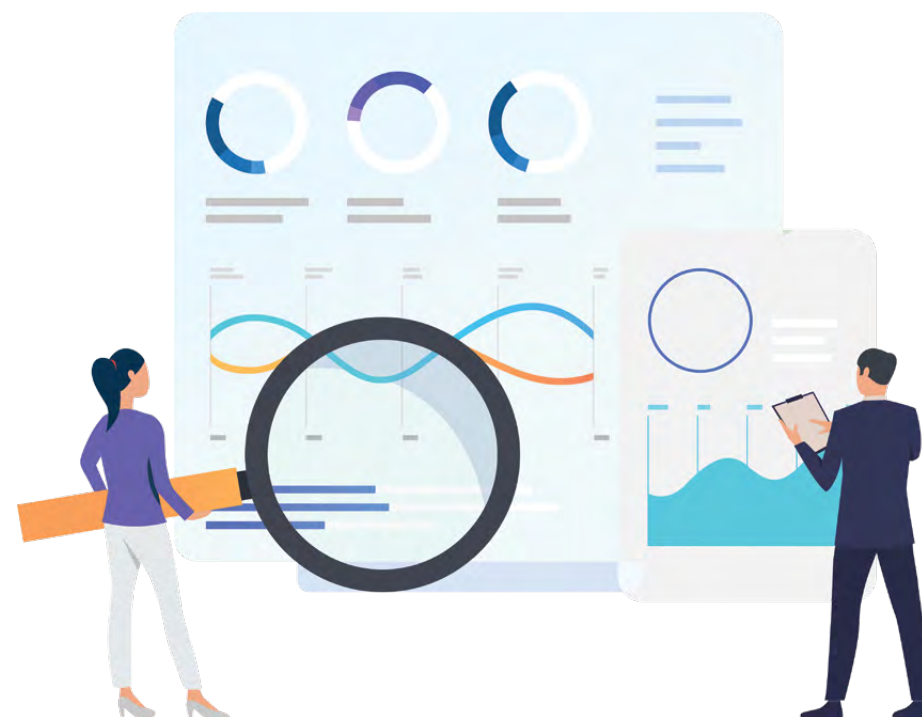
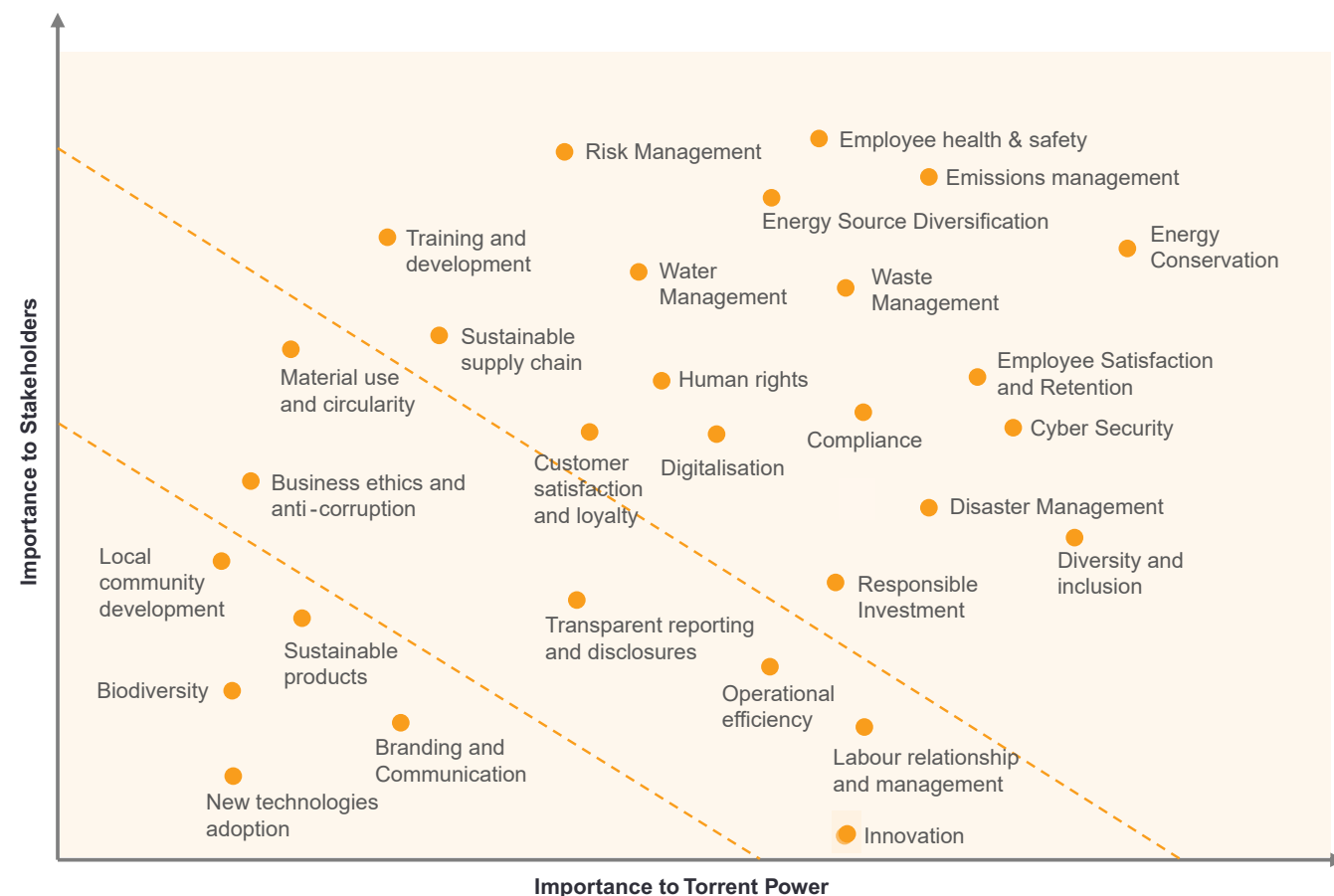
Questionnaires were developed considering the universe of issues and were circulated to various stakeholders – investors, lenders, top management, employees, suppliers, customers, etc. Secondary research on our peers and competitors was also undertaken to better understand the sector-specific material issues. Discussions with senior management were conducted to seek their perspective on the material issues.



Prioritisation – Materiality matrix

Based on the feedback received, a materiality matrix was developed wherein the issues were plotted considering the level of importance to stakeholders vis-a-vis importance to Torrent Power.

Items of high importance to our stakeholders and the Company were used to draw up the list of Material Topics critical for driving our sustainability initiatives. The following list of material issues was finalised through extensive consultations with our senior management team.



Material Topics

Linkages with Capitals

UN SDG linkages

1. Climate Change Management

- MT 1 ➔ Emission Management,
- MT 2 ➔ Energy Source Diversification
- MT 3 ➔ Energy Conservation



2. Business Continuity

- MT 4 ➔ Cyber Security
- MT 5 ➔ Responsible Investment
- MT 6 ➔ Disaster Management
- MT 7 ➔ Digitalisation



3. Governance, Risk & Compliance

- MT 8 ➔ Compliance
- MT 9 ➔ Risk Management



4. Resource Management

- MT 10 ➔ Water Management
- MT 11 ➔ Waste Management
- MT 12 ➔ Sustainable Supply Chain



5. People Management

- MT 13 ➔ Employee Satisfaction retention
- MT 14 ➔ Employee Health & Safety
- MT 15 ➔ Training and Development
- MT 16 ➔ Diversity and Inclusion
- MT 17 ➔ Human Rights



6. Customer Delight

- MT 18 ➔ Customer Satisfaction & Loyalty



Integration

The identified material topics are integrated with our business processes, operations and monitoring mechanisms. We have mapped issues material to our business with the United Nations Sustainable Development Goals (SDGs) to contribute towards global sustainability goals. This mapping enables us to adopt a focused approach towards stakeholder value creation.

INTEGRATED STRATEGY FRAMEWORK

Our strategic focus is driven by our vision of becoming “a world-class integrated energy company powering India responsibly and sustainably”. To achieve this larger purpose, we have adopted the following mission statement:

- Reducing GHG emissions through diversifying the energy mix
- Building a safe and secure workplace to achieve the aspiration of zero-harm
- Improving customer safety, satisfaction and experience
- Improving employee satisfaction through work-life balance and planned career development initiatives
- Contribute positively to the communities where we operate
- Building a culture of sustainability and responsibility while achieving excellence across operations and leveraging technological capabilities

Further, to drive the Company towards our stated Vision and Mission, our objectives have been categorised into five themes, giving a clear roadmap for implementing our ESG-led growth strategy. Under each strategic theme, focus areas have been identified, highlighting the “Growth with Sustainability” path for the Company. For each focus area, appropriate KPIs and targets have been defined to measure the organisational achievements.

Global Trends

Global trends provide an understanding of sustainability patterns that are emerging globally and have a potential to impact the Company

Materiality Assessment

Materiality Assessment helps in focusing on issues that are material for the Company

Sectoral Issues

Sectoral issues are those that are recognised as important for the Power and Utilities Sector

Senior Management Insights

Senior Management insights on business objectives and risks

The implementation of the framework is guided by our core values, high corporate governance standards and appropriate risk management strategies. This strategic framework is designed to ensure our long-term growth and improve business agility and resilience.

Aligning Business Strategy with Sustainability

Being mindful of the importance of ESG parameters, we have adopted a holistic approach to integrate sustainability into our core business strategy & operations and ingrain it into the organisational culture. Long-term shared value creation starts with identifying a diverse set of stakeholders, interacting with them, and then incorporating their priorities into our key business choices, considering both financial and non-financial issues.

During the year, we undertook an elaborate exercise to develop a comprehensive ESG Framework and adopted challenging targets to augment our performance on material ESG aspects.

Relevant ESG aspects were identified through a comprehensive review of Global Trends, Sectoral Issues, Materiality Assessment, and good industry practices. Furthermore, exhaustive interactions with senior management were conducted to gain insights regarding key business objectives and risks.

Industry Good Practices

Industry good practices provide insights on best practices implemented in the Power and Utilities Sector on relevant ESG aspects

INTEGRATED STRATEGIC FRAMEWORK

Vision

To be a world-class integrated energy company powering India responsibly and sustainably

Mission

- Reducing GHG emissions through diversifying the energy mix
- Building a safe and secure workplace to achieve the aspiration of zero-harm
- Improving customer safety, satisfaction and experience
- Improving employee satisfaction through work-life balance and planned career development initiatives
- Contribute positively to the communities where we operate
- Building a culture of sustainability and responsibility while achieving excellence across operations and leveraging technological capabilities

Core Values



Integrity



Passion for Excellence



Participative Decision-Making



Concern for Society & Environment



Fairness with Care



Transparency

Strategic Themes



Supported by Robust Governance and Risk Management

ST 1

INVEST IN THE COMPANY'S GROWTH ENGINE



CAPITALS LINKED



Being an integrated power utility, we aim to expand our portfolio consistently in power generation, transmission and distribution. Prudent capital allocation and rational bidding are principles that are followed to achieve long-term and sustainable growth and enhanced shareholder returns. Growth drivers are monitored to address any interim issues that arise which may impact our business, shareholder returns and value creation for other stakeholders. We leverage technology to progress on our strategic objectives with appropriate change management skills as needed over time.

KPIs

- Addition in generation capacity
- Addition in distribution operation areas
- Number of consumers served and power distributed

ST 2

OPERATIONAL EXCELLENCE



CAPITALS LINKED



Besides being one of the strategic themes, operational excellence is also aligned with our core value of "Passion for Excellence". In each of our decisions and actions, high standards are set to surpass the earlier best and create new benchmarks to maximise stakeholder value. Even while working through strategic and operational challenges due to the dynamic nature of our business, we stay focused on building world-class generation assets and unmatched distribution models. Customer satisfaction remains our priority and we work towards ensuring a 24X7 power supply in the area of our operations.

KPIs

- Distribution Losses
- Power reliability > 99%
- 24X7 power availability
- Collection efficiency
- Return on net worth
- Return on capital employed
- Increase in market capitalisation
- Capital expenditure for business operations

ST 3

EMPOWERED STAKEHOLDERS



CAPITALS LINKED



We want to establish a link between profitable growth and a stronger positive influence on employees, customers, business partners, communities and other stakeholders. Employees are our assets and their satisfaction means our greater growth. Our commitment to being a fair and equal business is based on our ongoing efforts to guarantee that human rights are respected in each sphere of our operations. We aim to maximise positive impact and minimise negative impact throughout our value chain by collaborating with business partners to tackle the sustainability challenges to the extent possible. Building a positive social impact is ingrained in our culture and flows from our Founder's philosophy of giving back to society generously. Customers are the heart of our business, and ensuring safe and reliable operations for them is of paramount importance to us.

KPIs

- Gender Diversity: Women participation in the workforce and leadership
- Employee retention rate
- Employee satisfaction levels
- Lost time Injury Frequency Rate (LTIFR)
- Customer satisfaction rate
- Community engagement
- Expenditure towards community
- Number of lives benefitted
- Supplier assessment on ESG parameters
- Board learning and development on ESG
- Training of employees on human rights
- Training of security personnel on human rights

ST 4

DEPLOY DIGITAL TECHNOLOGIES



CAPITALS LINKED



Our digitalisation-led strategy has been imperative in enhancing our performance. Measures on this front include the adoption of new technologies and a stringent focus on Cyber Security, among other factors that have enabled us to integrate new technology tools while ensuring our long-term viability. Our technology strategy is also focused on working in partnership with our customers and innovating in ways that help us achieve our common goals.

KPIs

- Enhancing security of IT infrastructure
- ISO 27001 Certification
- Periodic Vulnerability Assessment and Penetration Testing
- Security Incident and Event Management
- High System Availability
- Increase in automation of operations / digitalisation
- Training and capacity building on Cyber Security
- Data Security in Value-Chain

ST 5

RESPONSIBLE ACTIONS



CAPITALS LINKED



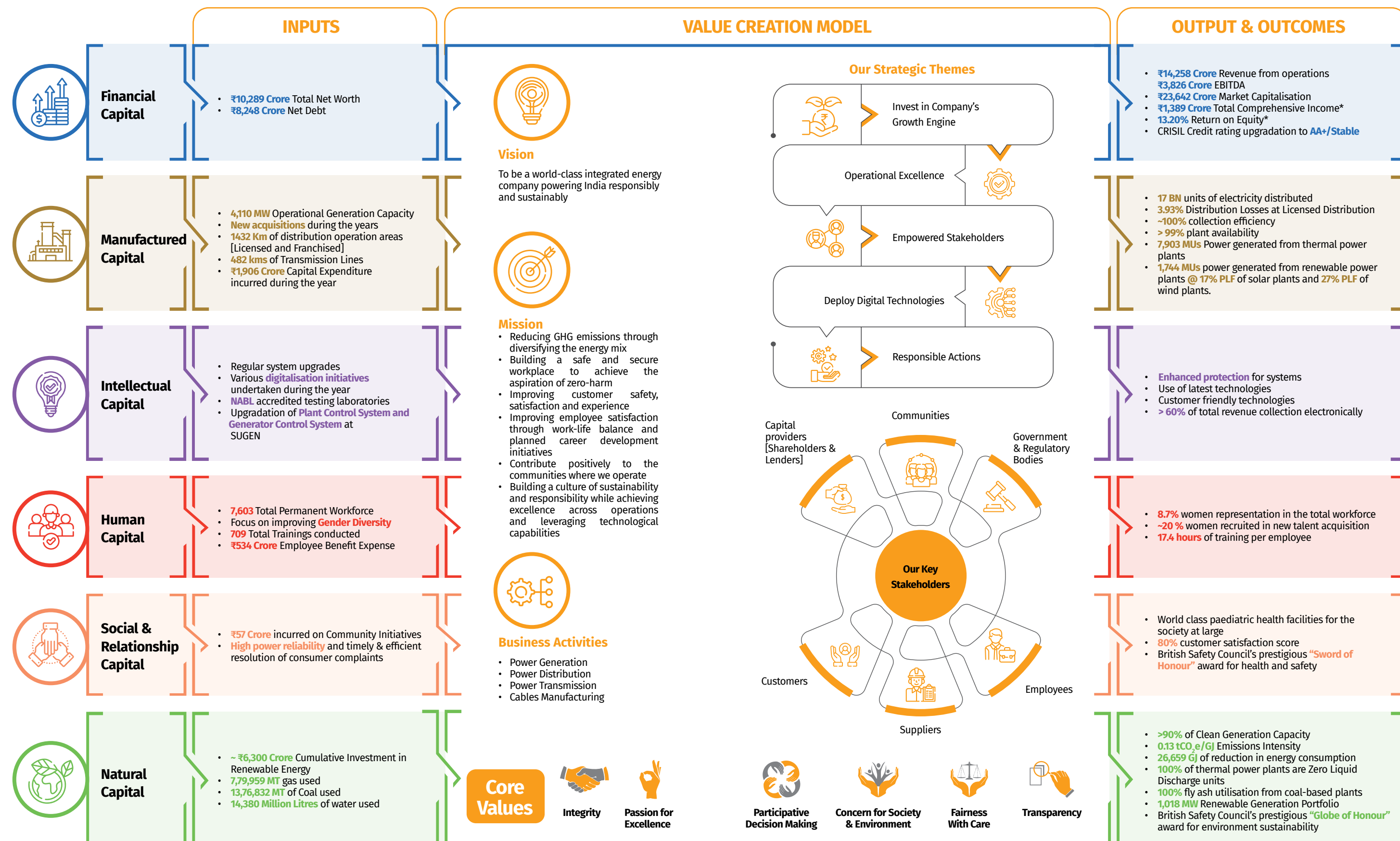
In line with our focus on resource efficiency and abatement opportunities, which is integrated into our responsible action strategy, we continue to explore and implement ways to reduce our energy use and emissions. To reduce our environmental impact, we continue to optimise our use of natural resources by recycling water efficiently, managing waste, lowering air pollution, and positively impacting the environment to reach our sustainability targets using resources efficiently.

KPIs

- Decrease in GHG Emissions Intensity
- Reduction in Water Consumption
- Increase in Rainwater Harvesting
- Zero Waste diverted to landfills
- Increase in Waste Recycled/Reused
- Carbon Offset strategies
- Climate-related financial reporting practices
- Use of Internal Carbon Price and Internal Water Price for assessment of new projects



VALUE CREATION MODEL



*before exceptional items

FINANCIAL CAPITAL

Creating Value for Our Stakeholders

The long-term survival of any organisation is directly related to its financial health. At Torrent Power, we are conscious of this fact and constantly strive to make optimum use of our resources, even as we scale new heights and generate value for all our stakeholders.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



STRATEGIC THEMES



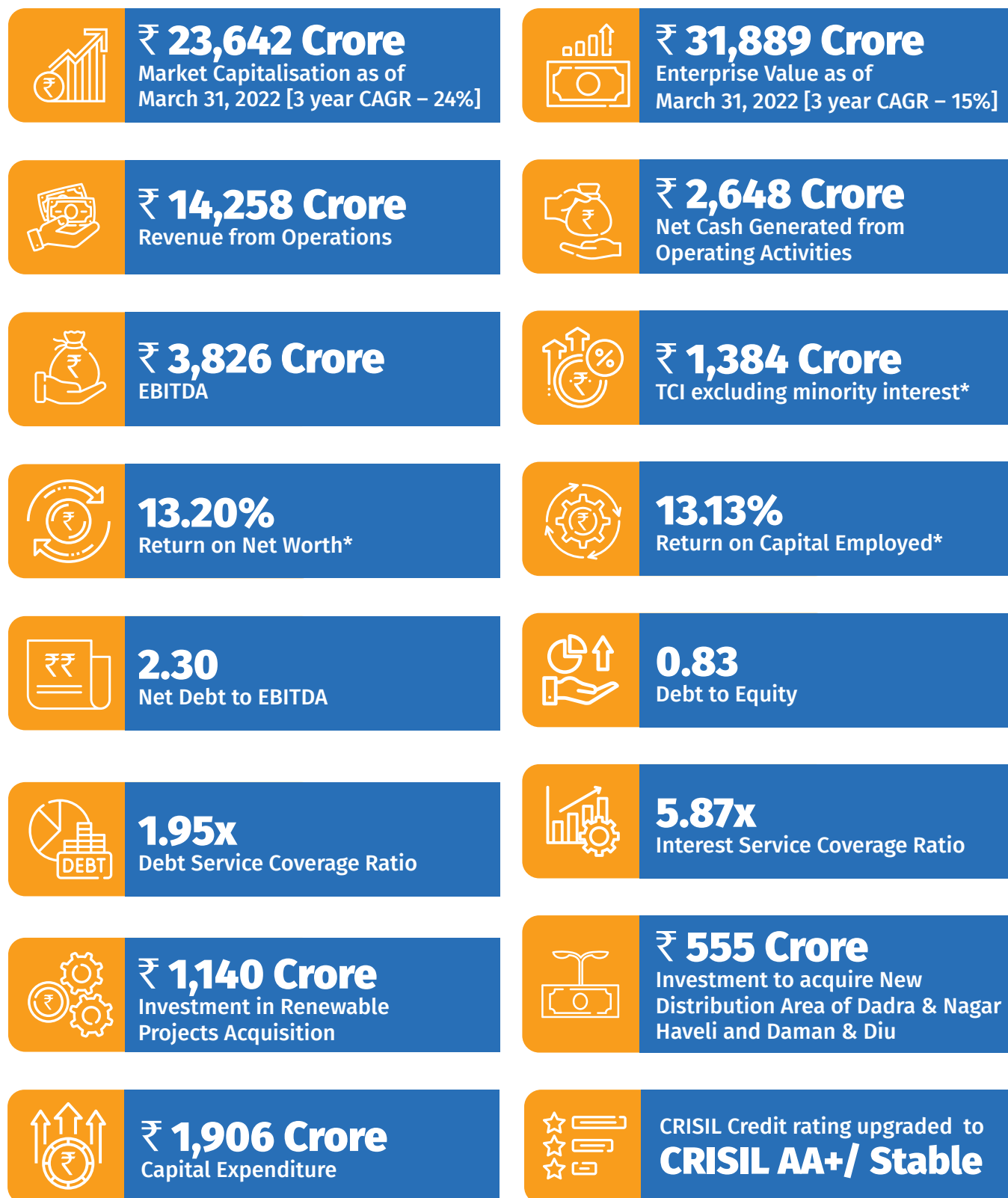
MATERIAL TOPICS



INTERLINKAGE OF CAPITALS

Capitals	Manufacturing Capital	Intellectual Capital	Human Capital	Social and Relationship Capital	Natural Capital
Interlinkage of Financial Capital with other capitals	Investments to meet growing consumer demand including load growth, enhancing power reliability, etc.	Investments in technology upgrades for reliable & predictable plant operations with improved cyber security	Providing financial support to the family in the event of demise of an employee	Providing financial support for community development programmes	Investments in green energy to reduce GHG emissions intensity
Impact	₹1,906 Crore of Capital Expenditure incurred during the year	₹4 Crore spent on Plant Control System and Generator Control System upgradation during the year	Compensation of minimum ₹25 Lakh & maximum ₹50 Lakhs is provided	₹57 Crore spent on community development initiatives during the year	₹1,140 Crore invested in renewable energy business through acquisitions during the year



HIGHLIGHTS FY22

*excluding exceptional items

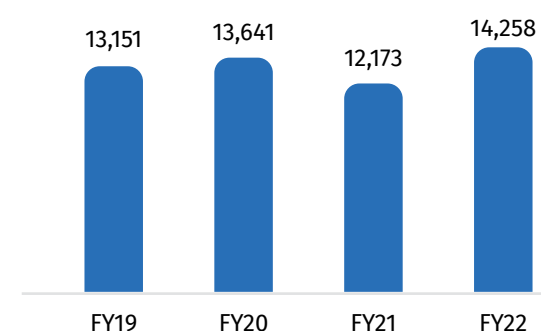
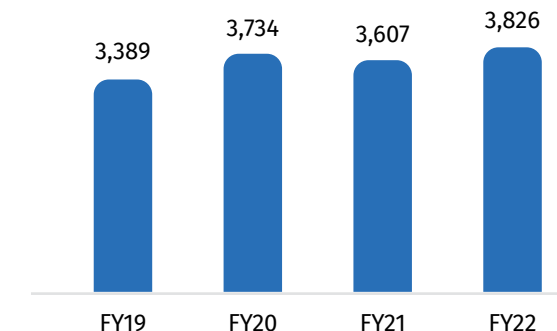
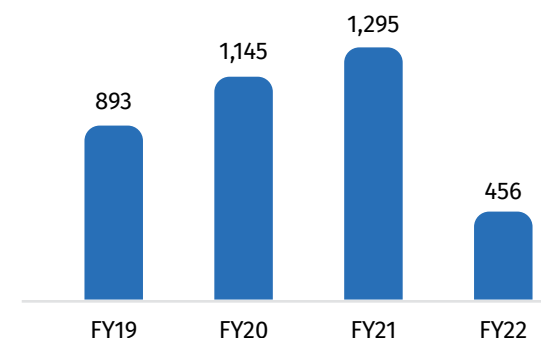
Value creation for our stakeholders has remained our primary objective despite increasing external headwinds. We are focused on bettering our performance and creating value for our shareholders through exponential growth. Judicious and rational capital allocation, minimising risk in the process and accountability to the last rupee spent have ensured strong cash flows and consistent returns for providers of equity capital.

We attribute our performance to our strong financial principles. Prudent bidding practices have helped us strike the optimum balance between growth and returns for our stakeholders. This is amply reflected in our high Return on Net Worth of 13.20% excluding exceptional item of DGEN impairment. We strive to keep costs minimal while ensuring

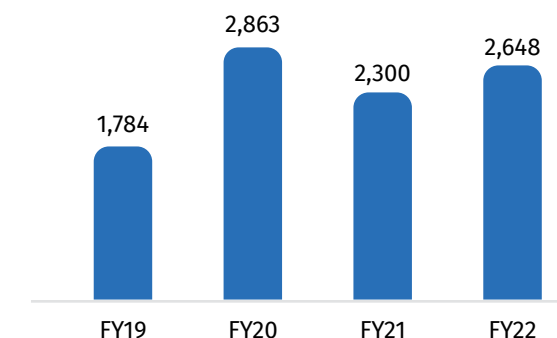
consistent growth. Efficient cost management coupled with 19% savings in finance costs during FY22 resulted in a 7% rise in our total comprehensive income before exceptional items.

We have ensured continuity of operations and business portfolio growth despite challenges and have strived to maximise value for our stakeholders. In the present scenario, when the power sector is struggling with liquidity issues, we have ensured uninterrupted operations through effective working capital management.

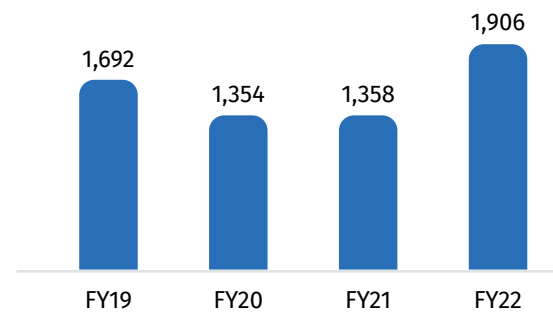
Our financial discipline led to up-gradation of our long-term rating from CRISIL AA/ Stable to CRISIL AA+/ Stable. With our growing credibility and low Debt to Equity ratio of 0.83, we are assured of access to affordable capital for pursuing future growth opportunities.

KEY FINANCIAL INDICATORS (₹ in Crore)**Revenue from Operations****EBITDA****Total Comprehensive Income***

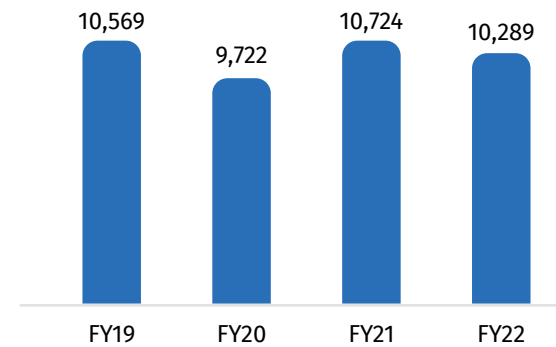
*without minority interest

Net Cash Generated from Operating Activities

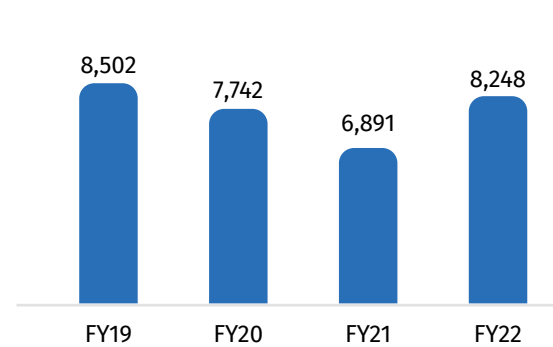
Capital Expenditure



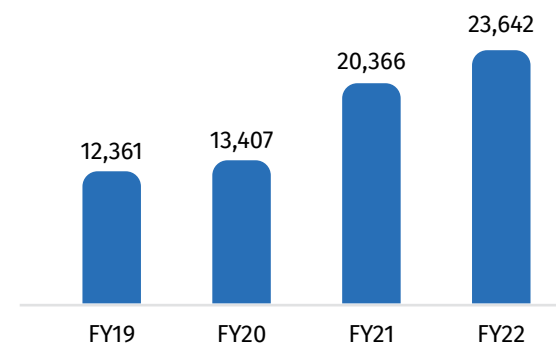
Net Worth



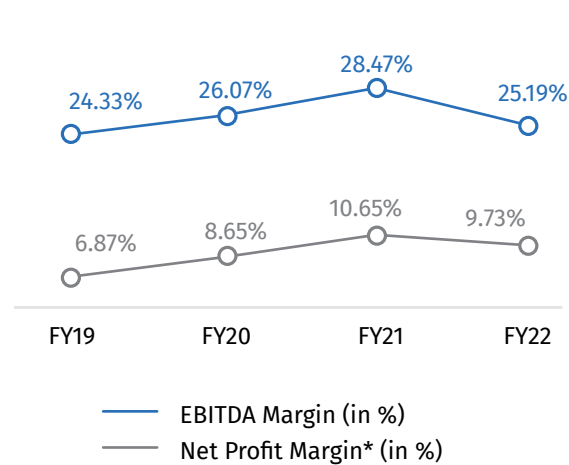
Net Debt



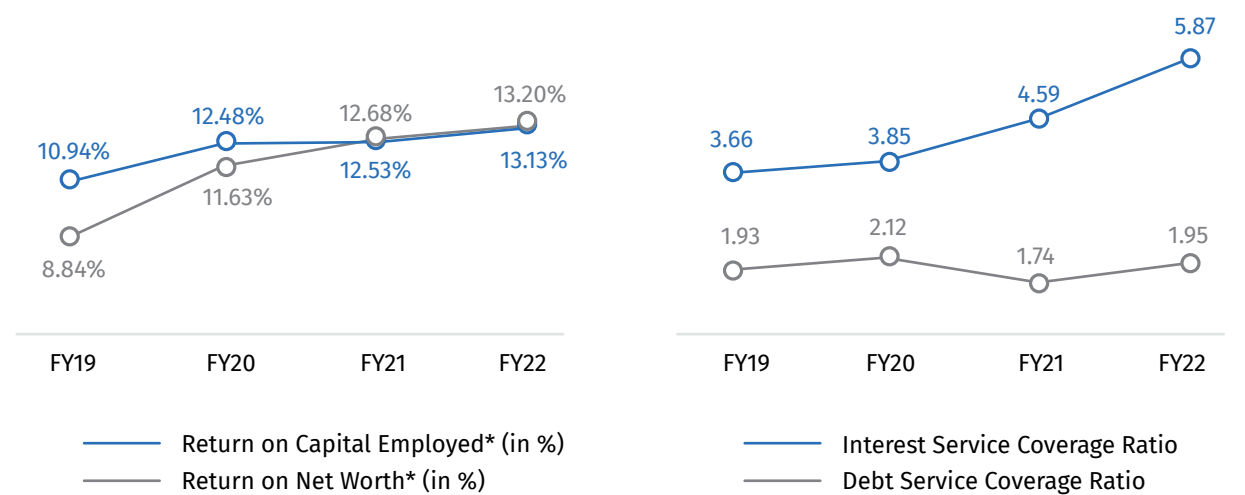
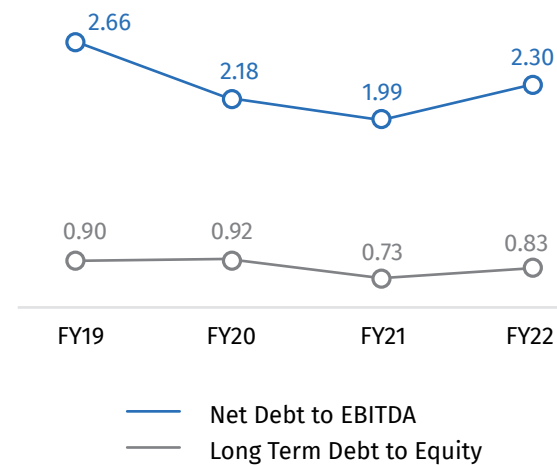
Market Capitalisation



KEY RATIOS



* excluding exceptional items



OUR DIRECT ECONOMIC VALUE CREATION

(₹ in Crore)

Particulars	FY22	FY21
Direct Economic Value Generated	14,493	12,314
Revenues Generated	14,493	12,314
Direct Economic Value Distributed	13,703	11,319
Operating Cost*	11,410	9,387
Employee Wages and Benefits	534	539
Payment to Providers of Capital	1,330	1,044
Payment to Government	372	288
Community Investment	57	61
Direct Economic Value Retained	789	995

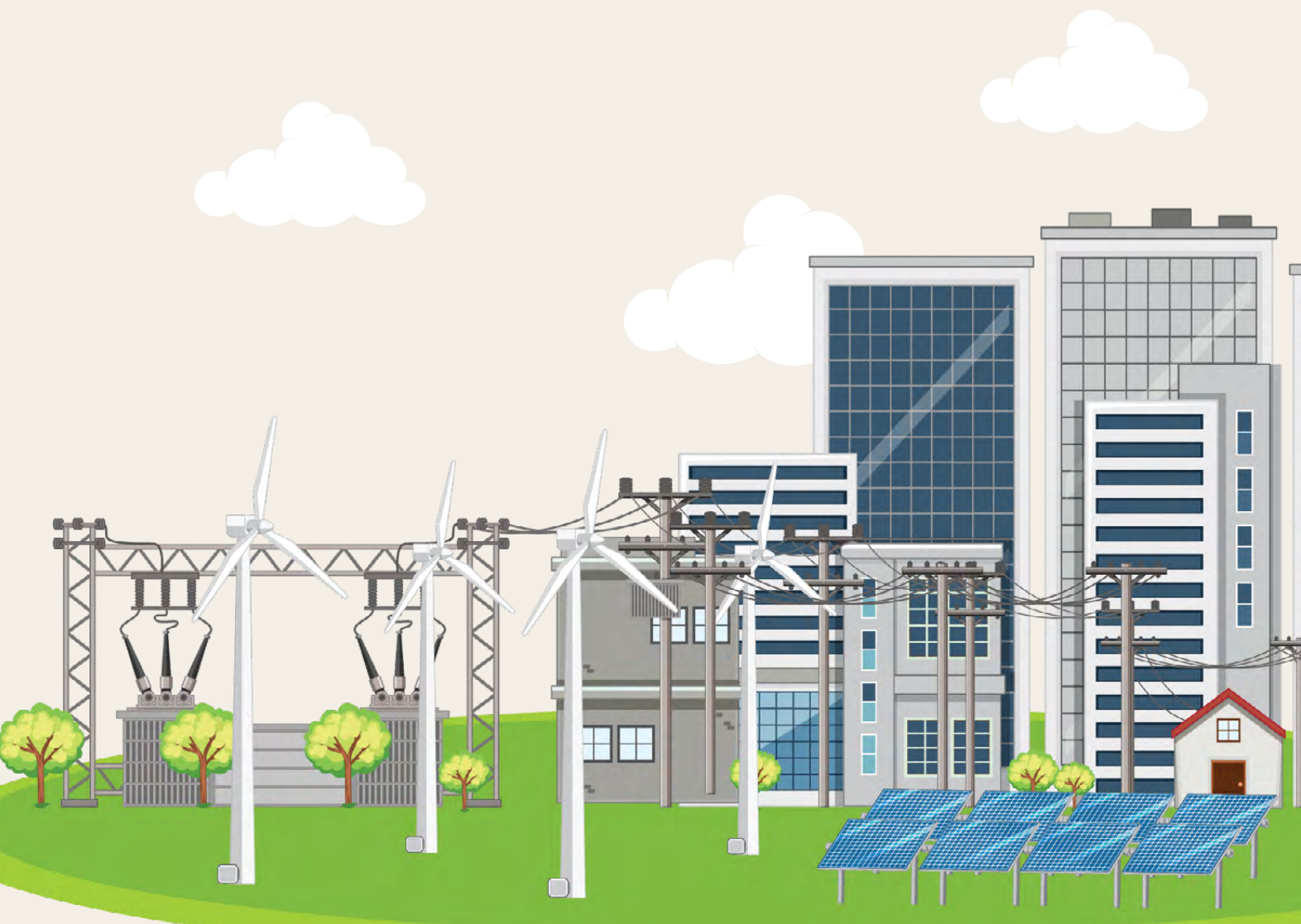
* excluding exceptional items



MANUFACTURED CAPITAL

Energising India through Sustainable Power

Torrent Power is one of the India's leading integrated power utilities with presence in the states of Gujarat, Maharashtra, Uttar Pradesh, Karnataka, Madhya Pradesh, Rajasthan and the union territory of Dadra & Nagar Haveli and Daman & Diu. Our robust generation, transmission and distribution infrastructure, which represents our manufactured capital, is fundamental to our sustainable growth and value creation abilities. We leverage our infrastructure effectively and efficiently to ensure that our customers receive high-quality power. Cutting edge technology, robust processes and governance mechanisms help us monitor and improve the efficiency of our facilities across all our businesses, including power generation, distribution and transmission. The ability to use resources optimally and responsibly keeps us competitive and resilient in changing and challenging economic situations.



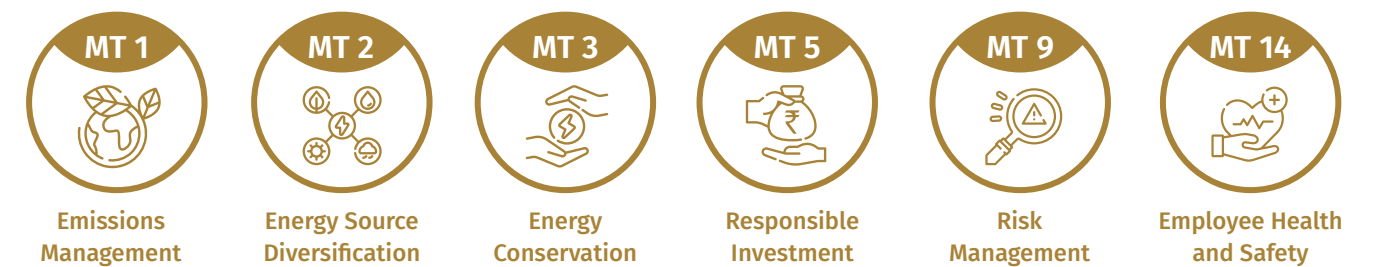
UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



STRATEGIC THEMES



MATERIAL TOPICS



INTERLINKAGE OF CAPITALS

Capitals	Financial Capital	Intellectual Capital	Human Capital	Social and Relationship Capital	Natural Capital
Interlinkage of Manufactured Capital with other Capitals	Reduction in distribution losses by undertaking various efforts	Reliable, predictable plant operation with improved cyber security Upgrading electrical infrastructure, by adopting advanced technology	Focus on health & safety of our employees	Providing continuous power supply to our customers Highly satisfied consumer base with overall quality of services	Increasing the green energy initiatives to reduce our emissions intensity
Impact	Increase in contribution by ₹235 Crore due to lower distribution losses compared to last year in licenced as well as franchised distribution business.	Upgradation of Plant Control System and Generator Control System at SUGEN Installation of ADMS (Advance Distribution Management System) to automatically integrate distribution substations on the SCADA platform	38,372 hrs of safety training	24X7 power availability & >99% power reliability Customer Satisfaction Score @ 80% Loyalty Score @ 93% Net Promoter Score @ 57	Total renewable generation capacity including new acquisitions and upcoming projects – 1,583 MW

HIGHLIGHTS



4,110 MW
Operational Generation Capacity



231 MW
Renewable Generation Capacity acquired



565 MW
Renewable Generation Capacity under pipeline



603 sq. km
51% stake in Licensed Distribution operation acquired in Dadra & Nagar Haveli and Daman & Diu



3.93%
Distribution losses at licensed distribution



24X7
Power Availability



17 BN
Power Distributed in licensed and franchised distribution areas



4 MN
Total no. of consumers



> 99%
Power reliability



~100%
Collection efficiency in distribution areas

OUR BUSINESS AREAS



Generation

We have an operational generation capacity of 4,110 MW comprising thermal (coal and gas-based) power plants & renewable power plants.

231 MW of renewable generation capacity was added during the year. Upcoming renewable generation capabilities comprise 565 MW (450 MW solar and 115 MW Wind).



Transmission

We operate 249 km and 105 km of 400 kV double circuit transmission lines and 128 km of 220 kV double circuit transmission lines for transmission of power.



Distribution

We distribute power to about 4 million customers in Ahmedabad, Gandhinagar, Surat, Dahej SEZ and Dholera SIR in Gujarat; Bhiwandi, Shil, Mumbra and Kalwa in Maharashtra and at Agra in Uttar Pradesh.

Operations in the union territory of Dadra & Nagar Haveli and Daman & Diu with a customer base of 0.2 million spread over 603 sq. km have been taken over effective from April 01, 2022.

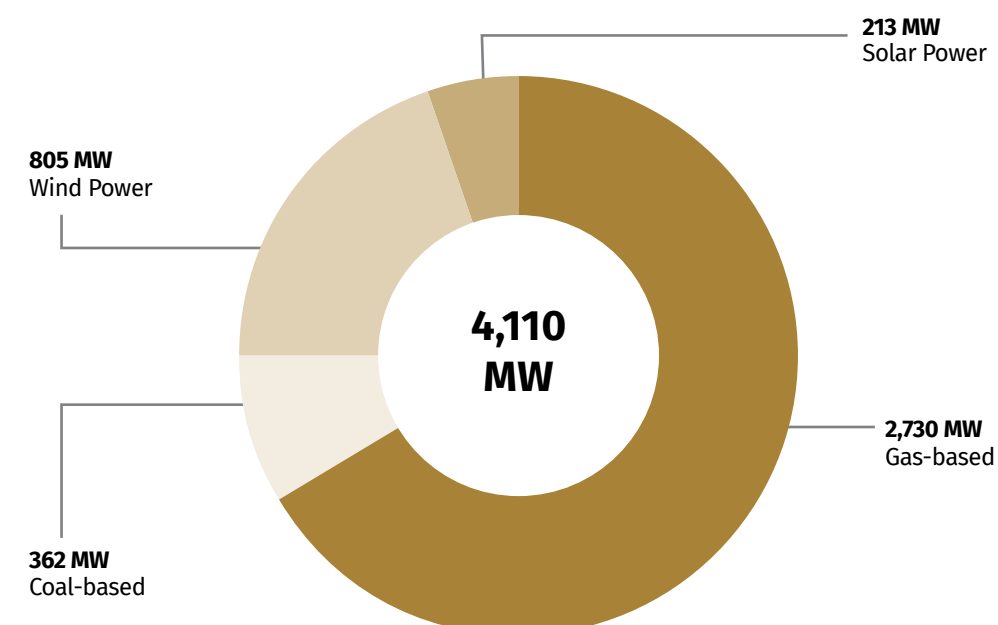
BUSINESS AT A GLANCE

Generation

Fuel Source	Plant	Location	Capacity (MW)	Year of Commercial Operation
Coal-based	AMGEN	Ahmedabad, Gujarat	362	FY88
Gas-based	SUGEN	Near Surat, Gujarat	1,147.5	FY10
	UNOSUGEN	Near Surat, Gujarat	382.5	FY14
	DGEN	Near Bharuch, Gujarat	1,200	FY15
Renewables		Jamnagar, Gujarat	49.6	FY12
		Kutch, Gujarat	201.6	FY17
		Rajkot, Gujarat	50.9	FY19
		Bhavnagar, Gujarat	50.4	FY19
		Gulbarga & Raichur, Karnataka	120	FY18
	Wind	Osmanabad, Maharashtra	126	FY20
		Surendranagar, Gujarat - 26 MW	156*	FY15
		Amreli & Rajkot, Gujarat - 70 MW		FY18
		Jaisalmer, Rajasthan - 24 MW		FY13
		Mandsaur, Madhya Pradesh - 36 MW		FY16
		Kutch, Gujarat	50	FY20
		Patan, Gujarat	51	FY15
	Solar	Near Surat, Gujarat	87	FY16
		Surendranagar, Gujarat	25*	FY12
		Solapur, Maharashtra	50*	FY18

*Acquired during FY22. We are also expanding our renewable portfolio by 565 MW which consists of 115 MW of wind and 450 MW of solar.

Installed Capacity



Distribution

Licensed Distribution

Location	Licensed Area (sq km)
Ahmedabad and Gandhinagar, Gujarat	~356
Surat, Gujarat	~52
Dahej, Gujarat	~17
Dholera SIR, Gujarat	~920
Dadra & Nagar Haveli and Daman & Diu**	~603

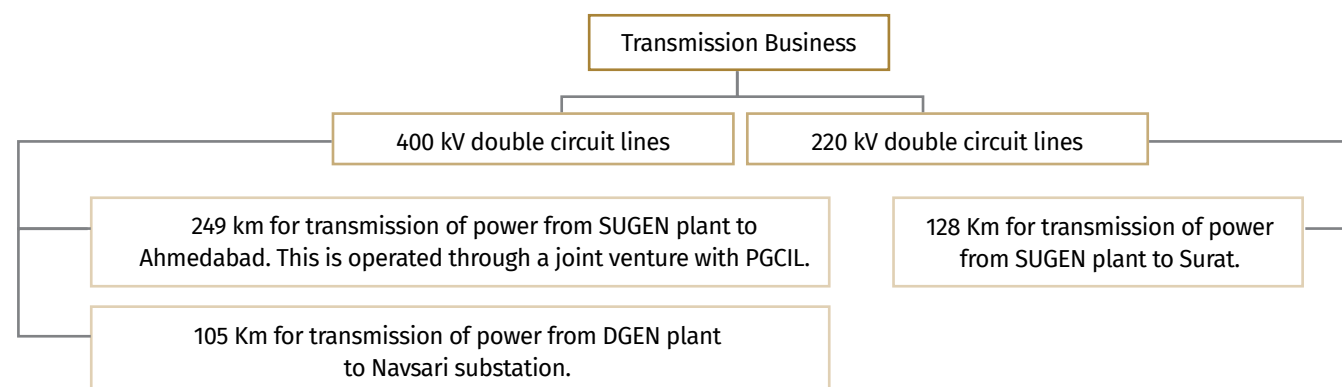
**Operations taken over w.e.f. April 01, 2022.

Franchised Distribution

Location	Franchised Area (sq km)
Bhiwandi, Maharashtra	~721
Agra, Uttar Pradesh	~221
Shil-Mumbra-Kalwa (SMK), Maharashtra	~65

Transmission

We operate 249 km and 105 km of 400 kV double circuit transmission lines and 128 km of 220 kV double circuit transmission lines for transmission of power.



GENERATION BUSINESS

Thermal Generation

We have a cumulative thermal power generation capacity of 3,092 MW. 12% of this capacity is coal-based (i.e. 362 MW), and the remaining 88% capacity is gas-based, a cleaner fuel (i.e. 2,730 MW).



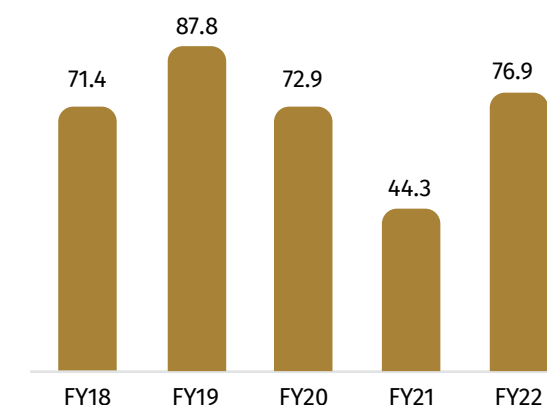
362 MW AMGEN Power Plant, Ahmedabad

362 MW Coal-based Generation

The 362 MW AMGEN Power Plant in Ahmedabad, Gujarat, is an embedded generation unit for the city's licensed distribution with fuel tie-up: FSA for 70 % domestic coal and the balance 30% met through imported coal. Despite the Plant being functional since 1988, its operational efficiency is amongst the best compared to plants of similar age. It is also able to operate largely at levels better than prescribed norms.

The Plant has more or less maintained a high level of Plant Load Factor (PLF) every year except in FY21, when COVID-19 impacted the offtake. During the reporting year, AMGEN was able to source adequate coal supplies despite shortages affecting plants across the country.

AMGEN (PLF%)



2,730 MW Gas-based Generation

We operate three gas-based power generation facilities, namely 1,147.5 MW SUGEN Mega Power Plant, 382.5 MW UNOSUGEN Power Plant and 1,200 MW DGEN Mega Power Plant.

Our gas-based plants are among the best globally and use advanced F-class turbines built on the combined cycle and single shaft technologies delivering high performance efficiencies and low environmental impact.



1,147.5 MW SUGEN Plant & 382.5 MW UNOSUGEN Plant at Surat



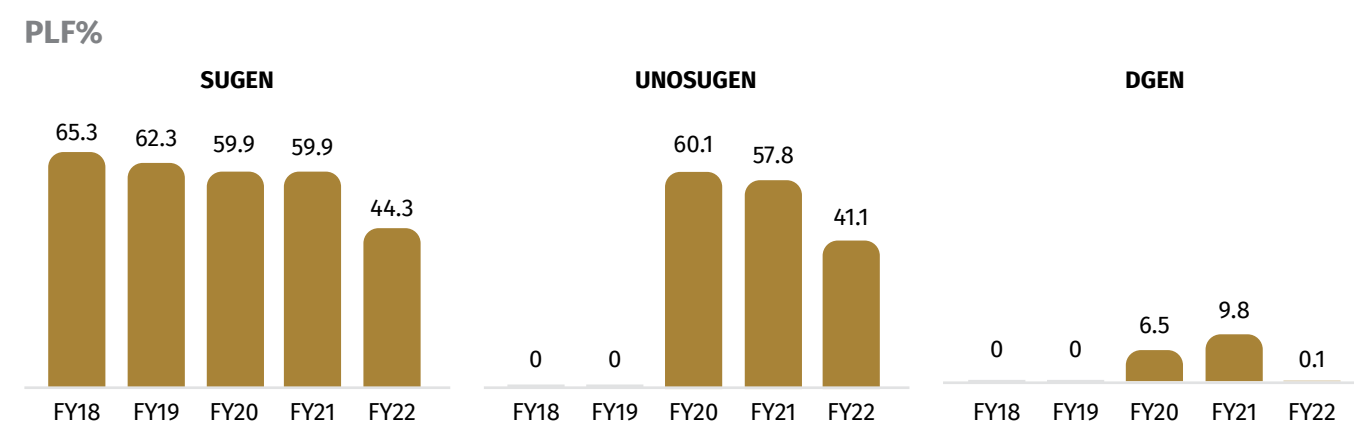
The table gives an overview of our gas-based power generation:

Particulars	SUGEN	UNOSUGEN	DGEN
Capacity (MW)	1,147.5 (3 x 382.5)	382.5 (1 x 382.5)	1,200 (3 x 400)
Plant Type	Gas-based CCPP	Gas-based CCPP	Gas-based CCPP
Location	Near Surat, Gujarat	Near Surat, Gujarat	Near Bharuch, Gujarat
COD	August'09	April'13	November'14
Fuel	Domestic Gas & Imported LNG	Domestic Gas & Imported LNG	Imported LNG
PPA	835 MW for distribution areas of Ahmedabad / Gandhinagar & Surat and 50 MW with MPPTC	278 MW for distribution areas of Ahmedabad / Gandhinagar & Surat	No tie-up
Others	Contracted Storage-cum-Regasification capacity of 1 MTPA with Petronet LNG, Dahej Terminal for 20 years from April'17		



1,200 MW DGEN Power Plant, Dahej

Our gas-based plants (except DGEN, which is currently stranded) have been operating at moderate PLF levels, as shown below:



During the year, two units of SUGEN and UNOSUGEN Plants underwent major overhauls and system up-gradation to improve operational efficiencies. The PLF of the above mentioned plants declined during the reporting year mainly due to the unprecedented high LNG prices in the global markets. Considering the near and long-term prospects of DGEN power plant, impairment charge of ₹1,300 Crore was provided for in FY22.

A Proactive Action to Anticipated Problem (PAAP)

The PAAP forum was conceived and launched at the time of SUGEN's commissioning in the year 2009 to:

- Examine issues impacting availability and reliability of supply
- Establishing special groups with cross-functional engineers for various technical studies like operability, critical system, single point failures, etc.
- Root Cause Failure Analysis of findings of the various studies
- Implementation of action plan and its systematic execution

The major challenge was achieving the very high availability and reliability standards set by Torrent Power. The bulk of the Operations & Maintenance (O&M) engineering team members in India had little experience of managing such high delivery

standards and operational complexities with minimal support from global experts. However, the team persevered and brought far-reaching benefits to our operations.

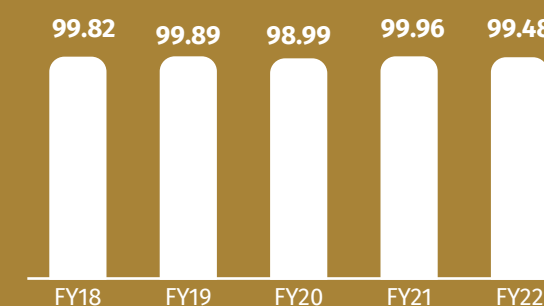
Several critical contributions from PAAP to improve availability and reliability include:

- Segregation of power supply sources for essential drives
- Segregation of control system card level Input/Output
- Redundant power supplies for critical systems
- Formulation of O&M practices etc.

The forum has contributed actively to improving and maintaining station availability of gas-based plants to more than 99% over the years.

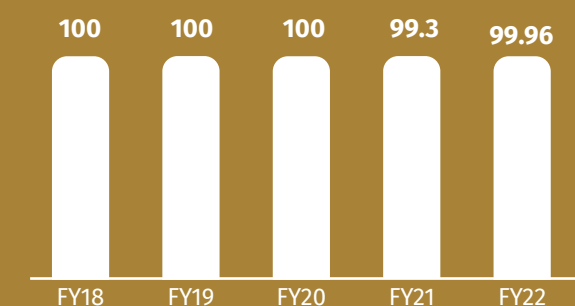
SUGEN AVAILABILITY

Availability excluding planned outages (%)



UNOSUGEN AVAILABILITY

Availability excluding planned outages (%)



Renewable Generation

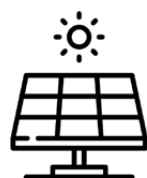
With a focus on energy diversification driven by clean, green and affordable power for future generations, we have also scaled up the operational renewable energy portfolio to 1,018 MW. Our operational renewable portfolio includes solar and wind energy generation facilities of 213 MW and 805 MW, respectively, as on March 31, 2022.

In line with our ambition of growing our share of renewable energy, we have acquired three new projects during the year, allowing us to expand our portfolio by 231 MW, including 156 MW of wind and 75 MW of solar. We are also expanding our renewable portfolio by 565 MW, consisting of 115 MW of wind and 450 MW of solar.

Recent Acquisitions



Wind Projects of
156 MW
in Gujarat, Rajasthan
and Madhya Pradesh.



**25 MW &
50 MW**
Solar Projects in Gujarat
and Maharashtra
respectively.



Mahidad Wind Power Plant, Gujarat

Highlights of recent renewable acquisitions

Particulars	Solar		Wind
	25 MW	50 MW	156 MW
Seller	Blue Daimond and Balrampur Chini Mills	Lightsource bp and UKCI	CESC and Haldia Energy
Balance Life	~15 years	~22 years	~20 years
Tariff	₹15/kWh for 12 years (Upto December'23) & ₹5/kWh for 13 th to 25 th year	₹4.43/kWh	₹4.68/kWh (weighted avg.)
PPA	GUVNL	SECI	Respective State Discoms
Date of Acquisition	February 15, 2022	March 25, 2022	March 11, 2022

Highlights of projects in pipeline

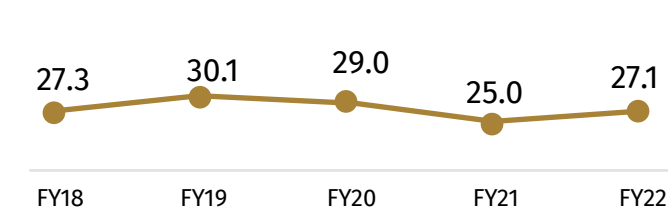
Type	Capacity (MW)	Tariff (₹/kWh)	Long term PPA with	Project under expansion by way of	SCOD / COD	Location of the project
Solar	100	1.99	GUVNL	Bidding	October'22	Patan, Gujarat
Solar	300	2.22	Company's licensed distribution business	Bidding	April'23	Surendranagar, Gujarat
					February'23	Patan, Gujarat
Solar	50	~5.35	Northern Power Distribution Company of Telangana Ltd.	Acquisition	November'17	Nizamabad, Telangana
Wind	115	2.76	SECI	Bidding	September'22	Jam Khambhalia, Gujarat



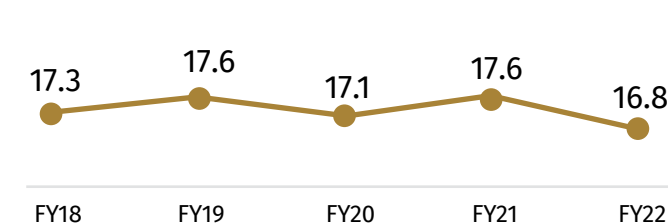
115 MW SECI-V Wind Power under construction Project, Jam Khambhalia, Gujarat

We use the most advanced technology at relevant points in time at our renewable plants to ensure high plant availability. We have also been associated with reputed O&M service providers to maintain & operate our plants with the highest efficiency. More than 75% of our renewable projects have attractive preferential tariffs based on long-term PPA with 25 years of project life. The remaining renewable projects are competitively won projects having long-term PPAs with a tenure of 25 years with state and central offtakers. Operationally, all our renewable plants are performing as expected, as shown in the graph. In the coming years, we intend to consolidate the O&M function to reduce costs and improve plant performance.

Wind PLF %



Solar PLF %



Way forward in green business

Our Clean energy assets comprise 90 per cent of our total power generation assets, demonstrating our deep commitment to the national energy transition journey. We continue to expand the renewable portfolio to attain our emissions intensity reduction goals. Our strategy to expand our renewable portfolio includes tapping greenfield (through prudent and rational bidding) and brownfield opportunities through strategic Mergers & Acquisitions (M&A). Additionally, we are acquiring land banks for developing renewable power projects.

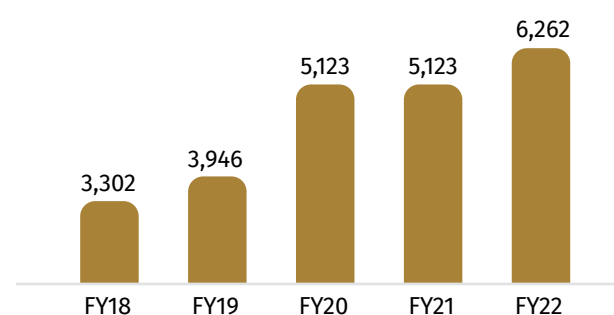
We are also looking at exploring new and upcoming opportunities of:

- Round the Clock Green Power
- Battery Energy Storage
- Pumped Hydro Energy Storage
- Green Hydrogen

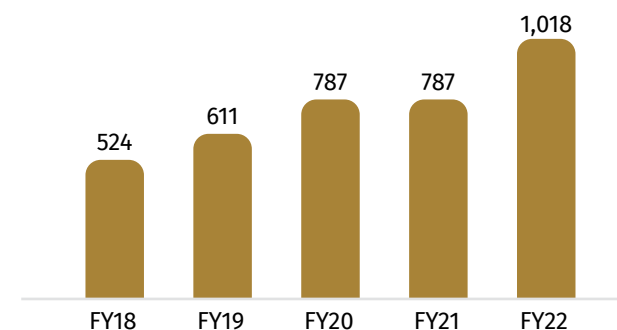


Our recently acquired 50 MW Solar Power Project at Solapur, Maharashtra

Cumulative Investment in Renewable Energy (₹ in Crore)



Cumulative Renewable Generation Capacity (MW)



DISTRIBUTION BUSINESS

We are amongst the most experienced private sector organisations in the power sector, with significant expertise in this space. Our remarkable reputation emanates from a long history of providing consumers with a 24x7 power supply, one of the lowest distribution losses, and high power reliability.

We endeavour to create sustainable value for our stakeholders through constant technological advancements and initiatives to enhance customer experience. Our unwavering focus on operational efficiency helps us deliver a seamless power supply to our customers. Currently, we serve nearly 4 million customers annually in our distribution territories of Ahmedabad, Gandhinagar, Surat, Dahej SEZ, Dholera SIR (Gujarat), Bhiwandi, Shil, Mumbra, and Kalwa (Maharashtra), Agra (Uttar Pradesh), and Union Territory of Dadra & Nagar Haveli and Daman & Diu.

Licensed Distribution

We are the licensed operator for electricity distribution in the cities of Ahmedabad, Gandhinagar, Surat and Dahej SEZ, aggregating about 425 sq km of area. We are also developing a distribution network as a licensee in Dholera Special Investment Region (DSIR), spanning an area of 920 sq km. In line with our goal of growing our distribution business, we have completed the acquisition of 51% of the equity share capital of Dadra & Nagar Haveli and Daman & Diu Power Distribution Corporation Limited. The operations have been taken over with effect from April 1, 2022.

Key Facts of new licensed area of Dadra & Nagar Haveli and Daman & Diu



1.5 Lakh
Customer Base



603 sq. km.
Area of Operation



Cost Plus
Business Model

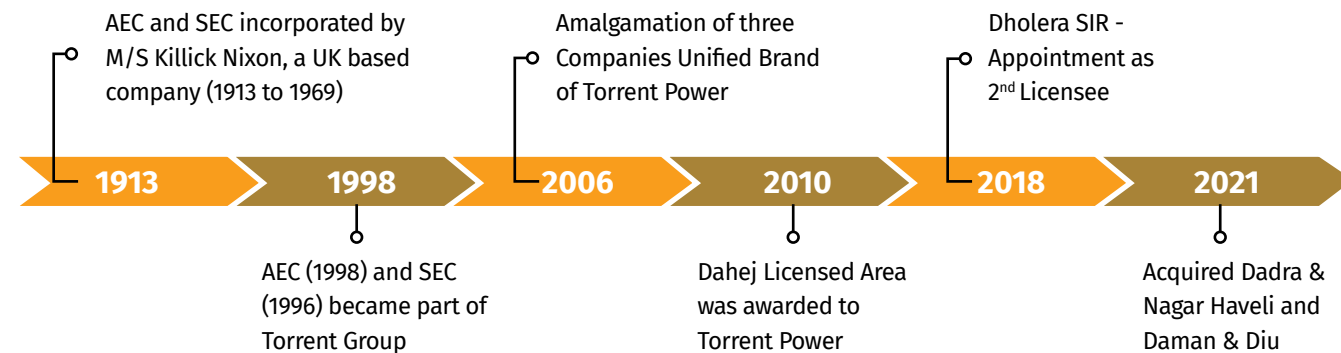


9 BN
Annual power units distribution



Our new license area of Dadra & Nagar Haveli





Our Journey in licensed Distribution Business

We have always had a proud record of minimal losses during distribution. However, we do not rest on our laurels and continue to have one of the lowest distribution losses in the country. We deployed new interventions to minimise the losses further. These measures resulted in the all-time lowest losses in both percentage and absolute MUs in Ahmedabad, Surat and Dahej distribution facilities.

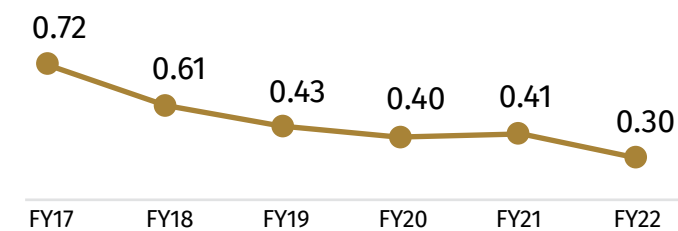
Strategic measures undertaken to reduce our distribution losses include:

- Upgradation of network
 - ✓ Deploying Distribution Transformers nearer to load centres
 - Approximately 12,000 Distribution Transformers installed in the Ahmedabad and Surat licensed areas.
 - The national failure rate for Distribution Transformer is approximately 15%, while the Torrent Power failure rate stands at 0.30%

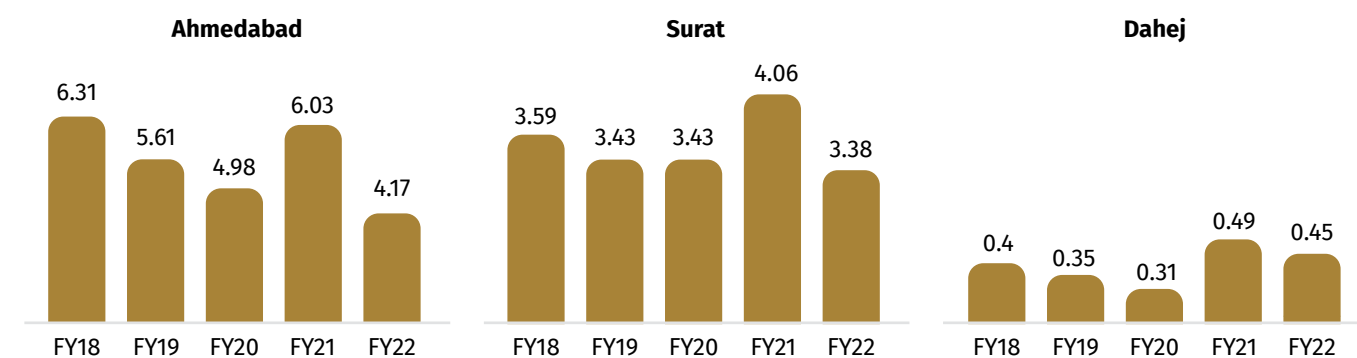
- ✓ Monitoring and optimising loading on transformers, feeders and distributor cables
- ✓ We also commissioned an additional 66 kV cable connectivity between the Puna and AK Road (K) substation and the Bhatar and Kailash Nagar (H) substation at Surat. This reduced technical losses substantially and significantly improved our reliability.
- ✓ Replace old and obsolete networks including paper-insulated lead-covered (PILC) cable with cross-linked polyethylene (XLPE) cable, T-jointed/LC wire network with XLPE cable network etc.
- Continuous monitoring helped us achieve optimal loads on transformers, feeders and distribution cables
- We also strengthened our vigilance mechanism to detect theft and pilferage

As a result of these measures, we have reduced our cost of power supply and kept our tariff competitive. They also enabled us to achieve our ESG led growth goals by reducing the carbon footprint due to lower procurement of energy and enhancing the conservation of resources due to energy efficiency.

Distribution Transformer Failure Rate (%)



Distribution Losses at Torrent Power's Licensed Distribution Areas (in %)



Decentralisation of Operations

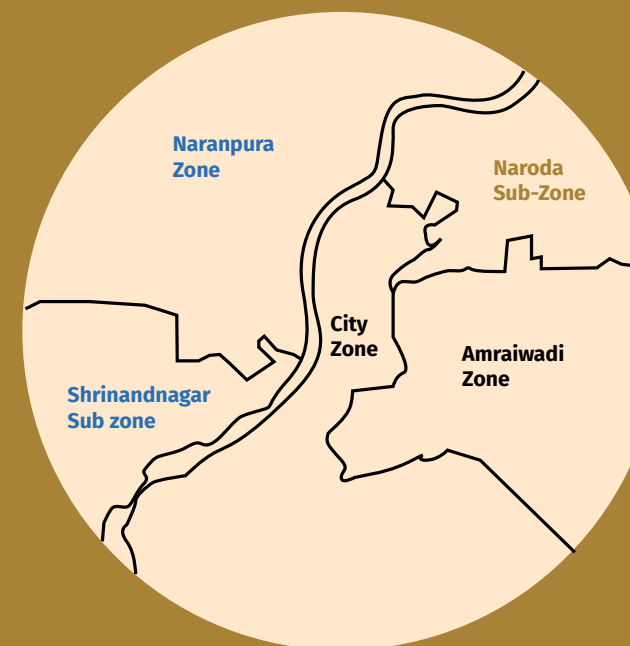
The recent pandemic forced businesses, including Torrent Power, to redefine old ways of operating. We have taken various initiatives to decentralise our operations and move closer to our customers to overcome the limitations of mobility and physical interactions brought in by the pandemic. We have decentralised our operations across 9 locations in Ahmedabad distribution area instead of the earlier 5, which allows us to deliver on customer requests faster and reduce Turnaround time (TAT). These improvements will have a significant positive

impact on our key performance parameters of the operations in the coming years.

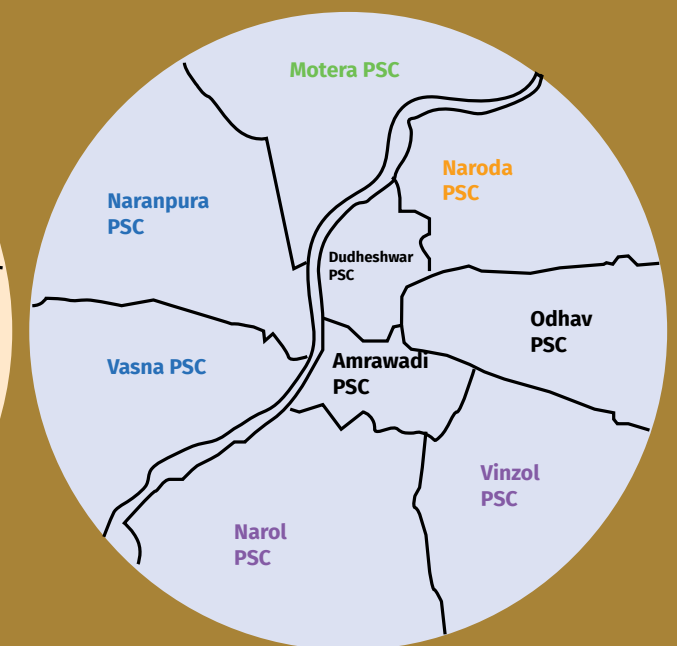
Decentralisation of operations helps us to:

- Improve Turnaround time (TAT)
- Ensure availability of our staff 24x7
- Improve effectiveness and efficiency of operations
- Improve customer satisfaction by providing faster, round the clock and qualitative services

Ahmedabad Distribution - Before Decentralisation



Ahmedabad Distribution - After Decentralisation



Reactive Power Stabilisation- Enhancing the Stability of Fluctuating Voltage

We installed a first of its kind 220kV, 120MVar Variable Shunt Reactor (VSR) at our Ring Road (CGIS) Substation. This was the first such installation that adopted VSR technology to compensate for reactive power. It led to multi-pronged benefits, including:

- Lower noise emissions and losses when operating at a reduced power rating
- Reduction in energy losses and carbon footprint resulting in conservation of resources

- Increased grid efficiency
- Improved reliability of power supply

We enhanced our profitability from reduced reactive power purchases with this new solution. We also gained from reduced reactive power loading, increased line operational capacity and better network voltage control. Cost savings from a flexible, reactive power added to the benefits. Finally, the solution helped us comply with the contractual reactive power limits.



State-of-the-Art Meter Testing Laboratories

We have established state-of-the-art laboratories to test meters and instrument transformers that are used for customer metering and billing. We are the first utility in India to take NABL (National Accreditation Board for Testing and Calibration Laboratories) accreditation complying with ISO 17025 for the Ahmedabad Meter Testing Laboratory way back in 2006 to set the highest standards of meter testing and enhance customer confidence. **Today, all distribution units of Torrent Power have NABL accredited Meter testing laboratories.**

- The laboratories are equipped with Automated test benches of very high accuracy reference standards from globally renowned

makers like MTE & ZERA - Germany and Red Phase Instruments - Australia etc., which are used to test the meters and instrument transformers as per relevant requirements of The Bureau of Indian Standards.

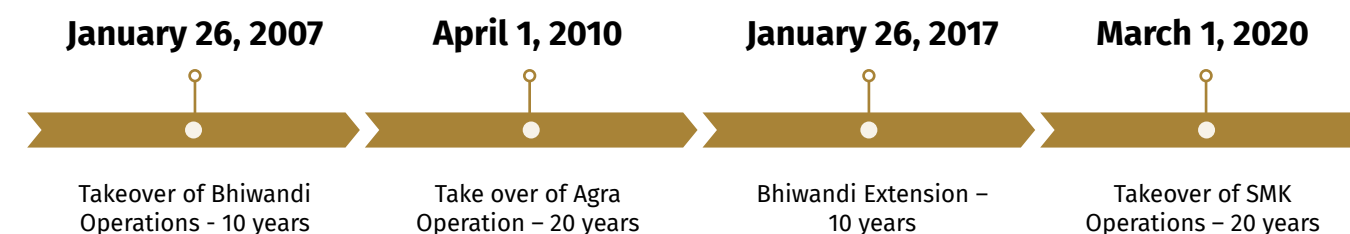
- Recently, the Integrated Meter Management facility at Ahmedabad has been developed for efficient process flow to minimise meter movement and manual handling. Cutting edge technologies for storage and logistic handling systems like Scissor Lift Platform, Palletized Storage Racking, Articulated Forklift, Testing Jigs etc., have been deployed, improving operational efficiencies and optimum utilisation of space.



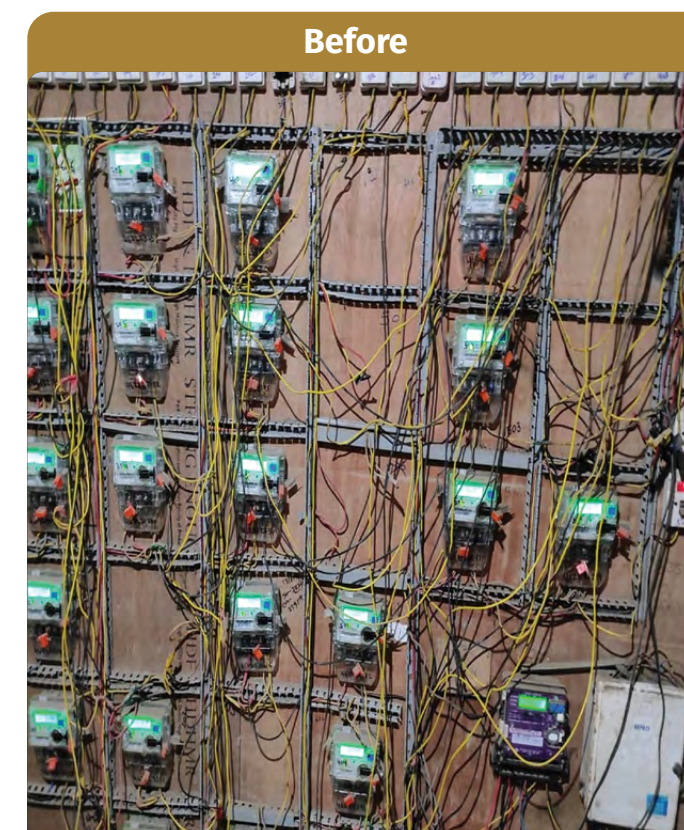
Franchised Distribution

We operate as a franchisee (of the license holder) for electricity distribution in the cities of Bhiwandi, Agra and Shil- Mumbra- Kalwa (SMK) across an aggregate area of 1,007 sq km. Our franchisees' in Bhiwandi, Agra & SMK are based on the IBDF model (input-based distribution franchisee). IBDF is a comprehensive franchisee model that covers the end-to-end cycle of power distribution from the procurement of electricity and maintaining and augmenting the network to deliver electricity to end customers as well as handle the meter reading, billing and collection.

We have transformed the distribution network in Bhiwandi and Agra to ensure reliable power supply and improved customer services. We have reduced AT&C losses from 58% at the time of takeover of operations in Bhiwandi to 9.87% in FY22 and from 58.77% at the time of takeover in Agra to 13.33% in the reporting year. Our franchised model is viewed as an exemplary case study in various forums.



Our Journey in Franchised Distribution Business



Meter Replacement at Shil

Currently, our focus is on improving operations in the franchised areas of SMK by bringing down the AT&C loss levels of 54.20%, which prevailed when we took over these operations. Investments in various capital projects such as HT/ LT network revamping, meter replacement, service revamping, DT clean up, etc. are regularly undertaken. AT&C loss at SMK stood at 38.89% during the year, while power reliability was more than 98%.

We could meet higher power demand beyond pre-COVID levels despite the challenges related to the COVID second and third waves during the year. We were also able to reduce distribution losses beyond pre-pandemic levels across all our franchised

distribution areas through initiatives like:

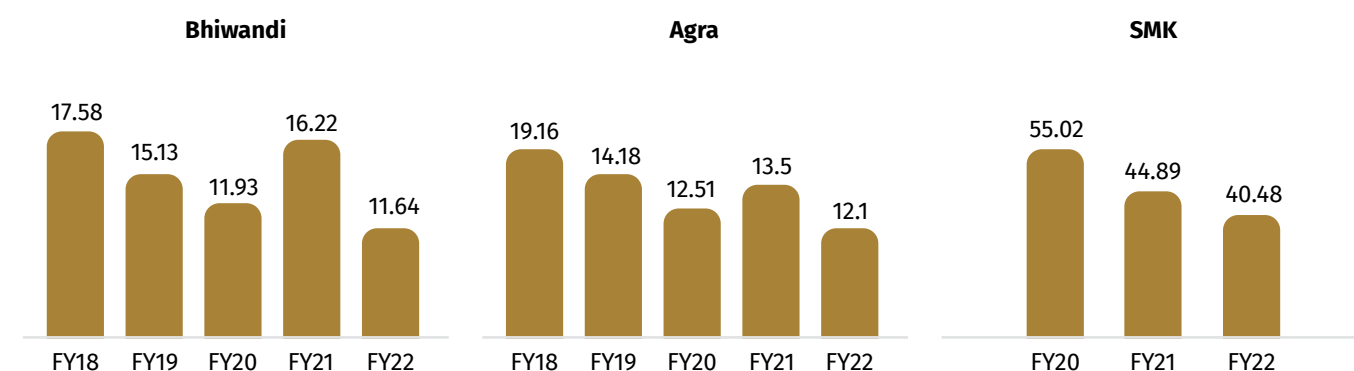
- Surveillance and vigilance
- Theft-deterrent systems
- Distribution transformer cleaning
- Law enforcement against illegal connections

Our collection efficiency continually improves as a result of:

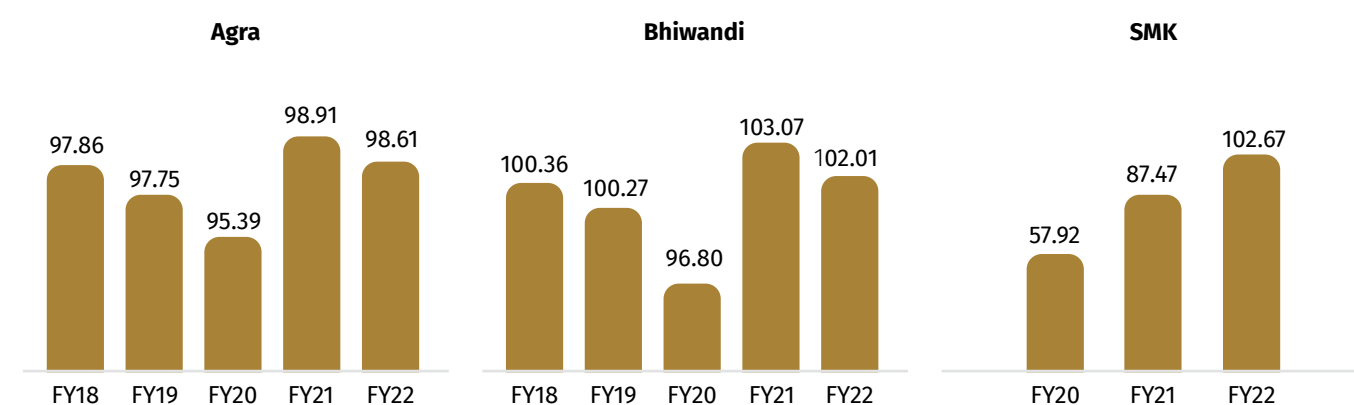
- Revival of vigilance activities
- Disconnection drives
- Pick up in industrial economic activities

Bhiwandi, Agra and SMK achieved a collection efficiency of 102.01%, 98.61% and 102.67% respectively in FY22.

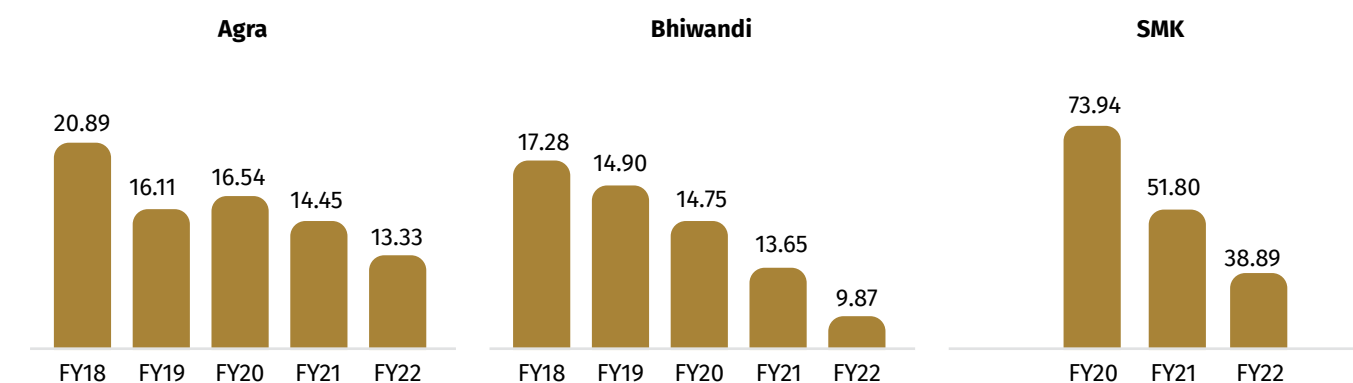
Distribution Loss- Franchised Distribution (in %)



Collection Efficiency (in %)



AT&C Losses (in %)



CABLES BUSINESS

Besides the power business, the Company has a presence in Cables manufacturing business through its subsidiary TCL Cables Private Limited.

We are amongst the market leaders in manufacturing of HV Cables. While continuing as a major supplier of 66 kV cables, we have significantly increased production of 132 kV XLPE Cables in EHV. We are the first company in the cable industry to get ISO 9001:2000 certification, which has now been

upgraded to ISO 9001:2015. We have added ISO 14001:2015 & ISO 45001:2018 certifications to demonstrate our commitment to the Environment and OH&S. We are among the top power cable companies in India today with a capability to manufacture EHV, HV-XLPE, LV-XLPE/PVC Power Cables and Control Cables. We are committed to maintaining high quality standards, hence, all EHV and HV XLPE Cables (both single & multi-core) of different types and sizes get regularly tested at CPRI and at ERDA laboratories.



INTELLECTUAL CAPITAL

Evolving through transformation in a dynamic working environment

With the rapid pace of technological advancement in the power sector, traditional operating models must embrace the latest digital technologies to transform and stay ahead of the curve. Continuous modernisation of organisational systems is imperative to meet growing customer expectations. To sustain our competitive advantage, we endeavour to expand our knowledge base and augment our Intellectual capital to make our processes effective, efficient and reliable. Integrating a culture of learning into our business strategy and operations helps us foster innovation across the organisation, scale operational efficiency and facilitate resource optimisation.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



STRATEGIC THEMES



Invest in the Company's Growth Engine



Operational Excellence



Deploy Digital Technologies

MATERIAL TOPICS



Cyber security



Disaster Management



Digitalisation

INTERLINKAGE OF CAPITALS

Capitals	Financial Capital	Manufactured Capital	Human Capital	Social and Relationship Capital	Natural Capital
Interlinkage of Intellectual capital with other capitals	Having the latest version of ERP systems	Establishing State-of-the-Art Meter Testing Laboratories to test Meters and Instrument Transformers	Taking various efforts to maintain and enhance data privacy	Improvement in customer satisfaction through quality and timely services	Implementing latest technologies to reduce environmental impact
Impact	Investments for SAP system upgradation	Our Laboratories are accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL)	Adapting Multi-Factor Authentication (MFA) system as a data security measure	Adoption of Field Force Mobile Application for improving performance of activities	Procurement of 500+ Distribution automation enabled switchgear leading to lower fuel consumption and outage duration



Corporate Overview

Governance

Sustainable Value Creation

Statutory Reports

Financial Statements

CYBER RISK MANAGEMENT

The accelerated pace of digitalisation comes with an increased risk of cyber-attacks. We have a stringent focus on adopting advanced cybersecurity measures to protect ourselves from such attacks. Latest technologies and State-of-the-Art data security measures such as Multi-Factor Authentication, Privileged Access Mechanism, Endpoint Detection and Response mechanism, etc. augment the security of our data and IT systems.

Multi-Factor Authentication (MFA) ensures safe access to resource data such as applications, networks, VPN, etc. MFA allows for compliance with a wide range of standards and is highly recommended to combat increasing risks of credential theft that are often based on social engineering approaches.

Privileged Access Mechanism (PAM) tracks and monitors user access and provides security to the server administrator. PAM has been implemented centrally for business-critical IT infrastructure users and administrators.

Endpoint Detection and Response (EDR) detects and protects the network from malware by quarantining the system network and providing incident analysis. We have a robust firewall system based on maker and checker concept to enable secure and hassle-free access to data for all our stakeholders. Through periodic Vulnerability Assessment and Penetration Testing (VAPT), we identify and block unnecessary ports and system integrations.

Central Electricity Authority (CEA) / Computer Emergency Response Team (CERT)-in Advisory: CEA cyber security advisory is being reviewed and replicated on all firewalls to block

suspicious domains and add Secure Hash Algorithms (SHA). A Centralised Firewall Management System (CFMS) and solutions for logging and reporting incidents have been deployed for better manageability and control. Firewalls from all locations have been covered under the CFMS. Furthermore, a centralised firewall repository has been created and gateway firewalls of all sites have been integrated for seamless implementation of CEA/CERT-in advisories.

A Cyber Crisis Management Plan (CCMP), approved by the Ministry of Power, Government of India, is in place for our Generation and Distribution business.

IT Security Audits: We have implemented a Vulnerability Management System to proactively detect and rectify gaps. Our IT infrastructure is reviewed regularly to ensure end-to-end tracking of each vulnerability and prompt remediation of the identified improvement areas.

Dedicated Cyber Security Cell has been a part of Digital Solutions since July, 2021. The Chief Information Security Officer (CISO) is directly responsible for the functioning of the Cyber Security Cell. The cell has been entrusted with the responsibility of ensuring cyber security governance coordination, control and development of strategic plans, policies & guidelines in accordance with national and international standards. The cyber security cell provides engineering support to protect our areas of operations and risk posture monitoring using processes and technology.

BEST-IN-CLASS TECHNOLOGY FOR OUR GENERATION ASSETS

Our generation assets are maintained in accordance with Prudent Utility Practices resulting in higher effectiveness and reliability. Constant efforts are made at running these world class assets underlined with the latest technologies. During the reporting year, it was decided to upgrade the Distributed Control System at SUGEN plant.



Upgradation of Plant Control System and Generator Control System at SUGEN

Our SUGEN Plant meticulously planned the Distributed Control System (DCS) and generator excitation with the start-up frequency controller upgradation process in consultation with the relevant stakeholders. The complete upgradation process, including the first-ever use of the latest Technology Modules (TM) for governor control, has been implemented in a phased manner. It has been synchronised with the planned major shutdown of the units to negate any plant availability loss for DCS upgradation. The upgradation was executed through an action plan based on multi-functional brainstorming, creating and testing actual upgrade scenarios

on a test bench supported by a documented strategy and processes.

Impact:

SUGEN has successfully upgraded the Plant Control System and Generator Control System after performing adequate testing of control systems and processes, including on the job training of Operation and Maintenance (O&M) personnel. The upgraded system has reduced the need for components, increased flexibility and is user-friendly along with being compliant to cyber security norms.



MODERNISING OUR DISTRIBUTION OPERATIONS

We have undertaken strategic measures to stay ahead of the curve and strengthen our competitive differentiator of being one of India's best run power utilities. Upgrading electrical infrastructure, adopting advanced technology and efficient operations help us deliver uninterrupted power supply to our customers.

The performance of our distribution network has been improved by moving our overhead lines underground, replacing cables and revamping the metering installations while building interlinkages to create a seamless Ring-Main-System to bring quality uninterrupted power supply to consumers.

We have installed an interface built on GIS software and mapped the entire distribution network to improve functional efficiency. A process has been initiated to install an Advance Distribution Management System (ADMS) to integrate distribution substations on the SCADA platform for remote operations and asset monitoring.

We strengthen our systems continuously while increasing the capacity to relieve overload, manage the number of customers for each substation and create redundancy in the Low Tension (LT) network. The automatic meter reading infrastructure for retrieving

usage data has been ported onto the cellular network, both on GPRS and Nb-IoT. We tap into radio frequencies to upgrade firmware remotely. Open source-based Network Monitoring Solution – OpenNMS- has been deployed centrally to configure critical Servers, Firewalls, Switches and Links for timely notification in case of any service outages or existing configurations going beyond the threshold limits.

Advanced Metering Infrastructure (AMI) measures energy consumption and transmits the information to the Company and customers in real-time to monitor and manage their usage prudently. We are in the process of implementing a pilot project of AMI with Smart Meters and State of the Art technology platforms for metering, communication and monitoring infrastructure.

We have developed a mobile based Field Force Application (FFA) to support field engineers and staff to monitor field activities and capture field data on a digital platform. This helps us improve operational efficiencies, performance of field activities and achieving our goal of going paperless for environmental sustainability.

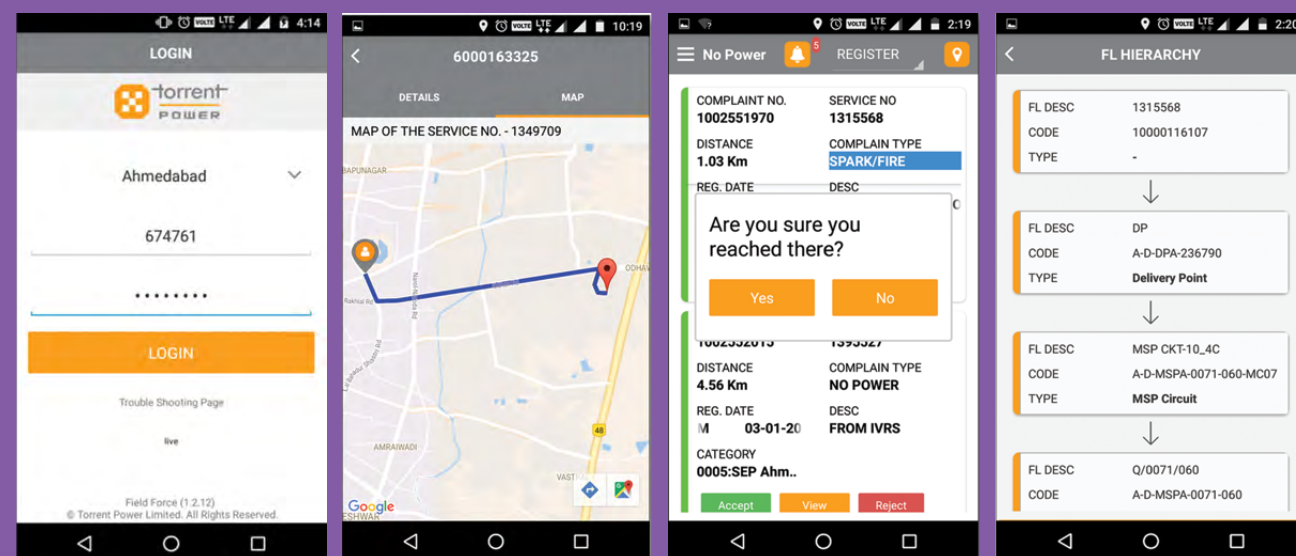
Field Force Mobile Application: Enhancing Efficiency and Effectiveness

A mobile-based platform, FFA was rolled out for the ease of operations. The tool facilitates workflow automation of end-to-end field activities such as Meter Reading, Customer Application Processing, Complaint Management, etc. Separate modules have been developed for meter reading, PPEs audit, asset survey, warehouse activities, capturing site observations, etc.

The platform provides notifications on new jobs as well as their allocation and progress. It also provides information on pending and high priority jobs in real-time. FFA monitors the work quality through date and time-stamped photographs to ensure satisfactory completion and closure of jobs leading to customer delight.

Benefits of FFA:

- Improved real time monitoring of field teams and their deliverables to reduce Turn Around Time (TAT) on customer complaints and other field jobs
- Availability of accurate field data and MIS reports
- Improving asset performance
- Reduction in travel due to remote monitoring facilities to better manage our carbon footprint and environmental pollution
- Digital capabilities leading to reduction in paper use, thereby protecting trees
- Improvement in customer satisfaction through quality and timely services



DIGITALISATION

Digitalisation is changing the way we conduct business. It is helping us design and deploy operating models with improved accessibility, productivity and sustainability. However, this move is accompanied by an exponential rise in data collection and storage, with people and devices becoming connected at an unmatched pace.

We are working on various initiatives such as the ZERO Trust security model, Cloud Access Security Brokers (CASB), security solutions, micro-segmentation, SDWAN, UEM, etc., to

ensure our operational and customer data is safe and secure.

Digitalisation of documents is a critical requirement for a power company that deals with millions of customers. At Torrent Power, our distribution units have digitalised the end-to-end process. We store our data on a secure SAP system and a state-of-the-art document warehouse for future use, in line with relevant regulations and policies. Data is also digitally maintained to the maximum extent possible in other units.

DISASTER MANAGEMENT AND BUSINESS CONTINUITY

Every organisation faces the risk of disasters despite all possible measures to reduce the probability. A well-thought-out, practical and comprehensive recovery plan determines the capability and the time taken to fight and resume business after a disaster. These disasters can be natural, such as floods, earthquakes, hurricanes, etc. or triggered by humans like power outage, accidental fire, oil spills, cyberattacks, etc.

We have endeavoured to build robust and scalable disaster management capabilities to restore operations by leveraging IT to regain access to power, connectivity, data, hardware, software,

and network equipment in the least possible time.

We currently have near site data centres to run IT applications like SAP, web-based applications, VDI and GIS. Furthermore, we also have a far site disaster recovery centre. In case of an unexpected failure, the failover from the primary data centre to the secondary site is automated via clustering software and data-replication techniques. To switch over to the far site disaster recovery centre, the Recovery Point Object and the Recovery Time Objective have been set at minimal levels to restart the IT operations.



HUMAN CAPITAL

Building Positive Employee Relations

The pathway to our success has been paved by the capability and dedication of our people, whose aspirations are in synergy with our organisational goals to create sustainable value for our stakeholders. Our people are the force behind our continued success. We have an unwavering focus on their well-being and nurture a workplace that empowers our people to develop and leverage their potential optimally. A culture of learning encourages the development of the skills and competencies of our people to achieve shared organisational goals and facilitates their holistic professional growth. Our people focused policies and endeavours help strengthen our human capital and significantly improve operational efficiencies and productivity.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



STRATEGIC THEMES



Empowered Stakeholders



Deploy Digital Technologies

MATERIAL TOPICS



Employee Satisfaction & Retention



Employee Health & Safety



Training and Development



Diversity and Inclusion



Human Rights

INTERLINKAGE OF CAPITALS

Capitals	Financial Capital	Manufactured Capital	Intellectual Capital	Social and Relationship Capital	Natural Capital
Interlinkage of Human Capital with other Capitals	Enhancing employee satisfaction	Creating employment opportunities in line with business growth	Ensuring employee health & safety while resuming work from office post-Covid	Inclusive workplace upholding the principles of Diversity, Inclusion, and Equal Opportunity	Conducting programmes for environmental protection
Impact	₹ 31 Crore spent on employee welfare	660 employees hired in FY22	Developed a digital platform, "M-Health", to screen & monitor the health of employees	~20% women in total recruitment	Saplings distributed to employees at our various units



HIGHLIGHTS FY22

~20%
women in total talent
on-boarded



709
Training Programmes
conducted



~38,372
man-hours of safety training



Won British Safety Council's
prestigious "Sword of Honour"
award for excellence in
Occupational Health & Safety

STRATEGIC FRAMEWORK TO ENHANCE EMPLOYEE EXPERIENCE

Our workforce development strategy is linked to the larger organisational goal of strengthening and retaining our position as one of the leading energy firms in India. To stay performance-driven and maintain our competitive edge, we enhance the potential of our people to build a bright future for themselves and the Company. Our human resources (HR)

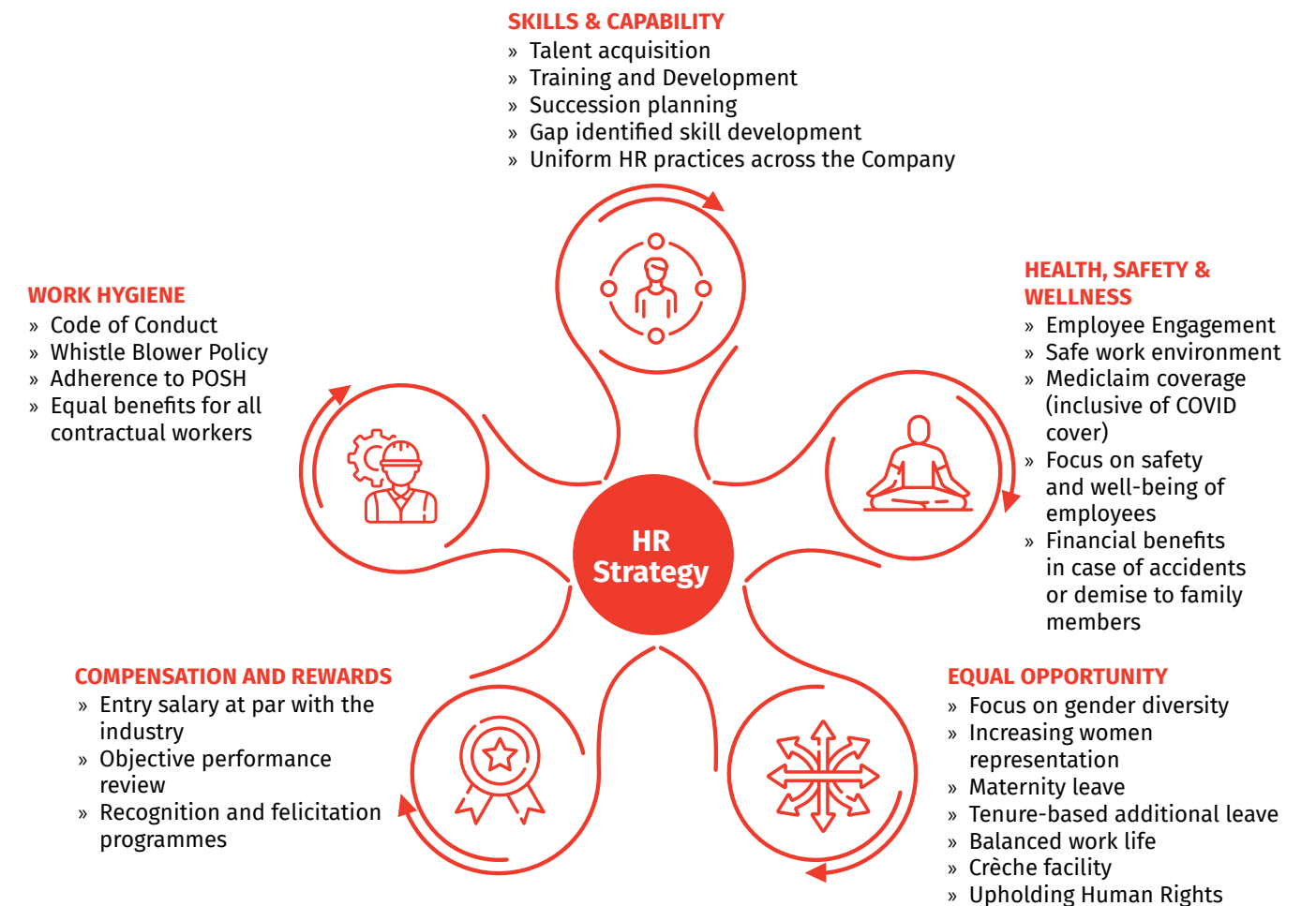
team serves as a strategic business partner, supporting the development of our talent in line with organisational goals to sustainably enhance operational agility and productivity. We continuously monitor available skills and map the gaps so that we can build skill pools that are critical to achieve desired business objectives effectively and efficiently.

Our Workforce

Employee category	Age Group			Gender		Total
	<30 yrs	30-50 yrs	>50 yrs	Male	Female	
Senior Management	0	35	71	106	0	106
Middle Management	2	355	124	451	30	481
Junior Management	1,311	1,315	213	2,497	342	2,839
Staff	1,102	2,241	834	3,891	286	4,177
Total Permanent Employees	2,415	3,946	1,242	6,945	658	7,603
Permanent employees with disabilities*						22

*Already included in Total Permanent Employees

An Integrated HR Strategy to meet the broad spectrum of employee needs



SKILLS & CAPABILITY

Talent Acquisition

We strive to attract, motivate, retain and grow talent to ensure that we grow business sustainably in line with our stated goals. Our robust talent acquisition process enables us to bring the right talent on board, be it laterals/experienced or trainees. Every year freshers from multiple campuses are inducted into the Company across functions to build a vibrant talent pipeline to meet our current and future needs. To ensure talent diversity, we maintain a

balance of experienced professionals and freshers in our workforce.

All new hires undergo a comprehensive induction and orientation programme, which provides them with an understanding of our operational structure, goals, value systems, business conduct guidelines and sustainability commitments so they can manage their responsibilities efficiently & effectively.

New Hires Breakup of personnel joining the organisation	Age Group			Gender		FY22
	<30 yrs	30-50 yrs	>50 yrs	Male	Female	Total
Senior Management	-	2	6	8	-	8
Middle Management	-	23	12	34	1	35
Junior Management	402	141	19	458	104	562
Staff	50	5	-	31	24	55
Total	452	171	37	531	129	660

Training & Development

Having the right people with the right will, skills and knowledge is paramount to achieving our aspirations and creating value for our stakeholders. We stay focused on the holistic development of the employees through skill development programmes to build diverse competencies and a high-performance culture. External experts and in-house teams conduct training programmes designed to meet current organisational needs, bridge skill gaps, and groom employees for future leadership responsibilities. All learning and development sessions are monitored and tracked closely for effectiveness and impact. Over 93% of employees were trained on various topics through ~709 training programmes in FY22.



17.4

Average No. of Training hours/employee

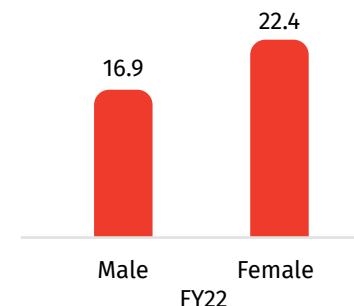


Behavioral Based Safety Training



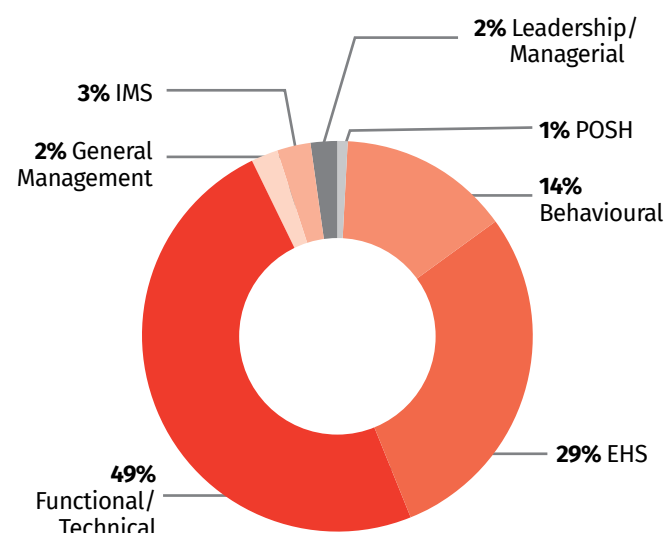
Leadership Training

Gender-wise average number of training hours per employee



The Company conducts multiple functional, technical and behavioural training programmes on an ongoing basis to make the workforce future-ready. The chart below depicts the broad themes of the trainings that were imparted during the reporting year:

Category-wise Trainings conducted during FY22



The implementation of Position Qualification Requirements (PQR) at Gas-based generation plants

The goal of a robust PQR authorisation system for Operations and Maintenance (O&M) employees aims to attract highly qualified talent for safe and reliable operations of a power station. Given that the technologies deployed in gas-based generation plants are fairly advanced and unique in India and the world, we faced a challenge in hiring people with relevant skills to manage the operations. Therefore, we developed in-house methods, systems and training modules to upskill our talented O&M engineers to run the plant.

The qualification requirements for all O&M roles were defined, and an appropriate curriculum was developed for each position. The curriculum includes classroom training, on-the-job sessions with Subject Matter Experts (SME), a written and on-field practical examinations. Upon satisfactory completion of the curriculum, the SME refers the employee to the Head of the Department, who conducts a final written examination followed by a plant walk-through. After qualifying in the examination, the employee

is invited for a final interview with the Authorisation Board, which is chaired by the Executive Director and comprises a multifunctional team including Head of EHS Department. Employees are awarded a certification if they meet the assessment requirements of the Authorisation Board and can take on tasks independently. This certification is renewed regularly through an interview process.

We held initial workshops for the O&M team on-site and in Germany on the latest gas-based single shaft technology. Regular workforce exchanges between the SUGEN and DGEN sites and deputations to support outage activities have helped us develop a pool of experts at both sites.

Through this initiative, our gas-based plants have consistently maintained very high standards of O&M and availability and reliability due to the contributions of our competent teams.

Succession Planning

To assure long term success, the Company identifies and has a special focus on grooming the chosen talent for critical roles. We have instituted various systems and interventions for resource mapping and holistic development of employees at all levels. Learning journeys help employees transition from

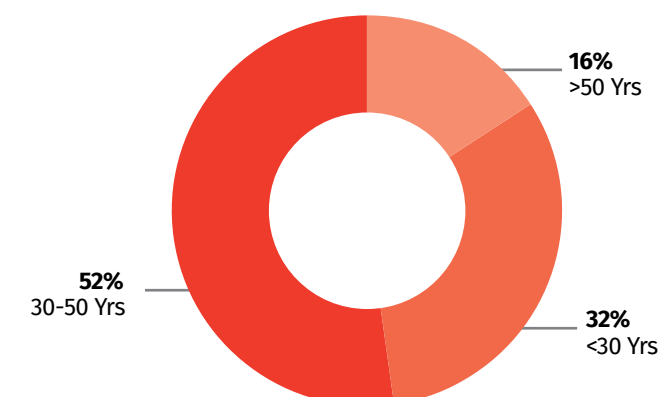
one job level to another and boost their decision-making and organisational skills. The learning journeys are customised and designed to facilitate all-round development. Promotion, rotation of jobs and transfers have ensured that more employees can take up internal roles, build fulfilling careers and develop as potential successors for the future.

EQUAL OPPORTUNITY

Diversity and Inclusion

As an equal opportunity employer, we aim to create an inclusive workplace to gain and retain competitive advantage and establish a well-functioning merit based system. Diversity is more than a strategic vision for us as it defines who we are and empowers us to strengthen the foundations of our organisation. Starting from our Board down to the last rung of our workforce, diversity of capabilities, skills, experiences, gender, communities and socio-economic groups enrich our workforce exponentially. This diversity helps us build a vibrant organisation that stays resilient in adversities and resolute in its mission.

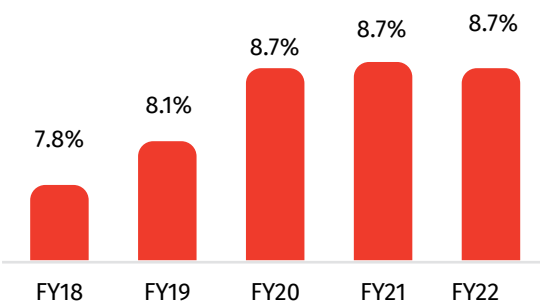
Age-wise Workforce Distribution FY22*



*Permanent Employees

We are committed to upholding the principles of Diversity, Inclusion, and Equal Opportunity. Our merit based recruitment process offers equal and fair opportunities to everyone irrespective of caste, creed, gender, ethnicity, race, and religion. Differently abled individuals with impaired hearing and speech are hired after being trained by special supervisors skilled in sign language to clean solar panels at the GENSU power plant. The Company has hired and provided enhanced livelihood opportunities to 22 differently abled employees.

Women Participation in Workforce (%)



Diversity of Board

Board of Directors	Total Members	Age Group			Gender	
		<30 yrs	30-50 yrs	>50 yrs	Male	Female
	9	0	2	7	6	3

As an Equal Opportunity employer, we strongly advocate and have undertaken several initiatives to increase women’s participation in our workforce. As a result of our endeavours, the share of women in the workforce increased to 8.7% in FY22 compared to 7.8% in FY18. Women employees constituted 19.6% of talent onboarded in FY22.

Many programmes have been included to facilitate and encourage working of women in the organisation, such as:

Sangini

With a focus on Women’s wellbeing, we invite experts to deliberate on various female-related health subjects on a bi-annual basis at all units. This initiative acts as a platform to express and celebrate womanhood. This year the organisation has conducted sessions on topics such as “Lifestyle & Stress Management”, “Diet Management for Working Females”, “Pre-menopausal Health & Bone Density” and others.



Sangini at Agra unit

Women’s Day Celebration

We celebrate Women’s Day every year to recognise and acknowledge the contribution of women and their unbreakable spirit. Each unit commemorated the occasion this year by hosting knowledge-sharing seminars on various topics. Women employees were also given a small token to appreciate their contributions and spirit during the celebrations.

Conducive Maternity Benefits

To foster a better work-life balance, we extend maternity benefits as per statutory requirements to all our female employees. We also promote re-employment of women employees who quit the organisation because of medical, maternity and social constraints or under exceptional circumstances.

	FY21	FY22
Number of females who availed maternity leave	23	14
Return to Work Rate	82%	94%
Retained after 12 months from their return to work after the maternity leave ended	92%	100%

Crèche facility for Working Mothers

In order to support working mothers, well-maintained crèche or childcare facilities are available at most of our units. They assist women employees in striking a balance between their work and motherhood demands. Such supportive facilities also encourage women to resume work after maternity breaks.



Crèche Facility

Balanced Work Life

The Company remains committed to provide quality work-life to retain our valued talent and harmonise our interests with that of our employees. Various policies help our employees balance work and family life better. These include an annual leave policy that provides 30 days of leave, of which 14 days must be mandatorily availed. Incentive leaves are given to employees associated with the Company for a long time. We also provide compensatory off for the extra hours worked by the employees. Flexible working arrangements to balance organisational and personal commitments are available for employees wherever possible. Our work-life integration programmes include celebrating various events and festivals as a team.



Diwali Celebration at AMGEN

Upholding Human Rights

We are committed to respect and comply with all relevant human right laws, rules and regulations in the territories in which the organisation operates. The provisions include stringent policies and actions against slavery, human trafficking, forced labour, child labour and upholding each employee’s right to freedom of association in accordance with applicable laws. We are in the process of strengthening our human rights due diligence process, including fine tuning our risk assessment and integrating it into our overall organisational processes and value chain.

**Zero**

Violation of Human Rights in the reporting year

During the year under review, there were no cases of child labour, forced labour, involuntary labour, discriminatory employment, or breach of human rights. We ensure that all our employees and workers are atleast paid as per applicable minimum wages, irrespective of the gender.

WORK HYGIENE

Code of Conduct

The Company's Code of Conduct lays down the corporate and organisational values that shape our business principles and practices. It is designed to foster a culture of honesty and accountability and to recognise and deal with important ethical and legal issues. The Code is available on the website of the Company. All new recruits must certify that they understand and accept the Company's Code of Conduct at the time of recruitment. Members of the Board and employees are required to comply with the Code at all times.

Whistle Blower Policy

With a view to establishing a mechanism for protecting employees reporting unethical behaviour, improper or illegal practices, wrongful conduct and instances of a leak or suspected leak of Unpublished Price Sensitive Information ("UPSI"), the Board of Directors have adopted a Whistle Blower Policy as a part of its vigil mechanism.

Adherence to POSH

Ensuring the safety and dignity of all our employees, especially women, is of utmost importance to the Company. We are committed to provide a safe and conducive work environment where employees can operate freely without fear, to deliver their best to the organisation. We periodically conduct sessions for employees to build awareness about our stringent Prevention of Sexual Harassment (POSH) policy. During the year, there were no complaints pertaining to sexual harassment.

**Zero**

incident related to Sexual Harassment

COMPENSATION & REWARDS

Torrent Power believes in nurturing a performance-driven culture by developing and celebrating employee capabilities and achievements to engage and motivate them. Their engagement is critical for our continued success. We recognise employees who deliver extraordinary results through several measures as outlined below:

Torrentian Award

Employees that consistently perform well, go beyond the call of duty, serve as role models, are dependable and committed to the Company are recognised as Torrentians of the Year. Two Torrentian winners are chosen every year from a large pool of employees across the Group, based on a well-defined methodology. The winners are felicitated with the Torrentian Award, a Citation Scroll and a monetary reward during our Founder's Day event.



Chetan Bundela- Torrentian of the Year 2022
(Winner from Torrent Power)

Annual Performance Review & Increment

Annual performance reviews are conducted for all employees to motivate and retain talent by conducting transparent, fair and timely performance evaluations. As part of this exercise, employees discuss their accomplishments and development opportunities for ensuing years with their reporting managers. Additionally, detailed discussions on employees eligible for promotions are undertaken. Job rotation plans are made for potential promotees based on the organisation's requirements and employee aspirations. Individual development plans are discussed and designed during this exercise, and relevant training programmes are identified for employees subsequently.

Kaizen (Continuous Improvement/ Change for better)

Employees are encouraged to suggest Kaizens in the areas

of quality improvement, productivity enhancement, safety measures augmentation and waste reduction at some of our locations. To encourage participation and motivate employees about continual improvements, several recognitions are awarded to them as outlined below:

- Best Kaizen of all Functions
- Best Kaizen of Operations Function
- Best Kaizen of Maintenance Function
- Best Kaizen of Support Function

"Thank You Note" for Employees

At some of our units, employees share "Thank You Notes" with each other for their contribution to any project or task, over and above their daily jobs. Receiving employees earn 10 points for every "Thank You" note. Every six months, the employee with the highest points is rewarded with a gift.

HEALTH, SAFETY & WELLNESS

Employee Engagement

The wellbeing of our employees and their families is a key focus for us at Torrent Power. We continue to propagate employee-centric practices and initiatives to create an engaged workforce, including:

Founder's Day Celebration – To commemorate the successes and achievements and pay tribute to the visionary & founder of the Company, Shri U.N. Mehta every year, Founders' Day is celebrated with great enthusiasm.

Health Talk – To ensure a healthy lifestyle, experts are invited to speak with our employees to increase awareness about health-related issues.

Raas Garba – Organised every year to foster team bonding among employees.

Khel Mahotsav – An annual sports event organised to motivate and foster team spirit among employees.



Khel Mahotsav at Agra unit

However, to maintain appropriate Covid behaviour this year, we avoided events that included physical meetings.

Building a Healthy and Safe Workplace

Creating a safe working environment for our employees, contract workers and other stakeholders is an organisational commitment. 'Zero Occupational Health and Safety related incidents' is the credo that defines our operations. Behaviour-based safety systems and our culture makes the workplace a safe place for all employees.

A robust policy and comprehensive measures take forward our commitment to employee health, safety and wellness. Periodic medical check-ups and screening followed by consultations with the Company's medical officer go a long way to ensure the mental and physical wellbeing of employees. Awareness programmes and activities to promote healthy practices are conducted at most of our units and balanced and nutritious meals are emphasised for employees. At some units, an online newsletter is published covering the latest health trends, milestones achieved by employees and their families, tips on healthy living, etc.

Making Healthy Living a Habit - Initiatives at AMGEN

The increasing risk of lifestyle diseases and critical illnesses coupled with low consciousness has deepened the need to focus on measures to promote healthy living. Several initiatives were undertaken at AMGEN, our coal-based generation plant, to raise awareness of healthy practices and a commitment to improve fitness levels. Some of these include:

AMGETHON

An annual running competition started in 2017 to improve the fitness levels of employees and encourage participation in physical activities. The event was first organised at the Sabarmati Riverfront in Ahmedabad with a 2.5 km and 5 km running competition where a total of 101 employees participated. As a result of AMGETHON, many employees have become active runners in their daily lives. Four to five employees are now participating in half and full marathons. The latest event, organised in 2021 at our Sabarmati township, saw more than 150 employees participate in 3 km and 5 km stretches while adopting all applicable measures to stay safe during the pandemic.

GM 30

GM 30, is an initiative by the AMGEN unit where employees are encouraged to devote at least 30 minutes of their time

to physical activities and keep themselves healthy. Activities undertaken by employees include running, walking, yoga and aerobics. A dedicated portal has been set up to record and share daily activity data with employees to maintain motivation levels. This programme was enthusiastically received by the employees and has recorded a 70% participation.

Practices followed for employee's health

Awareness sessions on "Healthy Eating Habits" were conducted with the help of an external nutritionist. The cafeteria menu is also designed as advised by nutritionists.

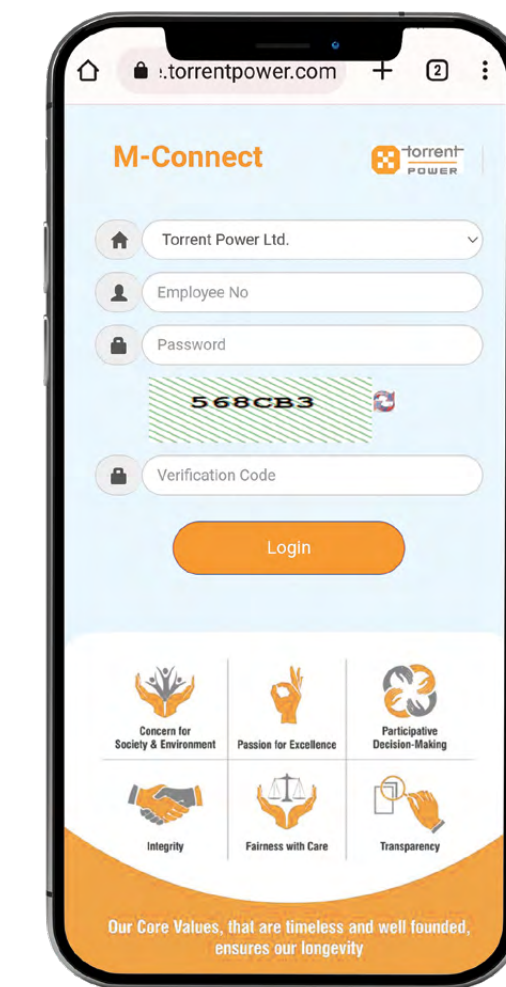
We have observed an overall improvement in employee health as demonstrated by the following indicators:

- No employee deaths due to lifestyle or occupational diseases after 2017 (in identified cases only)
- 10 employees who were suffering cardiac problems and tested TMT positive became TMT negative with a good lipid profile
- 18 employees stopped consuming tobacco
- Significant improvement in the average BMI of the overall employee population was observed



Following are some of the policies of the Company to extend additional support to employees:

- **Mediclaime Policy for Employees and their Families with a Top-up Facility** – Helps manage financial expenses incurred at the time of hospitalisation. In the event of a severe medical emergency or illness, an increased insurance coverage limit is offered on a need basis. They also have a provision to opt for the top-up facility based on their requirement at corporate negotiated rates. We have launched a one stop online solution, M-Connect in this financial year, which instantly addresses employees' query related to mediclaime.
- **Covid-19 Top-up Insurance Policy** – As a special need of the hour, the organisation introduced Covid – 19 insurance policy for employees to cope with the financial costs incurred due to the pandemic.
- **Voluntary Parental Insurance Policy** – Employees have the provision to opt for the parental insurance policy at corporate negotiated rates.
- **Policy on Financial Support in the Event of Demise** – Provides financial support to the family in the event of the demise of an employee. Employee families are compensated with 5 years CTC or CTC of balance years of service whichever is less, subject to minimum ₹25 Lacs and maximum ₹50 Lacs. The organisation extended this policy retrospectively to compensate the families of employees who expired during pandemic.
- **Group Accidental Policy** – To compensate for the financial burden of employees arising from an accident, even if they are not on duty.



'M-Connect' - Online Portal to address employees' mediclaime related queries

Conviction for Safety Policy

The Company has formulated a one of its kind 'Conviction for Safety Policy' to compensate employees and their families who have been adversely affected by accidents that occur while on duty. Employees across the Group voluntarily participate in the respective unit's 'Employee Safety Awareness Annual Programme' to become eligible for coverage under the Policy. The initiative also includes employees of contractors and sub-contractors deployed at the unit or project site and across the transmission & distribution network. Such measures encourage behavioural transformation and engagement around the importance of workplace safety and staying compliant to avoid accidents at workplace.

Compensation under this Policy varies depending on the extent of the injury. All accident claims under this Policy are deliberated by a select Committee of senior management formed for this purpose, who have the discretion to accept, modify or reject the claims. The Committee also reviews the preventive actions suggested and advises units to evaluate existing safety-related Standard Operating Procedures (SOPs) for their adequacy. Best safety practices are shared and adopted by units as needed.

Building a Culture of Safety

Our employees' well-being is our top priority; thus, creating a safe and healthy workspace is critical for the Company. All units have adopted a robust Occupational Health and Safety (OHS) Management System based on industry best practices and globally accepted norms and recommendations. All major facilities of the Company are certified for ISO 45001:2018. Our OHS Management System applies to all our employees and contractual workers and diligently captures all incidences, including near misses. A regular audit of the OHS system is carried out by qualified ISO internal auditors and external certified subject experts.

As part of the Integrated Management System (IMS), a comprehensive Hazards Identification and Risk Assessment (HIRA) is done for all activities. In addition, Method Statement Risk Assessment (MSRA) or specialised risk assessments are also being done for hazardous or potentially hazardous and non-routine activities, situations or conditions. Significant activities are evaluated to minimise the level of risk involved with the help of controls such as elimination, substitution, engineering, administrative, etc. Compliance with defined processes is ensured through periodic reviews, site inspections and incident investigations.

Employees and workers are encouraged to report work-related dangers and hazardous circumstances. They submit information on work-related risks and dangerous circumstances identified as defects or notifications to the appropriate department representatives or as an issue that needs mitigation in the safety suggestion box. On observation of any job-related hazard or hazardous condition, all employees have the

authority to halt any risky work. Employees on the shop floor are routinely made aware of their authority to stop any activity that poses a risk to them and step away from conditions that they fear may cause injury or illness.

The procedure of incident reporting and related communication protocols are well established. The workers can report such incidents through channels like safety corrective action request; safety committee meeting; Suraksha Samvad & Samnvay (at SUGEN and DGEN); EHS inspections; hazards reporting & EHS suggestion scheme. They can also bring these up during MSRA, pre-job discussions, safety pep-talks, hazards or near miss reporting forms, etc. In addition to these forums, Company has also developed a module in SAP to enable real-time reporting of such incidents. The leadership and top management value workers who report work-related hazards or dangerous circumstances. Critical reporting is praised in weekly departmental meetings, O&M coordination meetings, safety committee meetings and other forums.

There is an objective and documented investigation procedure for work-related incidents. This includes an incident investigation matrix based on risks that cover parameters like visiting and inspecting incident location, interacting with injured person and witness, capturing observations, identifying hazards, etc. followed by a Root Cause Analysis (RCA). Various methods such as 5-Why One-How, Fishbone, etc. are used to determine the root cause. All the accidents/incidents, including near-miss, are investigated to identify the root cause(s), and appropriate Corrective Action Preventive Action (CAPA) are implemented to stop the recurrence of such accidents/incidents.

A dedicated EHS team ensures the safety aspect at each unit. A Safety gallery has been constructed to strengthen and enhance EHS-related awareness. A department-wise scorecard is reviewed and monitored at the unit level to enhance safety measures. Reviews are conducted periodically and a corresponding dashboard is created at the unit and departmental levels. At many plant locations, events like National Safety week, Road Safety week, etc. are organised to create awareness.

Employees and workers are actively consulted for the development, implementation and evaluation of the OHS management system. Their participation is encouraged by making them a part of structured teams (Safety Committee; Risk management team; Standard Operating Procedure review team; Safety steward team; Change management committee; First aid team; Fire squad team; Emergency response team; Incident Investigation team, etc.) and undertaking specific interventions like safety suggestion scheme, safety commitment drive, safety culture survey, mock drills, contract supervisor & contract owner safety meet, etc.



Safety Pledge at AMGEN

The Emergency Response Plan is available on the employee portal. The emergency contact details define key roles and responsibilities of assigned members. Safety signages that are visible and legible are placed at required places on the premises. Periodic mock drills are organised for safe evacuation from the facilities in case of any emergency.

We have in-house Occupational Health Centres at various units with 24x7 medical officer(s) and ambulance(s) for any on duty medical emergencies. We have tied up with well-known multi-speciality hospitals and area doctors. Certified first aiders, regular tools and PPE inspections, emergency mitigation resources like fire tender, fire extinguishers, etc.



Use of Arc Suit during EHV Operations

and a fire fighting team available 24x7 on the premises further enhance our readiness to address emergencies.

The Company implements multiple training and engagement programmes with a holistic approach to enhance safety in the workplace. Our permanent and contractual employees undergo classroom, hands-on and online training programmes to acquire new skills related to health and safety and strengthen existing ones. ~38,372 hrs of safety trainings were provided during FY22. Some of the trainings that were provided to our employees on health and safety include:

Emergency Response Plan	Incident Sharing & Investigation
Road Safety Training	Ergonomics
Operation Hazards & Isolation Techniques	Know your PPE'S
Behaviour Based Safety Awareness	Safe Work Practices
Excavation Safety	Advance skill on Aspect Impact Identification & Register
Reptile & Animal Bite Awareness Training	Confined Space Management
Awareness sessions on Various Diseases	



Safety Tool Box Talk at SUGEN



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Mock Drills for Rescue Operations at Ahmedabad Distribution

Safety Rewards & Recognition Program

Safety rewards encourage and enthuse employees and contract workers to maintain high safety standards beyond compliance. These rewards include:

- Best safety performer department-as per safety scorecard
- Best contributor to workplace safety for all

- Best contract worker unit wise
- Best contract supervisor unit wise



Zero

Reportable Injuries at Gas-based Generation units

Safety Score Card: An effective tool to enhance organisational safety at AMGEN

At AMGEN, every department's performance on safety parameters such as accidents, man-days lost, unsafe acts, etc. was always documented. However, there lacked a mechanism to assess the unit's overall performance covering critical safety components of every department. Furthermore, it was not possible to compare the safety performance of the various departments holistically. To address this issue, a safety scorecard was introduced that assigns individual weightage to different safety evaluation parameters in one place. Each department receives a monthly safety score percentage derived from its scorecard points that is shared with other

teams to raise awareness of comparative performance, best practices, etc. It allows departments to focus on aspects that are most critical for them to address to ensure zero incidents and workplace safety.

Since the safety performance score of all departments is objectively available, it fosters healthy competition to improve their scores. Any department performing poorly can improve by following the departments with leading scores and adopting their best practices to improve AMGEN's overall safety performance.



British Safety Council: Five Star Audit & Sword of Honor for Torrent Power

The Five Star Occupational Health and Safety Audit by the British Safety Council (BSC) involves an in-depth examination of an organisation's related systems and processes. The audit focuses on the critical aspects of managing safety, health and the environment across the organisation and the supply chain. It offers a structured path for continual improvement by adopting best practices.

Our thermal generation plants have implemented an IMS comprising of ISO standards viz. ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018. In addition, our gas-based

generation plants have also implemented ISO 55001:2014 and ISO 27001:2013. SUGEN was also awarded a Five Star Rating for its robust OHS system and practices in October'21 and the Sword of Honour in December'21.

Our Distribution units have implemented a comprehensive OHS management system which is in line with the legal requirements of Central Electricity Authority (Safety Requirements for Construction, Operation and Maintenance of Electrical Plants and Electric Lines) Regulations, 2011 and is accredited with ISO 45001:2018 and certified with a Five Star Rating in the Occupational Health and Safety Audit conducted by the BSC. The units also won BSC's prestigious "Sword of Honour" award for achieving excellence in Occupational Health and Safety.



Sword of Honor for excellence in Occupational Health and Safety

Staying Resilient through Covid-19 Pandemic

The commitment and determination of our employees powered our abilities to stay resilient and continue to grow business through the challenges of the pandemic. We rapidly set up work-from-home infrastructure wherever possible to help our employees stay safe while being productive to overcome the limitations of the pandemic. Sanitised workplaces with Covid appropriate guidelines enabled employees who came to offices to protect themselves while delivering on customer expectations of reliable power. Awareness sessions on Covid appropriate behaviour helped

employees and their families remain cautious and careful. Covid control rooms were established to monitor the health of employees and their family members daily, even on holidays. An in-house team developed a digital tool, "M-Health", which tracked their health status and travel history and that of their families. We tied up with medical providers for free and seamless vaccination of employees. We were able to return to our offices during the reporting year by staying compliant with the pandemic relevant guidelines and procedures.



SOCIAL AND RELATIONSHIP CAPITAL

Effective Integration for Collective Growth

Working with and for our social partners – customers, suppliers and communities is imbibed in Torrent's culture. Our relationships with these stakeholders determine our success and help us achieve collective growth. We continuously foster and nurture these relationships through various initiatives aimed at improved social development. The strong foundation of social and relationship capital that we have built over the years gives us the confidence to produce long-term and sustainable value for our Company, society and the country. Our enterprise and community-facing projects contribute to the nation's self-reliance and equitable development aspirations and actively engage our stakeholders.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



STRATEGIC THEMES



Empowered Stakeholders

MATERIAL TOPICS



Sustainable Supply Chain



Customer Satisfaction and Loyalty

INTERLINKAGE OF CAPITALS

Capitals	Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Natural Capital
Interlinkage of Social and Relationship Capital with other Capitals	Support government's efforts to combat COVID-19 pandemic	Decentralisation of operations to enable faster customer service by reducing turnaround time	Ensuring customer data is safe and secure	Encouraging employees for community engagement	Conducting awareness programmes for the contractors and consumers regarding energy saving
Impact	₹12 Crore donated during the year to fight COVID-19. Total COVID-19 contribution of ₹43.5 Crore till FY22.	Set up operations from 9 locations instead of the earlier 5 in Ahmedabad city.	Investments in Zero Trust Network Architecture	Improved employee participation (in absolute number of employees and no. of hours per employee)	Distribution of the booklet "VIJ DARPAN" for HT and LTMD customers, pamphlets, and exhibition of energy conservation messages at customer care centres

PUTTING CUSTOMERS AT THE CENTRE OF OUR OPERATIONS

Torrent Power has always maintained high standards of service in terms of delivering reliable and an uninterrupted power supply. Even in our franchised operations, we have been able to achieve almost 24x7 power supply which is a case study in itself. We continuously strive to enhance our service standards and build mutually beneficial relationships with our customers.

Consumer Centricity

We aim to keep our customers delighted with an 'Almost No Power Cut' Policy. Besides this, we remain available to provide essential support and

assistance to our customers whenever required. Customer empowerment is one of the key mottoes of our distribution business. Hence, various systems have been put in place to notify our consumers of all services including billing, metering, outages and application processes. For facilitating bill payments, besides the facility to pay online, we have mobile collection vans, 24x7 collection kiosks and multiple collection centres.

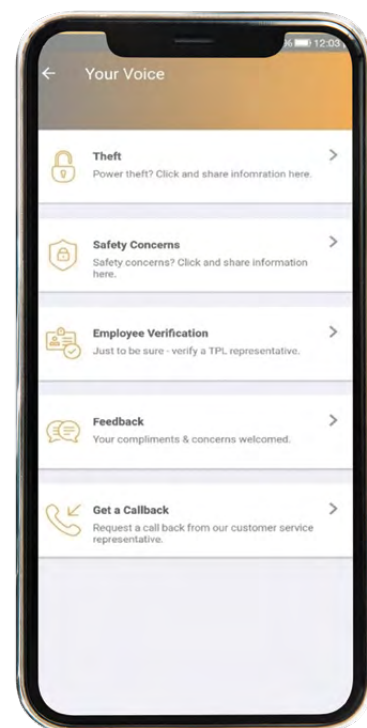
We have set up state-of-the-art, digitally enabled, physical customer interaction centres called **"Plug Points"**.



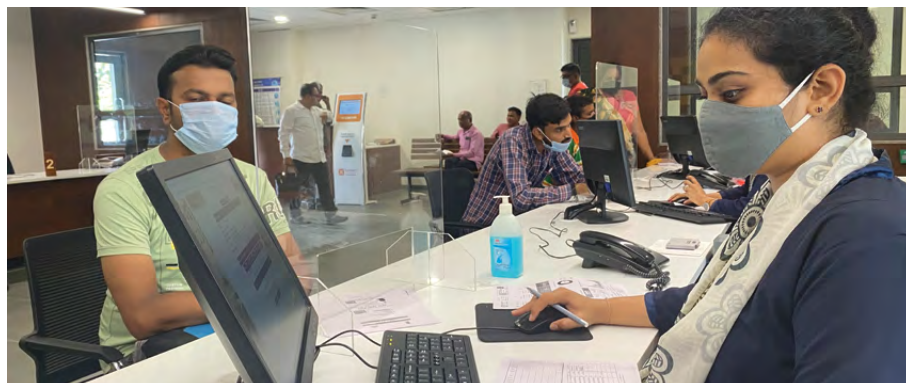
Call Centre at Ahmedabad



State-of-the-Art Plug Point at Ahmedabad



Online portal for customer engagement



Customer interaction at Plug Point



Payment Kiosk at Agra

24x7 call centres, as well as digital interaction hubs are available for the consumers to register and resolve the issues they face.

A wide range of services such as submitting applications, registering complaints, asking queries, making payments and providing feedback can also be availed by customers from the convenience of their homes through our online customer portal. More than 60% of our payments are received through online modes.

Our mobile application offers unique features like video chat, employee verification, registration of a safety concern, the facility to submit your own meter reading, etc.

Our consumer complaint received is treated with utmost importance and a solution is delivered to the satisfaction of consumers. We have always been able to close complaints effectively and within the regulatory timelines.



100%
of complaints resolved within
prescribed time

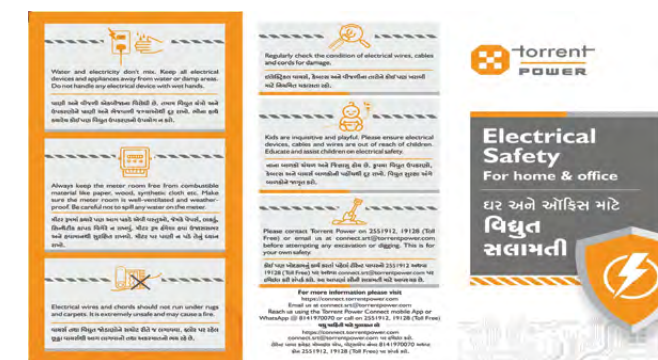
Our organisation is structured to allow us to cater to the specific needs of our customers effectively. Focused teams to handle applications and queries from customers interested in generating or availing power from renewable sources, a specific department which acts as a single-window touch point for high-value customers and dedicated touch points for Licensed Electrical Contractors to effectively meet their particular

requirements help us delight our customers and enhance their experience with Torrent Power.

We benchmark ourselves against the best in the industry and continuously work to exceed customer expectations.

Safety Initiatives

Being an electricity distribution company, we are aware of the hazards that 100% of our key operations may pose to customers and society at large. Accordingly, we consider the safety of our stakeholders to be of paramount importance. Keeping that in mind, we engage with our stakeholders through various channels to create safety awareness and proactively inform consumers of unsafe practices and installations at their premises.



Vij Salamati Pamphlet for Safety Awareness

Safety tips are communicated to customers through several means such as do's and don'ts messages on the customer portal during festive seasons, highlighting the importance of safety equipment and publishing general safety tips on energy bills. We also push audio visuals through our mobile application on safety awareness and distribute information pamphlets "VIJ SALAMATI" at Plug Points.



Dedicated Touch Point for Licensed Electrical Contractors

We interact with our stakeholders through service camps at various locations, customer meets, contractor meets and school programmes wherein we disseminate information on electricity safety.



School Programme at Surat



Customer Meet at Surat

Electrical Safety & ELCB Awareness Survey

Torrent Power conducted a survey on Awareness of Electrical Safety amongst consumers to enable them to assess their role in maintaining safe electricity usage environment. A total of 1,100 customers from Ahmedabad distribution area were selected across categories and load levels.

Other outcomes of the survey include:

77%
showed willingness to regularise load while installing new electrical device

57%
agreed that devices like ELCB/RCCB are important for electrical safety

98%
agreed that loose wiring can cause flashovers and electrical accidents

76%
are using ISI certified devices/equipment at home/office

The survey helped us get insights into our customers' safety awareness levels. Results showed that 26% were aware of their own electrical safety. Also 38% have an Earth Leakage Circuit Breaker (ELCB) or Residual Current Circuit Breaker (RCCB) installed at their residence or office. **One of the important outcomes was to know that 96% agreed that Torrent Power's network is safe, reflecting our commitment towards safety.**

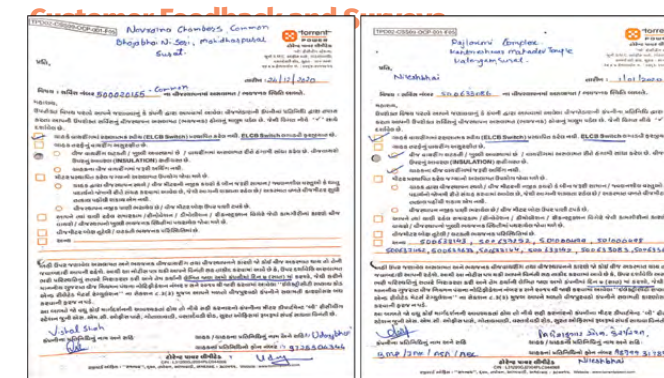
80%
agreed good earthing can protect from electrical shock

90%
are aware that ELCB/RCCB installed was ISI certified

94%
preferred call centre to report unsafe electrical devices/equipment or activities

Customers are informed of any earth leakages in their installation by separate letters along with their energy bills. Any safety concerns observed during meter reading are captured in photographs. Such observations are documented and communicated to the customers via letters. We stay connected with the customers to encourage them to make necessary corrections. We have also developed a mobile application and WhatsApp systems to facilitate reporting on various safety concerns.

Surveys of critical services are undertaken to monitor the condition of meters and meter box installations, check the condition of wiring and earthing, confirm compliance with regulatory requirements regarding installations of ELCB / MCB, verify metallic / flammable / hazardous material stored near meter box and check overload services. We take necessary corrective actions and urge our customers to act on the observations of any unsafe installations identified during the survey of critical customer installations.



Intimation of Unsafe Observations through Notices

Understanding customer expectations is crucial for us to maintain our competitive edge. We have put in place dynamic mechanisms to capture customer feedback.

We collate information from customers through interactive SMS and feedback forms to understand their expectations. We have an internally developed platform "Sampark", wherein we reach out to our customers through calls and capture their feedback. In FY22, we collected more than 82,000 customer responses, investigated each feedback and resolved issues with the customer wherever necessary.

82,000+
No. of feedbacks received during FY22

In FY22, a professional market research organisation conducted a detailed survey covering more than 5,000 customers across categories in Ahmedabad, Surat and Dahej to capture customer satisfaction, customer loyalty and net promoter score.

Customer Satisfaction Score

Customer Satisfaction (CSAT) score measures how the customers rate the overall quality of services offered by the business. Our unmatched service quality helped us achieve a CSAT score of 80%.

80%
CSAT Score

Loyalty Score

Loyalty score is an index of the likelihood of the customers to continue availing services from the business in the case of multiple service providers. A loyalty score of 93% stands testimony to our customer-centric approach.

93%
Loyalty Score

Net Promoter Score

Net Promoter Score is a measure of the willingness of customers to recommend a brand basis their experience. It is used to gauge customer satisfaction & loyalty and captures ratings between -100 and 100. We achieved a respectable Net Promoter Score of 57, one of the best globally.

57
Net Promoter Score

Data Privacy

We have established systems to ensure safeguarding of customer data. No complaints on breach of data privacy or loss of data was filed by any customer during FY22.

Demand Side Management (DSM)

Torrent Power has initiated DSM to enhance energy conservation measures by collaborating with our customers. We have conducted Energy Audits as well as Peak Load shifting programmes to benefit customers. In addition, we encourage our customers to implement Rooftop Solar installations in line with the government's vision. We have established a dedicated team to help customers who wish to install Solar Rooftops. We

also participated in a government-sponsored programme to distribute energy-efficient light bulbs, fans & other equipment and communicated their benefits to our customers. Features on the mobile app and customer portal helped customers understand their power consumption, calculate savings by utilising energy-efficient gadgets and comprehend the necessity of energy conservation.

COLLABORATING WITH SUPPLIERS

We aim to build resilient and long-term supply chains to ensure reliable power supply to all our customers. Besides customer satisfaction, it helps reduce costs and lead time as well as maintain quality. Our suppliers primarily include providers of coal and gas, materials and services. We strongly believe that suppliers are our partners in success and building long-term relationships with them is extremely critical to ensure sustainability of operations. We engage our suppliers in our ESG initiatives as relevant and motivate them to adopt ISO 9001 (Quality Management System), ISO 14001 (Environment Management System) and ISO 45001 (Occupational Health & Safety Management System). We put special efforts to train the workforce of our suppliers in the areas of Health & Safety, Energy Efficiency and Environmental Sustainability using material prepared in different languages for easy understanding.

Suppliers' Code of Conduct

We have a mandatory Code of Conduct for all the suppliers across all platforms. The Code covers aspects of importance to Torrent Power, such as environment protection, minimum wages, prohibition of child labour, anti-bribery laws, health and safety measures, etc. The purpose of the Code is to ensure that our partners share similar values as Torrent Power and comply with our standards of conduct.

Initiatives to Encourage Local Suppliers

Torrent Power is deeply committed to encouraging entrepreneurship among inhabitants of our local communities. We embrace every opportunity to acquire goods and services from local and small vendors. To the extent possible, we give preference to people from the underprivileged sections and women. We encourage contractors and suppliers to embrace and continually improve environment-friendly goals and practices aligned with our sustainability goals. We continuously engage with local suppliers to increase their capacity and capabilities through measures outlined below:

- » Prioritisation for local vendors when purchasing consumables and spare parts
- » At some plants, members of nearby communities are trained and deployed as security guards
- » Packaging materials (steel and wooden drums and planks) and select raw materials (PVC Fillers and GI Armour Strips) are purchased locally from small vendors

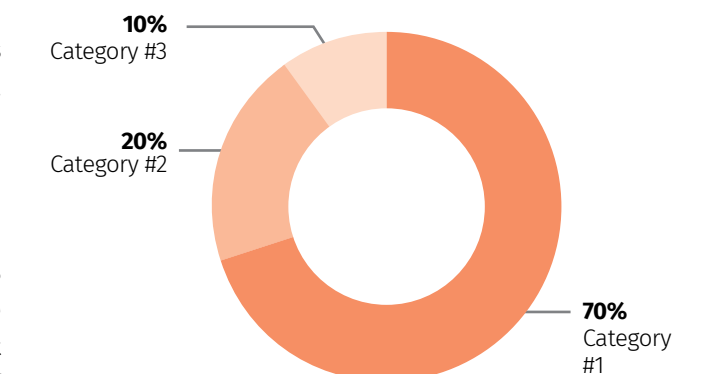
- » Direct and indirect employment opportunities are provided to local community members to the extent possible
- » Use of skilled workers from local communities where feasible for fabrication, plumbing, carpentry, horticulture, housekeeping, gardening, transportation, etc.
- » Developed policies, Operational Control Procedures (OCP), work instructions, EHS procedures, signages, etc. in local languages to facilitate proper understanding and enhance their involvement

Supplier Screening and Evaluation

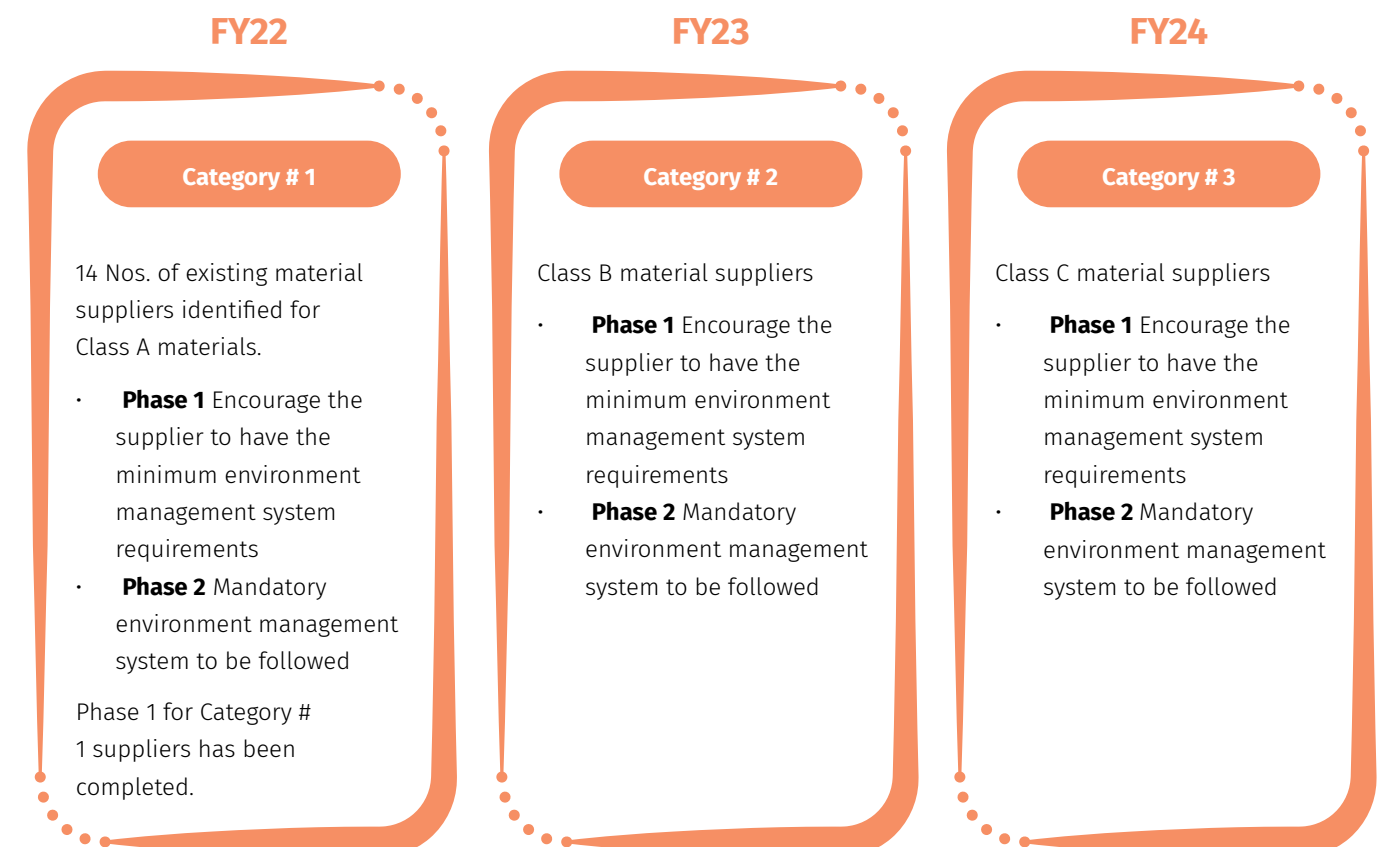
Our procurement consists of 80:20 rule where 80% procurement is from about 20% of suppliers. Hence, the focus is on critical suppliers based on the procurement value. In our generation business, major procurement is of fuel (based on value). Such suppliers are mainly government entities for domestic coal and large international and domestic players compliant with various ESG parameters for gas supply.

Our distribution business procures about 1,000+ materials from about 2,000+ suppliers. The suppliers have been classified as follows:

Supplier-wise Cost Of Annual Procurement



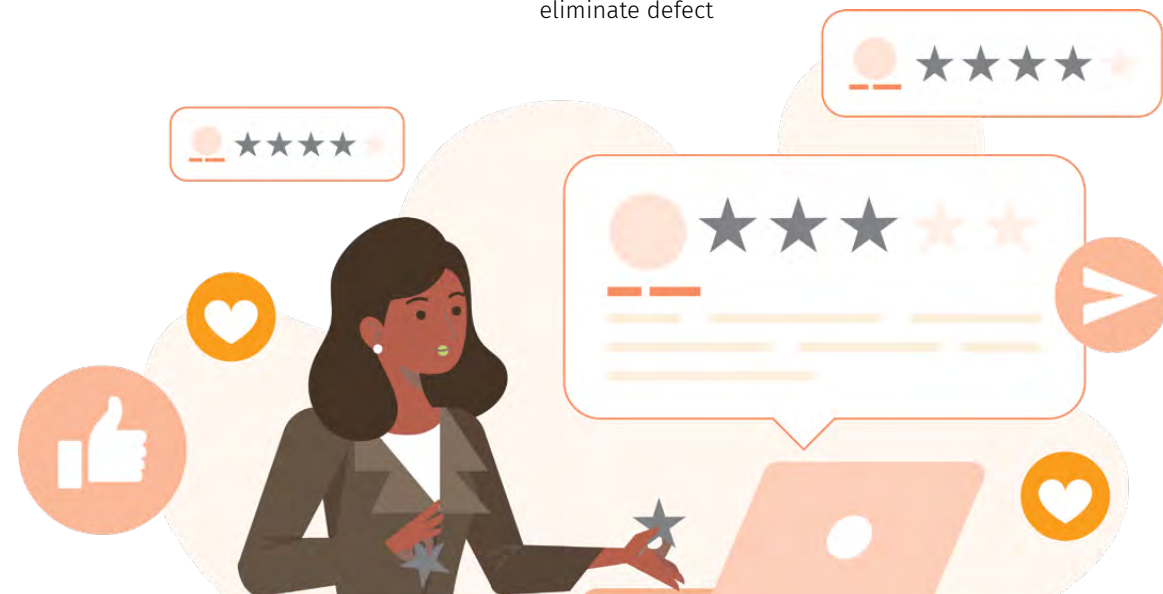
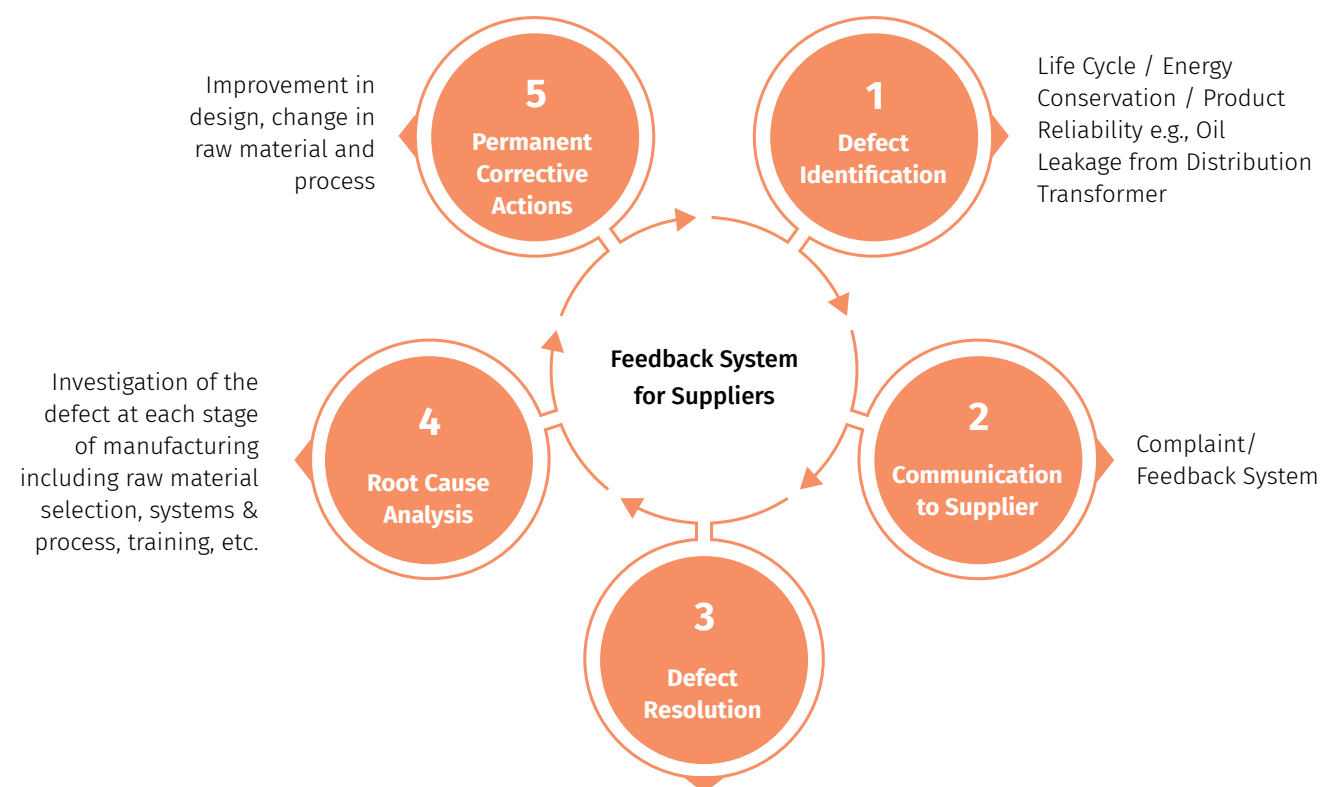
Majority of Category #1 suppliers are local suppliers and have been screened in accordance with well-laid down ESG criteria. Targets have been adopted for screening and evaluation of Category #2 and Category #3 suppliers as under:



The overall process for supplier screening and evaluation involves the following five steps:

- » Primary assessment following registration of technically acceptable vendor
- » Manufacturing site visit and evaluation of facilities
- » Environment Management Survey and Assessment for the existing suppliers based on laid down screening criteria
- » Performance monitoring through various channels including:
 - Feedback from Supervisors (Service Providers)

- Supervision through Field Force Automation (Service Providers)
- Internal & External Audit (EHS) for Service Providers
- Complaint management system (Suppliers)
- Environment, Health & Safety Management Survey (Suppliers) including from a compliance perspective
- Evaluation and rating of larger contractors on EHS criteria annually
- » Feedback to and from suppliers and service providers (two-way channel)



POSITIVELY INFLUENCING COMMUNITIES

Torrent Group firmly believes in the philosophy of “Think of others also, when you think about yourself”. With this philosophy of our Founder, Late Shri U. N. Mehta, the “UNM Foundation”, a not-for-profit organisation, has been established to drive the Group’s social activities. The Foundation carries out social and philanthropic activities of the Torrent Group with a focus on Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. Our commitment to promoting the holistic growth of communities goes beyond the regions we operate in.



₹ 57 Crore

Spent on Community Development



We are proud to have pioneered a comprehensive approach to addressing society’s multi-dimensional development concerns and contributing to its collective aspirations. Our dedication to the cause of social upliftment goes beyond

declaring our intentions. We channel a portion of our resources and activities towards enabling meaningful social impact.

Governance – CSR and Sustainability Committee

The Board’s CSR and Sustainability Committee has oversight of our community facing initiatives. Provisions of Section 135 read with Schedule VII of the Companies Act, 2013 form the foundation of our well-structured and holistic CSR Policy. The CSR policy lists the thrust areas for community initiatives, project categories, programme types and delivery methodologies. It provides guiding principles for community engagement for all employees and partners.

The said Committee reviews the Annual CSR Plan outlining chosen projects, activities and CSR expenditure budget for the year and

recommends the same to the Board of Directors for their approval. It also reviews the CSR Plan implementation and meets at least thrice a year.

CSR and Sustainability Committee Members

Usha Sangwan (w.e.f. October 1, 2021)

Samir Barua

Radhika Haribhakti (w.e.f. May 11, 2022)

Jinal Mehta



REACH

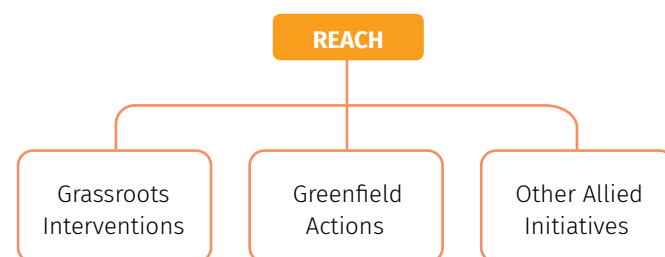
a movement, not an activity

REACH (Reach EAch CHild), a child health-centric initiative

Sustainable development requires ensuring healthy lifestyles and encouraging well-being for all. One of the challenges faced by the healthcare industry and providers, including the government and the medical profession, is to prioritise the needs of patients and guarantee access to quality healthcare. At Torrent, we have always put our best efforts to foster equitable healthcare. With this objective in mind, **REACH**, our flagship community development programme was launched in 2016 by UNM Foundation.

Reach EAch Child, or REACH, is the umbrella community development programme that aims to prevent child health problems through proactive grassroot interventions and greenfield actions. It also provides access to specialists,

medical services for diagnosis, treatment of children with chronic ailments and supports interventions for enhancing women's health and hygiene, among various allied initiatives, including but not limited to awareness.

REACH: Programme Pillars**OUTREACH Activities****Grassroot Interventions**

Grassroot interventions, the first pillar of the programme, targets to establish the baseline health status of children aged 6 months to 6 years in villages around Surat, Dahej, Balasinor, and Indrad situated in Gujarat. Children are screened for anaemia, malnourishment or chronic ailments and necessary interventions are taken.

Initially, the programme started by providing Ready to Use Therapeutic Food (RUTF) – Balamul to the malnourished children and the progress was closely monitored. It was identified that the taste was monotonous. To counter the same, the Group experimented and evolved Mauji biscuit with the same nutritional components as Balamul and a number of different flavours.

**Distribution of Mauji Biscuits to REACH beneficiaries**

For anaemic children, adequate iron supplements are provided to bring them up to the medically desired level. In addition, if any children require additional supplements, medication or advice, they are directed to one of our existing paediatric centres to avail of the best course of action to ensure long-term health.

Expanding sphere of influence

Our experience and structured impact assessment provide us with the impetus to increase the reach of our community development interventions. During FY22, as the second wave of the pandemic ebbed, starting from June'21, the REACH programme was extended to additional 649 villages, taking total number of villages covered by the programme to 1,000. An Anganwadi model is followed in additional villages to identify and serve malnourished children, with 7,511 children being identified as malnourished and provided with Mauji biscuits. Till now, 39% of children from additional villages have been brought out of malnourishment.

Locations	No. of villages	No. of beneficiaries
Surat	197	3,334
Dahej	150	1,112
Balasinor	148	1,366
Indrad	154	1,699
Total	649	7,511

**649**

New Villages Covered in FY22

**7,500+**

Undernourished children identified in FY22

Expanding through concentric circles:

We are extending the reach of the medical camps and diet supplements to the children registered with Anganwadis in the new villages we are reaching. We collect data on moderate and severely malnourished children from the Anganwadi staff, given their understanding of the children under their care.

Spreading awareness

We conduct public awareness campaigns to raise awareness about malnutrition, anaemia, good health and hygiene - causes, symptoms, cure and care across all villages we support through our community development programmes. These are shown in the form of audio-visual films in vernacular language in various villages. Demonstrations on ways to cook nutritious food using ingredients commonly found in the homes of caregivers and parents are also undertaken as part of these engagements. These interventions aim to make the parents self-sufficient in managing their children's health.

**Spreading awareness through audio visual films**

Impact Assessment of Malnourished and Anaemic Children

We start our programmes with a detailed need assessment through surveys and one on one discussions to understand our community requirements. Our programmes are designed to meet these stated needs. Thereafter, while the programme is being implemented, we continually review the progress and impact it is creating on the beneficiaries.

A systematic survey was undertaken in the villages around Surat, Dahej, Balasinor, and Indrad situated in Gujarat. Programme interventions have been intensively implemented in these villages. They have helped numerous children overcome malnourishment and anaemia.

Malnourishment

The average weight of close to 4,000 children (Malnourished to Normal category) was assessed. Approximately 78% of children were found to have normal weight after treatment.

Anaemia

Haemoglobin of close to 1,000 children (Anaemic to Normal category) was assessed. Approximately 94% of children were found to have normal haemoglobin levels after treatment.



Greenfield Actions

Under the second pillar of REACH, i.e. Greenfield Actions, healthcare support is provided to children up to 18 years of age in remote areas with inadequate medical services through three greenfield multi-disciplinary physical Primary Health Centres (PHCs) in Dahej, Balanisor, and Indrad. These centres provide access to free medical advice, basic laboratory services and medicines to the underprivileged. While regular services from these centres were put on hold owing to COVID-19 related limitations, we transitioned to tele-consultations to continue serving the communities. Facilities for physical OPD and teleconsulting OPD services were resumed from June'21.



3,25,000+ OPD consultations since 2017



40,000+ OPD consultations in FY22



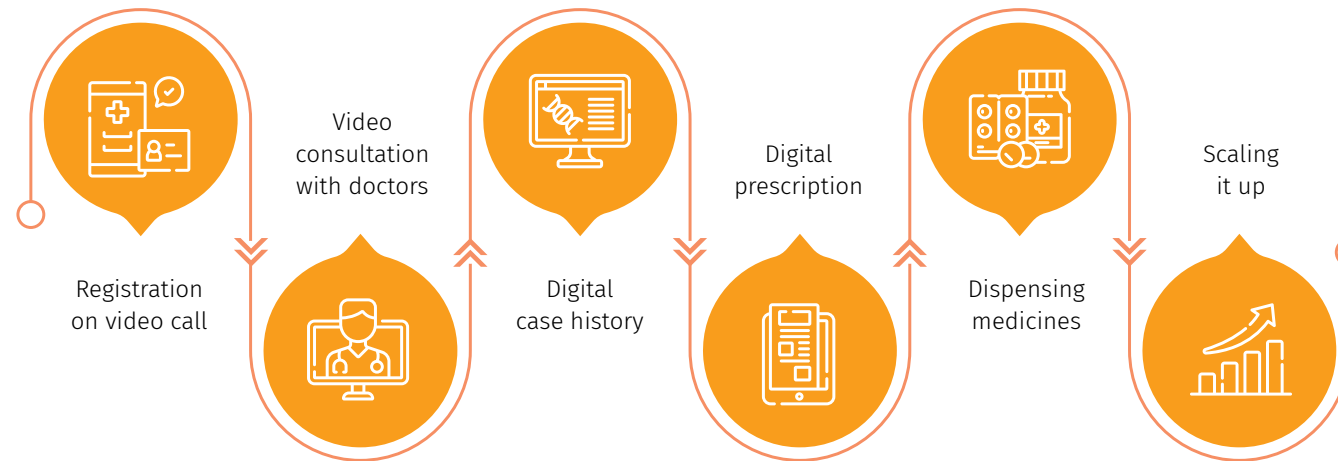
4,300+ Pathology tests conducted in FY22



PHCs at Indrad, Balasinor and Dahej

Continuing consultations during COVID-19

Tele consultation - the new 'Minimum Human Intervention' model adopted during the pandemic.



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Setting up multi-purpose satellite centres

A hub and spoke model to establish a network of satellite centres around the core areas we already cover helps us reach and serve many more children. These centres serve as nodal points to deploy various interventions under grassroot programmes, including medical camps, awareness campaigns and facilitating teleconsultations with doctors at the existing primary health centres (PHCs). Children with critical conditions are sent to our 150-bed paediatric hospital, Balsangam and other hospitals designated by the programme.

In FY22, two multi-purpose satellite centres were set up at Waghai and Chhapi. A survey and feasibility assessment have been undertaken to expand infrastructure and medical coverage in the underserved areas of North, Central and South Gujarat.

Three centres are under development at Radhanpur, Naswadi and Dediapada. These multi-purpose satellite centres will be scaled up appropriately depending on feedback and demand for healthcare services from the local population.



Community engagements underway at the multi-purpose satellite centre in Waghai

Other Allied Initiatives

The programme was started to remove the taboo associated with menstruation and create awareness about menstrual hygiene among adolescent girls. The programme interventions encouraged women to use sanitary napkins and liberate them from traditional methods, taboos and other social restrictions.

Sanitary napkins are distributed by the women employees supported by female volunteers from the village at community spaces like schools. Counselling sessions were conducted for rural adolescent girls around SUGEN, Dahej & Indrad and free health and hygiene kits were provided.



Distribution of menstrual hygiene kits

In line with our focus on reducing the environmental impact, we proposed distributing biodegradable and reusable sanitary napkins to reduce used menstrual napkins finding their way to landfills. We distributed these sanitary napkins to 100 girls as part of a pilot study to gauge the response of recipients. More than 90% of the girls were pleased with the product laying the ground for us to distribute further.

We have started distributing bio-degradable and reusable sanitary napkins targeting 1,300 beneficiaries in 22 villages from Q4 FY22. We plan to extend the coverage of the initiative to several more beneficiaries in the coming year.

We distribute hygiene kits to 14,000+ adolescent girls between 11 and 18 years of age every month under this programme.



Creating awareness amongst adolescent girls

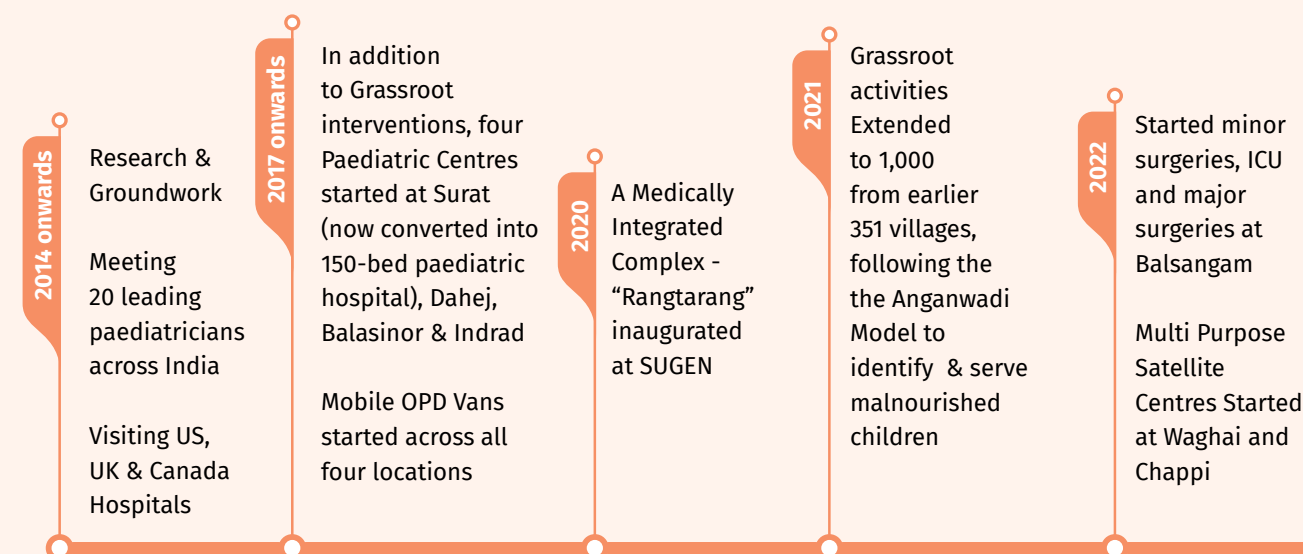
Voices of happy women using bio-degradable sanitary napkins

"Happy and fully satisfied with the replacement over the conventional pad. Since the material is cotton/fabric; no complaints about rashes and leakage; more comfortable to carry with the reduced thickness."

"After multiple washes, the quality of usability remains as earlier; hence, no issue in using it for a longer period. It is hassle-free to change frequently"

"Issues of buying as well as the disposal of the pad on a monthly basis are resolved and privacy could be maintained, which was otherwise embarrassing earlier"

Paediatric Healthcare - Major Milestones





Rangtarang – An Integrated Medical Complex

Rangtarang is a state-of-the-art medical facility developed by the Torrent Group at SUGEN to provide quality medical care to community members living in villages nearby. Rangtarang comprises Balsangam, a 150-bed, state-of-the-art paediatric hospital spread over 20 acres and Sumangal, a multi-disciplinary clinic for patients of all age groups.



Balsangam: Torrent's world-class multi-speciality hospital

It offers free medical services to underprivileged children. Services at substantially subsidised rates are available for children belonging to other classes. The hospital houses modern facilities, high-end equipment and super specialist doctors and is built as per National Accreditation Board for Hospitals & Healthcare Providers (NABH) norms.



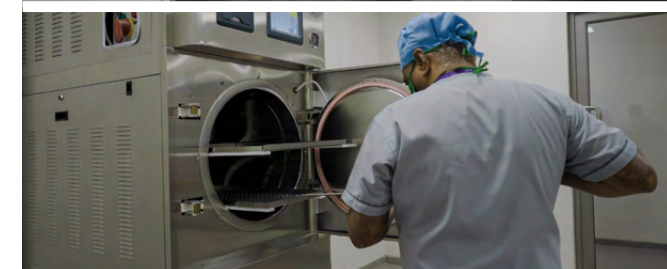
Providing health care services at Balsangam



Balsangam - State-of-the-Art Paediatric Hospital

Facilities at Balsangam

- » Advanced Operation Theatre (OT) for complex surgeries
- » Paediatric Intensive Care
- » Isolation ward with negative pressure for infectious diseases



Facilities at Balsangam

The hospital follows environment-friendly arrangements to dispose off solid waste and wastewater through sewage and water treatment plants. The treated water is used in toilets and for horticulture.

During FY22, we undertook minor and major surgeries, set up a 24x7 emergency facility and offered free transportation to patients to and from the hospital with pick up from nearby points.

In line with our focus on paediatric health, children who continue to be severely malnourished despite intensive curative activities are treated at Balsangam as special cases without cost. A screening camp of 108 children deemed to be special cases was undertaken across 50 villages near SUGEN covering Ophthalmology, Orthopaedics, ENT and General Paediatrics disciplines.

Sumangal: A multi-disciplinary clinic for all ages

Sumangal is a multi-speciality clinic primarily treating adults. It was set up in September'12 as an OPD clinic (earlier named Swadhar) with just one doctor providing general medical consultations to the community. Since rural patients could not afford expensive specialised consultations, the clinic added

- » Laboratory with equipment adhering to global standards
- » Special Pneumatic Tube System for sending medicines & samples from one ward to another
- » Plasma sterilisation process at par with international standards for instrument and linen disinfection



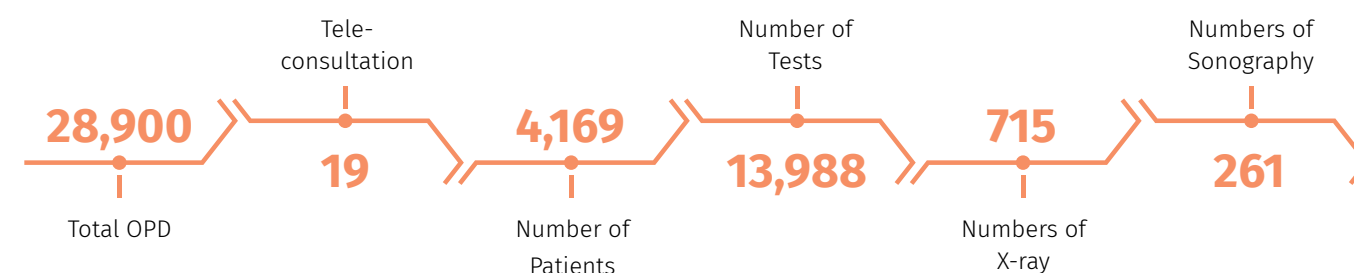
dental, ophthalmology, dermatology, gynaecology, orthopaedics and physiotherapy disciplines in 2018. During FY22, more than 4,000 patients from nearby villages availed services at the clinic.

Spreading the Word Around

To encourage villagers to avail of the Rangtarang services, we undertake widespread dissemination of information to create awareness about the hospital, facilities, doctors and their availability through mass communication channels including leaflets.

During FY22, more than 80,000 leaflets have been distributed as newspaper inserts. Leaflets are also provided to the village volunteers, Anganwadi workers, ASHA workers, schools, etc., for door-to-door distribution and given to villagers when they visit the facility.

Other forms of communication include WhatsApp messages to foster village level community connections (Anganwadi workers, Anganwadi helpers, ASHA workers, etc.), digital displays in the hospital reception and communication through staff and other contractual staff who hail from neighbouring areas.





Shiksha Setu – The Teaching and Learning Program

We launched the Shiksha Setu programme in 2011 to provide children with high-quality learning and improve age-appropriate abilities at the primary school level. This is a one-of-a-kind effort to improve the quality of education for children studying in government and trust-sponsored schools by bridging the gaps between teaching and learning processes using new technological approaches.

The Shiksha Setu Project (Phase II) started in FY17 and ended in FY22. It aimed to substantially improve quality of primary education and was implemented in 13 schools in SUGEN, Chhatral, Chhapi, Memadpur and Ahmedabad.

The learning outcomes achieved till Phase II were severely impacted when schools remained closed since March'20 in view of the pandemic. The pandemic also spurred reverse migration from the cities, with many families returning to their hometowns. Many children dropped out of school, with some having to work or due to poor learning skills, especially in a remote learning mode. The challenge was to enable such children to gain basic schooling skills, reintegrate them into regular education and teach them vocational skills to help them find work.



Students learning to read using remedial material distributed

Interventions deployed under Shiksha Setu

In line with governmental directives, teachers continued to conduct online classes when schools were closed during the lockdown. However, these initiatives were greatly hampered by the lack of smartphones, computers and robust internet connectivity in villages. We decided to supplement the digital learning interventions with paper assignments for students to practice and strengthen their concepts to overcome these hurdles.



Students of primary schooling learning through science practicals

Four assignments covering five disciplines were administered to more than 4,000 students from Grades 3 to 8. These assignments included questions and activities connected to the curriculum. They covered subjects that needed conceptual understanding and other age-appropriate essential abilities. 500+ students were given additional remedial tasks.

Through an online course developed with the Vikram Sarabhai Community Science Centre (VSCSC), 52 teachers were trained on mathematics and science concepts during the Shiksha Setu programme period. VSCSC also hosted an online computer training session for 35 teachers.

Technology-based educational tools were developed under the sLED Studio, including:

- » **sLate:** Technology-based **teaching tool** for teachers
- » **sLearn:** Skill-based **learning tool** for students provided on 'Tablets'
- » **sLquiz:** Technology-based **assessment tool** to measure learning improvement year on year

sLate: Technology-based teaching tool for teachers

sLate is based on the Gujarat Council of Educational Research and Training (SCERT) school curriculum to scale teaching capabilities using smart channels to explain topics and subjects for Grades 5 to 8 using animated stories, poems and experiments. It has been updated to adhere to the new National Council of Educational Research and Training (NCERT) maths and science curriculum. 20 smart classrooms were built for teachers. A total of 90 teachers from 13 schools were trained in using sLate. The attendee teachers continue to use the tool regularly.

sLearn: Skill-based learning tool for students provided on 'Tablets':

It is a skill-based tool that allows students of all learning levels to practise topics at their own pace and level. A total of five disciplines (Gujarati, Maths, EVS / Social Science, Science and English) are available. 3,600 children (80%) from Grades

3 to 8 have frequently used sLearn. 37 tablet labs with 1,247 tablets were set up for the students to test their learning through question-and-answer sessions and activities. The tool is regularly updated for technology and content.

sLquiz: Technology-based assessment tool to measure learning improvement:

Each year, the learning level of students is tested using the structured Annual Student Assessment instrument, sLquiz, to measure the impact of programme activities and monitor development. Based on the analysis of the results and identifying weaker abilities, workshops with teachers were held and action plans for improving performance were developed.



4,500 students
Covered under sLED studio initiatives



150+ teachers
Covered under sLED studio initiatives

Way Forward

Shiksha Setu Phase III has been rolled out to consolidate and expand the gains of the earlier phases. The goals of this phase of the programme include:

- » Enhancing foundation skills of primary and upper primary students
- » Providing a second chance to school dropouts
- » Enabling them to obtain vocational skills to improve their livelihood opportunities

The three-pronged roadmap to meet these objectives is built on:

- » **Learning Enhancement Programme:** To strengthen age-appropriate foundation skills of children in Grades 1 to 5 and 6 to 8 by creating an environment within the community and family that is conducive to learning. 7,000 students were assessed during FY22 and learning camps were organised for 2,500+ students from Grades 3 to 8.
- » **Second Chance Programme (SCP) or Secondary Education for school dropouts:** To encourage school dropouts to return to school and prepare for their Grade 10 board exams. This initiative also seeks to create a healthier pipeline of students who could pursue higher education or vocational training after their exams. During FY22, 112 students enrolled for SCP out of which 93 students appeared for examination and 66 students successfully passed the examination.
- » **Vocational Skills Development Programme:** To enhance the employability of youth who have finished their basic schooling through vocational skills to equip them to access better livelihood opportunities and foster their long-term development. During FY22, 105 students were imparted training under the Vocational Skills Development Programme.



Student learning computer under Vocational Training Programme



Student learning to cut cloth under Vocational Training Programme

પ્રતીતિ

Pratiti - Development and maintenance of public parks

Under the 'Pratiti' programme, we are re-developing and maintaining public parks for citizens' use. To date, we have re-developed eight parks in Ahmedabad covering ~ 62,300 sq. mts. Three parks in Surat covering 63,300 sq. mts.

and one garden at Ahmedabad covering 36,700 sq. mts. are under development. The Group also undertakes maintenance of these gardens.



Redeveloped public parks

Shardashish School

In our endeavours to promote education for all, we make financial contributions to support the Shardashish school located in the housing colony at our AMGEN plant. Over 500 economically disadvantaged students from the slums

of Sabarmati are educated at the school. Any deficiency in government grants over school expenditure is funded through contributions to the Amdavad Vidyut Kelavani Samaj Trust, which runs the school.

ShaishavMitrs – Employee Volunteering

We encourage our employees who share our vision and values to be part of our community engagement efforts. A unique concept called 'ShaishavMitrs' enables employees to volunteer their time, effort, and skills to empower communities through our community development programmes.



ShaishavMitrs with CSR beneficiaries

Charitable Contributions for various Social Activities

Besides undertaking various initiatives, we contribute to community development through donations to organisations carrying out charitable activities. Contributions are made to support a wide range of activities including providing medical services, organising blood donation camps, relief activities during natural calamities, reserving and enhancing cultural heritage, scientific research for the benefit of farmers and rural youth, preservation of the environment, educational activities, promotion of sports, capacity building for youth, vocational training, supporting women artisans, designing students, craft enthusiasts and micro and macro entrepreneurs connected with Indian handicraft, activities for tribal communities in areas of health, education, micro-credit & income generation, de-addiction, etc.

COVID-19 Donations

The Torrent Group committed to spending ₹100 Crore to support the government's efforts to combat the pandemic. ₹~92.40 Crore has been spent so far out of the total committed amount at Group level.

Initiatives include supplying, installing and commissioning a medical oxygen plant, procuring oxygen cylinders, distributing free oxygen concentrators, organising free vaccination camps, providing Corona Warrior Kits (nutrition and immunity booster) to healthcare workers, helping hospitals with medicines & equipment and supporting hospital patients and their relatives with lodging and boarding.

NATURAL CAPITAL

Protecting and Conserving Resources and Enhancing Efficiencies for a Sustainable Future

We value our natural ecosystem and understand the environmental responsibilities that an organisation like ours bears. Our commitment to serve, conserve, and rejuvenate the environment has remained steadfast from our inception. We strive to further minimise the impact of our operations with an aim to give back more than we take from nature. The results of our sustainability initiatives in past years give us the confidence to accelerate the implementation of environment-friendly practices across our operations.

We aim to reduce our environmental footprint by ensuring that all our plants run at peak efficiency and make the most use of scarce natural resources. Further, we have tailored our efforts to preserve the delicate natural balance of our country's geology by increasing our share in the renewable sector, thereby partnering in GHG reduction.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



STRATEGIC THEMES



Operational Excellence

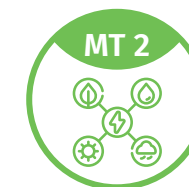


Responsible Actions

MATERIAL TOPICS



Emissions Management



Energy Source Diversification



Energy Conservation



Water Management



Waste Management

INTERLINKAGE OF CAPITALS

Capitals	Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social and Relationship Capital
Interlinkage of Natural Capital with other Capitals	Investments in Green Energy portfolio to reduce emissions intensity	Renewable energy generation as part of total generation	Encourage online payments	Initiatives for employee awareness to foster a clean environment	Protecting biodiversity by developing and maintaining public parks
Impact	~₹6,300 Crore invested in renewable business cumulatively	25% renewable capacity in total generation capacity	> 60% of total revenue collection is through electronic channels	Online training for advanced skills on the aspect-impact register with 170 active attendees Online quiz competition where 462 employees participated	Redevelopment and maintenance of 12 public parks in Ahmedabad & Surat



HIGHLIGHTS



~5 lakh
trees planted over years



Zero Liquid Discharge
at all our generation units



>90% of the generation
capacity is based on cleaner fuels



ISO 50001
(Energy Management System)
obtained at most of the units



1.14 lakh m³
rainwater harvested



100%
fly ash utilisation



Won British Safety Council's
prestigious "Globe of Honour"
award for environment
sustainability



ISO 14001
(Environment Management System)
obtained at most of the units

EMISSIONS MANAGEMENT

GHG Emissions

We consider emission reduction a vital part of our functioning and have integrated GHG intensity reduction targets into our overall ESG strategy. We are contributing to the global fight against climate change by focusing on the generation of electricity through cleaner fuels. 91% of our generation

capacity is based on cleaner fuels [Gas & Renewables] in line with our core value of "Concern for the Environment".

The highly efficient gas-based generation facilities, which account for 66% of the total operational generation capacity, are built with state-of-the-art technologies to ensure



SUGEN Plant

minimal environmental footprint and land use. These plants are run with advanced F-class gas turbines and single shaft Combined Cycle Power Plants (CCPPs) that increase operational efficiencies with minimum carbon emissions compared to coal-based generation facilities. All of these capacities are registered under the Clean Development Mechanism (CDM) of United Nations Framework Convention on Climate Change (UNFCCC) and are capable of reducing ~8.5 million CO₂ emissions annually. Till FY22, UNFCCC has approved the emissions reduction of ~18 million CO₂.

In addition to the above, 686 MW of our renewable plants are in the process of registration under Gulf Carbon Council (GCC). An additional annual reduction of 1.31 million CO₂ is possible through the generation of power at these plants.

Our gas-fired power plants remain amongst the most efficient in the country and have exceeded performance targets under the Bureau of Energy Efficiency (BEE) PAT III scheme. They have been recommended for Energy Saving Certificates following a measurement and verification audit conducted by an independent agency, thus contributing to the national mission of emissions reduction.

The breakup of our GHG emissions is as follows:

GHG Emissions (in Million tCO ₂ e)	FY20	FY21	FY22
Scope 1*	5.33	4.50	4.44
Scope 2	0.03	0.03	0.04

*Includes GHG emissions from Ozone Depleting Substances (ODS)

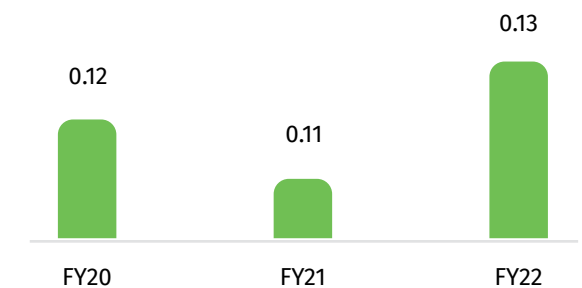
ODS Emissions (in MT CFC-11 equivalent)	FY20	FY21	FY22
ODS Emissions	1.92	0.11	0.03

Our material consumption details are outlined below, which resulted in the generation of 7,903 MUs of thermal electricity in FY22, down from 10,003 MUs in FY21.

Material consumed	Category of material	FY21	FY22
Indian Coal	Non-renewable material	6,23,099	11,64,219
Imported Coal	Non-renewable material	1,61,401	2,12,613
Low Sulphur Heavy Stock (LSHS)	Non-renewable material	1,021	610
High Speed Diesel (HSD)	Non-renewable material	239	304
Natural Gas	Non-renewable material	11,68,416	7,79,959

(in MT)

In addition to above, we have undertaken several measures to progressively reduce our environmental impact that include initiatives like promoting use of digital platforms for conducting meetings and thereby reducing travel, adding BS VI compliant vehicles to the fleet of company cars to cut carbon emissions, etc.

Emissions Intensity (TCO₂eq/GJ)

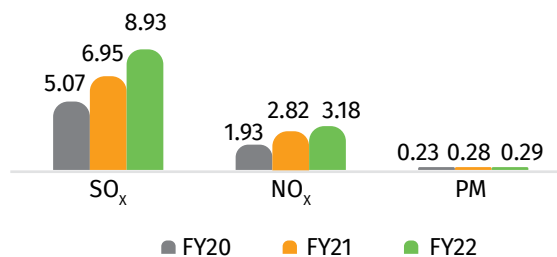
Emissions intensity in FY22 increased compared to the previous reporting year due to increased generation from our coal-based plants on the back of higher power demand post Covid-19. PLF of coal-based generation units increased from 44.27% in FY21 to 76.88% in FY22.

Air Emissions

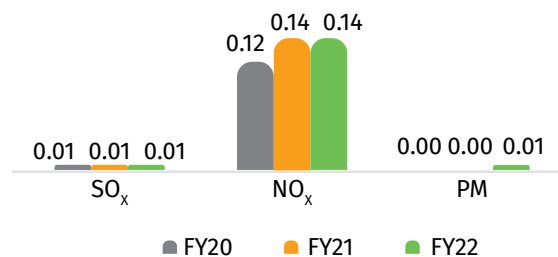
We have undertaken sufficient measures at all our operational units to minimise air emissions. We closely monitor our Particulate Matter (PM), Sulphur Oxide (SO_x) and Nitrogen Oxide (NO_x) levels continuously to keep them under the mandated levels. Our gas-based generation units are equipped with dry low NO_x burners that keep the emissions well below the regulatory norms. Stack air quality at our coal-based generation unit is ensured through the installation of Electrostatic Precipitators (ESP) with state-of-the-art control systems. Dust suppression and extraction systems are used in coal stock & feeding areas to maintain the ambient air quality. Water is sprinkled over the coal stock at the point of dust generation to control the fine dust particles and improve the quality of breathable air.

Air emission trends from our gas and coal-based generation units are provided below:

Air Emissions from Coal-based generation (kg/mWh)



Air Emissions from Gas-based generation (kg/mWh)




Air Emissions (in MT)	FY20	FY21	FY22
SO _x	10,759	8,929	19,914
NO _x	5,071	4,795	7,844
PM	506	394	700

Carbon Offset

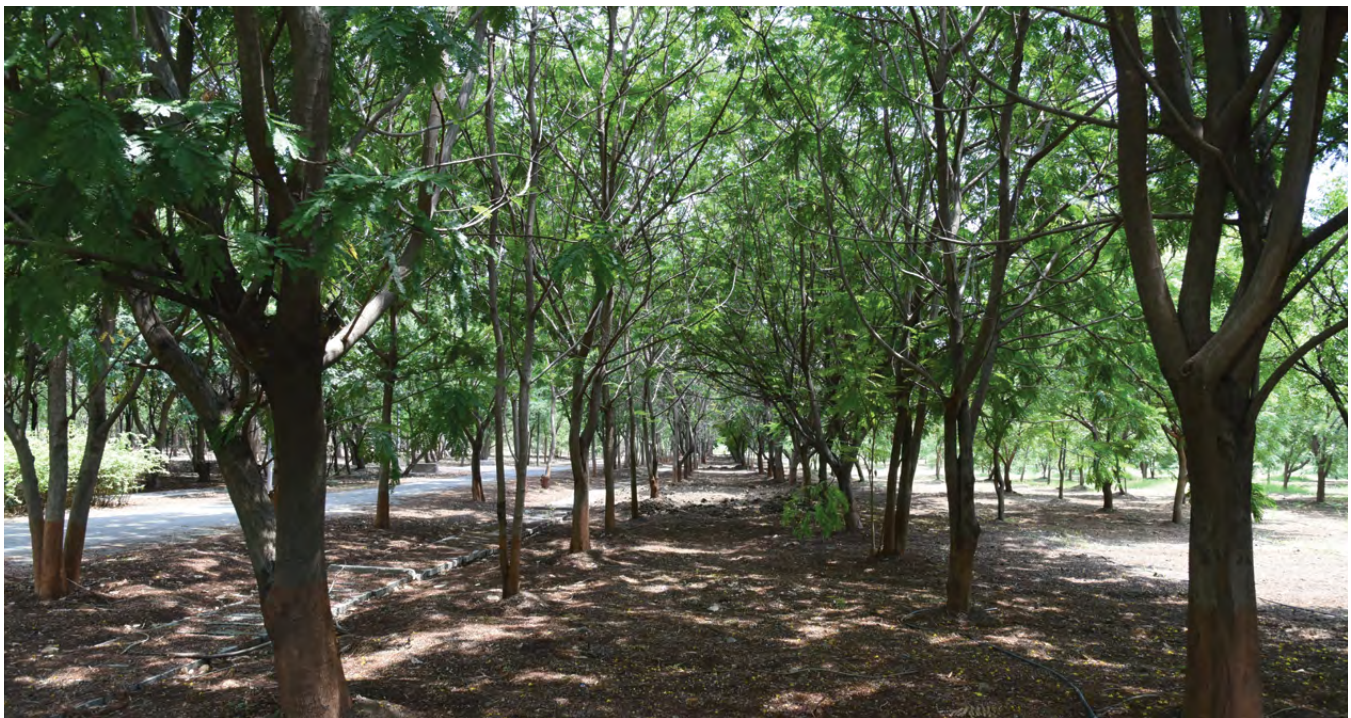
In addition to our efforts to reduce emissions from our operations, we are also creating avenues which would assist in compensating for our emissions. Over the years, we have planted nearly 5 lakh trees across locations with a healthy survival rate contributing to our carbon sequestration efforts. We have maintained the green cover around the periphery of generation facilities beyond the statutory requirements. The dense green cover provides a safe home to various birds

and other wildlife in the area, thereby protecting the rich biodiversity. We have also piloted organic farming in vacant areas across different plant locations.



43%

Green Cover at generation power plants
(against statutory norm of 33%)



Green Cover at SUGEN

Organic Farming and On-farm Solar Powered Cold Storage at GENSU



Organic farming is an effective and promising agricultural technique for environmental sustainability since it gives yield consistency, maintains soil health, uses fewer synthetic fertilisers and has a minimal environmental impact. Our 87MW GENSU Solar Power Plant has been built on uneven terrain. Due to safety reasons, 6 acres of vacant land under and near transmission lines remained unutilised. The site could not be used for planting trees or other purposes. Hence, GENSU planned to convert the open ground into cultivable land to conduct organic farming and cultivate seasonal vegetables for the internal use of staff and residents. The land was refined and made suitable for agricultural use with a drip irrigation system. Almost 24 different types of vegetables are planted throughout the year, with an annual production of nearly 17 MT. Brinjal, broccoli, okra, garlic, onion, tomato and cauliflower are among the commonly grown vegetables. This initiative also provided employment to ~15 people, both men and women, from nearby communities. Planting flower trees all around the periphery provided additional green cover.

This organic farming initiative at GENSU called for a cold storage system to reduce the wastage of fruits and vegetables and keep them fresh for a longer duration. An ecosystem created with a focus on sustainability prompted us to build an on-farm solar-powered cold storage system. The concept was developed in-house by the SUGEN electrical team in collaboration with the refrigeration system supplier. A shipping container available at the site has been converted to a Cold Storage Container. 6.8 kWp Solar PV Polycrystalline, Panel Mounting structure and an inverter were installed. There are two refrigeration units, each of 1 ton, maintaining a temperature of 2 – 8 °C inside the cold storage to protect vegetables from rotting, sprouting, degradation, and insects. The unit is designed to use energy from the sun during the day and with a backup arrangement of grid connectivity for reliable operations.



World Environment Day Celebration at Ahmedabad, Surat & Dahej Distribution Units



One of the Core Values of Torrent Power is “Concern for Society and Environment.” As part of that commitment, our senior management is constantly working to establish and improve the organisation’s environmental management culture. Every year “World Environment Day” is celebrated by engaging key stakeholders, our employees and contractors. Several events and activities were held over the course of a week to encourage employees and contractors to take an active role in fostering a culture of preserving and enhancing the environment through increased knowledge, motivation and excitement.

As part of the celebrations:

- Employees and contractors at all levels vowed to manage the environment
- Environment awareness messages & videos were displayed in various locations and informative materials were circulated
- 170 participants attended an online training on advanced skills on the aspect-impact register
- Around 900 trees were planted, and 400 saplings were distributed
- Jute bags and plantable seed pencils were distributed to all employees
- An online Quiz competition was organised for employees, which saw 462 participants
- A poster designing competition was organised for children of employees, where 68 children participated
- Winners in the competitions were appreciated by the top management



ENERGY SOURCE DIVERSIFICATION

We recognise our responsibility towards providing low-carbon power at affordable prices. Over the years, Torrent Power has made conscious efforts to steadily increase renewables in our energy mix to 1,018 MW in FY22, constituting ~25% of the total operational generation capacity.

During the current year, we acquired 231 MW of renewable assets consisting of 75 MW of solar capacity and 156 MW of wind capacity to increase the share of renewables in the energy mix. Another 565 MW is in the pipeline.



1,583 MW
of renewable portfolio



Captive Rooftop Solar System at Corporate

For captive consumption, we have installed a rooftop solar PV system at all major locations that significantly reduce consumption from the grid, which is mainly dependent on non-renewable sources. During FY22, we sourced 1,509 GJ of our requirements from captive generation compared to 1,327 GJ in the previous year.

To ensure environment custodianship and sustainable growth, we aim to keep this momentum going forward and plan to

further expand our renewable energy portfolio over the next few years through greenfield and brownfield acquisitions. Furthermore, we are also exploring investment potential in Green Hydrogen and Energy Storage technologies.

Details of energy consumption within our organisation (excluding auxiliary consumption) is as below:

Energy Consumption (in GJ)	FY21	FY22
Electricity	1,31,730	1,65,843

ENERGY CONSERVATION

We strive for energy conservation in several ways, including those that deliver energy savings. Our operations deploy efficient technologies and are routinely updated to introduce energy-saving SOPs and procedures. Energy audits are conducted across various units of generation and distribution to discover the energy-saving potential.



26,659 GJ
of Energy Usage Reduced

employees, their families and contractual workers. An energy saving awareness campaign has been implemented to raise consumer awareness through customer meetings and brochures. Useful tips are also given through energy bills, pamphlets and the exhibition of energy conservation messages at customer care centres. We have prepared a customer booklet named “VIJ DARPAN” for HT and LTMD customers. Further, our customers are encouraged to operationalise the Net Metering arrangement for Rooftop Solar PV system on their premises.

To enhance energy management, most of our units have also obtained certification for ISO 50001, the Energy Management System. Other key energy reduction measures implemented at our operating units have been summarised below:

- Replacement of conventional lights with LED system
- Installation of occupancy-based sensor lighting

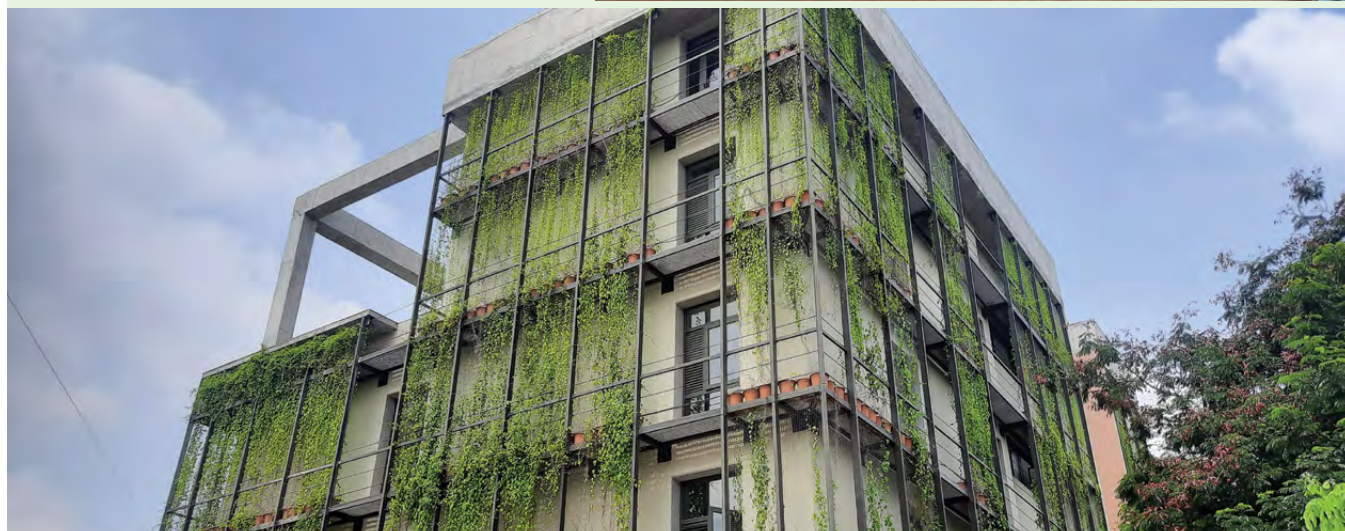
We also commemorate the National Energy Conservation Day to raise awareness about conservation, demand side management, and the usage of energy-efficient equipment among customers,

- Replacement of low-star air conditioners with energy-efficient BEE 5-star rated machines to reduce energy consumption
- Installation of 2 stage, 3 stage and VRF cooling system for energy-efficient HVAC
- Provision of double-glazed window glasses to reduce air conditioning needs
- Modification in boiler and ducting based on Computational Flow Dynamics (CFD) and Cold Air Velocity Test (CAVT) and secondary air heater replacement work at AMGEN
- Machines have been converted from DC drive system to AC drive system at the Cables unit to enable energy conservation
- Keeping alternate lights off in the Non-EPC area at DGEN
- VFD installation at raw water pumps
- Optimisation of instrument and pulse air compressor
- Energy meters have been installed at strategic locations to monitor and control usage

Development of PSC Buildings in accordance with the Indian Green Building Council (IGBC) requirements at Ahmedabad and Surat Distribution units

We have designed various Power Supply Centres (PSC) in Ahmedabad in line with the requirements of IGBC. The key environment-friendly features integrated within the buildings are presented below:

- Vertical plantation is provided on the building's periphery to minimise heat intensity and improve aesthetics
- Vermiculite terrace insulation with PCC and China mosaic along with double-glazed units have been installed on the building's peripheral facade, including windows and doors. This reduces heat intensity during the day and also brings down electricity consumption
- Conventional lights replaced with LED lighting systems and low-rated ceiling fans and air-conditioners replaced with 5 star rated alternatives having a high coefficient of performance (COP) to reduce energy consumption and promote energy efficiency
- The architecture of the building ensures that maximum natural day light is received and energy consumption for lighting is optimised
- Installed a fully automatic timer-based forced basement ventilation system to save energy
- Fly ash has been used during construction of the green buildings to reduce the use of cement and contribute to carbon emissions reduction
- A daylight cum occupancy sensing lighting control system has been installed for energy saving



Our gas-based generation facilities have been able to achieve utmost efficiencies through the adoption of state-of-the-art technologies and innovation.

The Station Heat Rate (SHR) and auxiliary power consumption

for all our thermal generation facilities are much below the normative permissible level. This helps reduce the consumption of valuable natural resources without affecting the electricity output.

AMGEN has initiated various improvement projects with an aim to enhance performance, work environment and establish a systemic approach. These projects cover various aspects like efficiency enhancement, process improvement, systems improvement, strategic items etc. Some of the important projects are:

- Energy conservation and efficiency improvement drives- Cooling Tower & condenser performance improvement, Boiler efficiency improvement, milling system performance improvement, compressed air leakage survey, boiler insulation survey and actions to prevent energy loss, revamping of boiler ducts & dampers which helped to reduce air ingress and reduction in fan auxiliary consumption and air conditioning system optimisation.
- Resource conservation & Environment- Water consumption optimisation, oil consumption optimisation, inventory optimisation and improvement in working conditions of Coal and Ash handling system etc.
- Process Improvement & Systems Approach- Define and establish departmental KPI system, RCFA & defect analysis system, standard maintenance & operating practices and 5S Management
- Benchmarking various business processes resulted in improvement of plant performance and resource efficiency.

WATER MANAGEMENT

Torrent Power recognises water as a crucial resource and spares no effort to ensure it is used optimally across all our operations. Conservation and recycling of water are critical to ensure an adequate supply of clean water fit for human consumption today and in the future.

We have a holistic approach towards water conservation that includes reducing freshwater withdrawal to the extent feasible, maximising usage of recycled water and treating wastewater for reuse.

Water consumption at all our facilities is substantially below the statutory limits. By installing treatment plants at our sites, we have taken proactive measures to limit the linear flow of water through our system. In our gas-based generation plants, water consumption is minimised by optimising the cycle of concentration. Our coal-based plant has minimised wet system operating hours for fly ash evacuation from boilers by ensuring maximum availability and effective dry system operations. We have also implemented Zero Liquid Discharge (ZLD) at all our generating units. Wastewater generated at sites is treated and reused such that water discharge at our facilities is minimal. Furthermore, treated effluent water

is reused for horticulture, etc. Most of our offices are built using principles of green buildings ensuring lower water consumption.



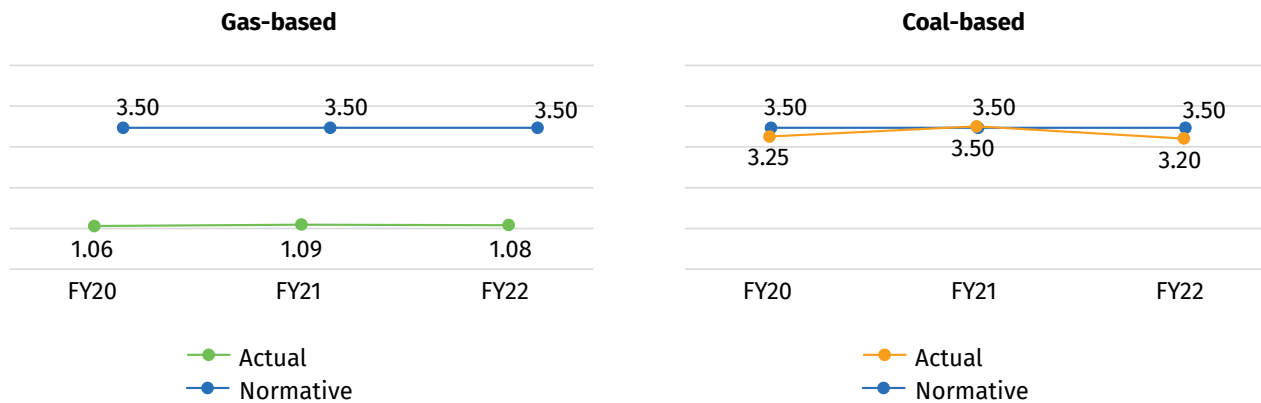
100%
of our thermal power plants are ZLD



Water treatment plant at AMGEN



Specific water consumption (m³/MWh)



Some significant water conservation measures deployed across our operations include:

- Installation of water treatment plants at various locations
- Reuse recycled wastewater for horticulture
- Dual flush system, sensor-based water taps and waterless urinals fitted at office locations
- Some units are mounted with a robotic water tank cleaning process
- Water meters are installed at all major office locations to monitor consumption
- Installation of low flow fixtures and cut-off valves to reduce water consumption
- Use of cooling tower pond water in shutdown activities at AMGEN
- Wastewater from the coal power plants is treated and reused in the ash slurry system
- Automatic Timer Based Drip Irrigation system provided for water supply to vertical plants to reduce water consumption



Recycled wastewater used for Horticulture

The following table shows water withdrawal and discharges from various sources:

	(in million litres)			(in million litres)	
Water Withdrawal*	FY21	FY22	Water Discharge*	FY21	FY22
Surface water	13,862	11,810	Surface water	0.22	0.37
Ground water	1,000	2,468	Ground water	-	-
Third-party water	84	102	Third-party water	-	-
Total	14,946	14,380	Total	0.22	0.37

*Water withdrawal for domestic consumption accounts for <1.5% of the total water withdrawal.

*Domestic water discharge (<1000 mg/L total dissolved solids) is not monitored.

In addition to the judicious use of water, we collect rainwater as much as possible. We have rainwater harvesting structures at most locations that help bring down freshwater withdrawal. In FY22, we harvested ~1.14 lakh m³ of rainwater. This assisted in recharging the groundwater tables in addition to increasing water availability for consumption.

Rainwater Harvesting at DGEN and MEGHDHANUSH



DGEN Mega Power Project and Meghdhanush residential township are located in Dahej, Bharuch district. River Narmada, the nearest fresh water source, is around 50 km away. To collect rainwater for future use, we needed to purchase additional storage systems and land. Dahej, being 6 to 8 meters above mean sea level and located near the seashore, has high water table levels and slightly saline groundwater. It faces inherent issues with respect to building underground storage structures. We developed rainwater harvesting and collection facilities to ensure water availability while maintaining the ecological balance.

We installed a rainwater collection system for DGEN which consisted of setting up a sump with a pumping mechanism to collect rainwater from the plant's stormwater drains. The gathered water is stored in two freshwater reservoirs with a capacity of 65 million litres each to meet the plant's needs. Based on typical rainfall, the plan was designed to gather approximately 10 million litres of water each year. The system was further augmented by directly connecting the stormwater drain from non-operational areas to the raw water reservoir inlet. This move resulted in an additional collection of ~40 million litres of water per annum based on average rainfall.

We implemented a rainwater collection system from the terrace of housing apartments at Meghdhanush right from the construction stage. Four underground concrete storage tanks with a total capacity of 0.8 million litres are provided at various locations with pumping arrangements to feed into the water treatment inlet. The collected water can be used for 13 to 15 days at Meghdhanush.

The rainwater harvesting initiatives mentioned above saved precious water resources and reduced the annual freshwater usage by **50.8 million litres**.



WASTE MANAGEMENT

At Torrent Power, waste management practices are prioritised as they not only safeguard human life but also impact natural resources and biodiversity positively.

Our waste management procedures are intended to minimise the environmental impact of the waste generated and its disposal. We practice minimal waste generation at source, segregation for better management, and disposal in an environmentally sound manner.

We adopt the 3R approach to 'Reduce-Reuse-Recycle' waste and

ensure its responsible disposal. Wherever possible, procedures have been established to treat the waste generated and thus minimise the quantity of waste sent to landfills.

All the hazardous wastes like used oils, batteries, e-waste, and bio-medical wastes are disposed only through Treatment, Storage and Disposal Facilities (TSDF) and recyclers duly authorised by the State Pollution Control Board. Monthly/daily resource use monitoring is done to control waste, including paper, water, electricity, food waste, LPG & PNG, petrol and diesel.

We have implemented a series of initiatives to effectively manage the waste generated as outlined below:

- 100% utilisation of fly ash generated as waste from the coal-based plant
- Use of bottom ash in quarry filling and as a substrate for greenbelt around the ash ponds
- Specifically stating in all purchase orders that packaging must comply with the Central Pollution Control Board's (CPCB) guideline to ensure no use of plastic of thickness less than 50 microns
- Distribution transformers returned from sites are being reused after necessary overhauling or repairing
- Oil filtration of power and distribution transformers for re-utilisation to conserve natural resources
- Dedicated oil and chemical spill kits are used at the warehouse and other plant locations to avoid the percolation of hazardous spills into the soil
- Use of recyclable plastic clamps having significantly high life cycles and low environmental impact compared to wooden clamps that were used earlier at our Distribution units. To date, more than 6,000 recyclable plastic clamps have been procured, leading to the conservation of 3,000+ kg of wood
- The use of recycled paper is encouraged for all purposes, including for printing of energy bills at distribution units
- Food waste is converted into compost for use in our gardens

At our Cables business:

- More than 90% of PVC Scrap is recycled and reused in the inner and outer sheath and PVC fillers
- Use of returnable steel drums instead of wooden drums
- To improve environmental sustainability, wooden planks used to protect cables on drums have now been replaced with reusable and recyclable PP sheets



Wooden Drum with Wooden Planks



Steel Drum with PP Sheet Packing

The table shows details of Hazardous and Non-Hazardous waste:

(in MT)

Type of Waste	Waste Generated		Waste Diverted from Disposal*		Waste Diverted to Disposal*	
	FY21	FY22	FY21	FY22	FY21	FY22
Hazardous	1,160	1,511	1,016	1,255	139	166
Non-Hazardous	1,94,909	3,79,622	1,62,395	3,31,477	32,794	48,847
Total	1,96,069	3,81,133	1,63,411	3,32,732	32,933	49,013

*Waste diverted from disposal or waste diverted to disposal may include leftover stock from waste generated in earlier years.

The rise in non-hazardous waste generated is due to increased fly ash from AMGEN as the plant operated at a higher PLF in FY22 compared to FY21.

Our Distribution units have taken several steps for reducing the oil leakages and thereby lessening land contamination. Following are some of the key structural changes made in equipment to plug leakages:

- Introduction of corrugated fins radiator design for distribution transformers against the conventional radiator design to reduce oil leakage by containing oil leakage points. This led to a ~20% reduction in the overall environmental footprint by bringing down the requirement of oil without compromising technical requirements.
- Design of transformers have been optimised to avoid oil leakages by introducing specifications like Nitrile base gasket, removal of bottom valve, mounting equaliser pipe, etc.
- Use of Natural ester oil filled Distribution Transformers against mineral oil filled transformers as they are biodegradable in nature when exposed to environment and thus prevent land contamination and emit fewer toxic gases.
- Use of SF6 Gas Insulated switchgears instead of Oil filled switchgears led to reduction in land contamination. Significant reduction in land footprint, no risk of fire or explosion as the gas is non-inflammable and chemically stable and consistent performance even in adverse atmospheric conditions are added benefits.
- Introduction of dry type transformers instead of conventional oil type transformers nullified the oil leakages, enhanced public safety and minimised maintenance requirements.



Dry Type Distribution Transformer to reduce mineral oil utilization



Environment-friendly Hermetically sealed Natural Ester oil filled Distribution Transformer

BIODIVERSITY MANAGEMENT

Our commitment to the ecosystem is evidenced by our concerted efforts to ensure our project activities have minimal impact on the biodiversity around us. By planting around 5 lakh trees, we have developed a green cover around our facilities which serves as a home to many avian guests like sparrow, myna, pigeon, parakeet, kingfisher,

golden oriole, peacock, magpie, robin, and many animals.

In addition to preserving our dense green cover, we are also ensuring the development of mangroves on around 50 acres in the ecologically sensitive coastal region near DGEN.



Migratory Birds visiting DGEN green cover

Biodiversity Conservation and Protection Measures at AMGEN: A green home for flora and fauna



Two ash ponds have been built at a distance of 5.5 km from the AMGEN plant premises in the Motera village to collect bottom ash generated by its units. A total of 85 acres of land is covered by the ash ponds.

In the available open land between these two ash ponds, AMGEN has developed beautiful green belt. A dense forest like area has been developed with abundant tree planting (almost 2.2 lakh) under the guidance of the Government of Gujarat appointed forest officer over the years. Variety of trees have been planted such as Ficus religiosa (peepal), Eucalyptus, Peltophorum, Delonix regia (Gul mohar), and Ficus benghalensis (banyan). In 2015, ayurvedic plants like Chandan, Harde, Amla, Baheda, Tulsi, Ardusi, Brahmi, Nagod, Shatavari, Green Tea, Parijat, Setur, etc. were planted to further enhance the biodiversity.

Increase in wild animals and migratory birds in and around the ash ponds

The green belt attracts wild animals such as deer, nilgai, reptiles and birds such as peacocks, parrots in and around ash ponds, making it their habitat. Due to the restricted area, birds, animals and plants thrive nearby the ash ponds without interference from people. During the winter months, ash ponds are visited by approximately 4000 migratory and native birds. During this period, birds like White storks, Egrets, Spoon bill duck, Brahmi ducks, Spot bill ducks, Red wetted lapwing etc., are a common sight at the ash ponds.

Prevention of air pollution

Trees planted around ash ponds safeguard the environment by preventing dry ash being carried by the wind.

Protection of the ash pond

The trees not only add to the greenery and beauty but also protect the bund wall from rain.



GRI CONTENT INDEX

Torrent Power Limited has reported the information cited in this GRI content index for the period April 01, 2021 to March 31, 2022 in reference to the GRI Standards. Mapping with other frameworks i.e. SASB Standards, NVGs, UN SDGs and UNGC principles is also provided herein.

General Disclosure

GRI Ref- erence	Indicator details	Page Number	SASB Standards	NVGs	UN SDGs	UNGC Principles
2-1	Organizational details	11-13, Back cover				
2-2	Entities included in the organization's sustainability reporting	373-375				
2-3	Reporting period, frequency, and contact point	4				
2-6	Activities, value chain and other business relationships	11-13,26,88	IF-EU-000.C	Principle 2		
2-7	Employees	68		Principle 3	5,8,10	6
2-9	Governance structure and composition	16-17			5,16	
2-10	Nomination and selection of the highest governance body	143-144, 194			5,16	
2-11	Chair of the highest governance body	17-22			16	
2-12	Role of the highest governance body in overseeing the management of impacts	16,22			16	
2-13	Delegation of responsibility for managing impacts	22			16	
2-14	Role of the highest governance body in sustainability reporting	22			16	
2-15	Conflicts of interest	16, 191-192			16	
2-16	Communication of critical concerns	23-24			16	
2-17	Collective knowledge of the highest governance body	194			16	
2-18	Evaluation of the performance of the highest governance body	195-196				
2-19	Remuneration policies	198				
2-20	Process to determine remuneration	195-196,198				
2-22	Statement on sustainable development strategy	6-7		Principle 8		
2-23	Policy commitments	30-33			16	1-10
2-24	Embedding policy commitments	30-33				
2-26	Mechanisms for seeking advice and raising concerns	4		Principle 1		
2-27	Compliance with laws and regulations	205				
2-28	Membership associations	189		Principle 7		
2-29	Approach to stakeholder engagement	26		Principle 4,8,9		

Disclosures on Material Topics

GRI Ref- erence	Indicator details	Page Number	SASB Standards	NVGs	UN SDGs	UNGC Principles
3-1	Process to determine material topics	27				
3-2	List of material topics	29				
3-3	Management of material topics	29				

Economic

GRI Ref- erence	Indicator details	Page Number	SASB Standards	NVGs	UN SDGs	UNGC Principles
201-1	Direct economic value generated and distributed	41			8	
207-1	Approach to tax	344, 378-380			16	
207-2	Tax governance, control, and risk management	344, 378-380			16	
207-3	Stakeholder engagement and management of concerns related to tax	344, 378-380			16	

Environmental

GRI Ref- erence	Indicator details	Page Number	SASB Standards	NVGs	UN SDGs	UNGC Principles
Energy						
301-1	Materials used by weight or volume	107		Principle 2	7,12	7,8,9
302-1	Energy consumption within the organization	111	IF-EU-000.E	Principle 2,6	12,13	7,8,9
302-4	Reduction of energy consumption	111		Principle 2,6	7,12,13	7,8,9
Water						
303-3	Water withdrawal	115	IF-EU-140a.1	Principle 2,6	6,12	7,8,9
303-4	Water discharge	115		Principle 2,6	6	7,8,9
303-5	Water consumption	115	IF-EU-140a.1, IF-EU-140a.3	Principle 2,6	6	7,8,9
Emission						
305-1	Direct (Scope 1) GHG emissions	107	IF-EU-110a.1, IF-EU-110a.2	Principle 2,6	13	7,8,9
305-2	Energy indirect (Scope 2) GHG emissions	107		Principle 2,6	13	7,8,9
305-4	GHG emissions intensity	107	IF-EU-110a.1	Principle 6	13	7,8,9
305-6	Emissions of ozone-depleting substances (ODS)	107		Principle 2,6	3, 13	7,8,9
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	108	IF-EU-120a.1	Principle 2,6	3, 13	7,8,9



GRI Ref- erence	Indicator details	Page Number	SASB Standards	NVGs	UN SDGs	UNGC Principles
Waste						
306-2	Management of significant waste-related impacts	116-117	IF-EU-150a.1	Principle 2,6	6,12	7,8,9
306-3	Waste generated	117		Principle 2,6	6,12	7,8,9
306-4	Waste diverted from disposal	117		Principle 2,6	6,12	7,8,9
306-5	Waste directed to disposal	117		Principle 2,6	6,12	7,8,9

Social

GRI Reference	Indicator details	Page Number	SASB Standards	NVGs	UN SDGs	UNGC Principles
Human Resource						
401-1	New employee hires and employee turnover	69		Principle 3	5,8,10	1,6
401-3	Parental leave	73			3,5,8	
Occupational Health and Safety						
403-1	Occupational health and safety management system	78, 81		Principle 2,3	3,8	
403-2	Hazard identification, risk assessment and incident investigation	78		Principle 2,6	3,8	
403-3	Occupational health services	78-81		Principle 2	3,8	
403-4	Worker participation, consultation, and communication on occupational health and safety	78-79		Principle 2	3,8	
403-5	Worker training on occupational health and safety	79		Principle 2,3	3,8	
403-6	Promotion of worker health	75-77		Principle 2,3	3,8	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	78-81		Principle 2	3,8	
403-8	Workers covered by an occupational health and safety	78		Principle 2,3	3,8	
Employee Development						
404-1	Average hours of training per year per employee	70		Principle 3	4, 5, 8, 10	6
404-2	Programs for upgrading employee skills and transition assistance programs	70-71		Principle 3	4,5,8,10	6
404-3	Percentage of employees receiving regular performance and career development reviews	75			5,8,10	6
Diversity and Inclusion						
405-1	Diversity of governance bodies and employees	71-72		Principle 3	5,8,10	1, 6

GRI Reference	Indicator details	Page Number	SASB Standards	NVGs	UN SDGs	UNGC Principles
Human Rights						
406-1	Incidents of discrimination during the reporting period.	74		Principle 3,5	5,8,10	1,6
407-1	Workers' rights to exercise freedom of association	73		Principle 3,5	8,10,16	1,3
408-1	Operations and suppliers at significant risk for incidents of child labour	73-74		Principle 3,5	8,10,16	1,2,5
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	73-74		Principle 3,5	8,10,16	1,2,4
Community Benefit						
413-1	Operations with local community engagement, impact assessments, and development programs	91-103		Principle 4,8	1,2,3,4,10,11	8
416-1	Assessment of the health and safety impacts of product and service categories	85		Principle 2, Principle 9	3,11	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	87		Principle 9	16	

Statutory Reports

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Financial Statements

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Notice

NOTICE is hereby given that 18th Annual General Meeting of the Members of **TORRENT POWER LIMITED** (herein after the "Company") will be held on Monday, August 08, 2022 at 9:30 am IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following:

ORDINARY BUSINESS

1. ADOPTION OF STANDALONE FINANCIAL STATEMENTS

To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022, the Auditor's Report and the Board's Report thereon, by passing the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022, the Auditor's Report and the Board's Report thereon be and are hereby considered and adopted."

2. ADOPTION OF CONSOLIDATED FINANCIAL STATEMENTS

To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 and the Auditor's Report thereon, by passing the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 and the Auditor's Report thereon be and is hereby considered and adopted."

3. CONFIRMATION OF INTERIM DIVIDEND

To confirm payment of interim dividend as final dividend for the Financial Year ended March 31, 2022 by passing the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT payment of interim dividend of ₹9 per equity share for the Financial Year ended March 31, 2022 be and is hereby confirmed as final dividend."

4. RE-APPOINTMENT OF SAMIR MEHTA AS A DIRECTOR

To appoint a Director in place of Samir Mehta, who retires by rotation and being eligible, offers himself for re-appointment by passing the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Samir Mehta (DIN: 00061903), who retires by rotation and being eligible, offers himself for re-appointment be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. RE-APPOINTMENT OF STATUTORY AUDITOR

To re-appoint M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants as Statutory Auditor of the Company by passing the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (FRN: 012754N/N500016) be and are hereby re-appointed as Statutory Auditor of the Company, to hold office for a period of 5 years from conclusion of this 18th Annual General Meeting (AGM) of the Company till conclusion of 23rd AGM at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditor."

SPECIAL BUSINESS

6. APPOINTMENT OF MAMTA VERMA, IAS AS DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mamta Verma, IAS (DIN: 01854315), who was appointed as an Additional Director of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office upto the commencement of this Annual General Meeting and in respect of whom the Company has received a notice from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. RE – APPOINTMENT OF SAMIR MEHTA AS CHAIRMAN

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (hereinafter referred to as "the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other approvals as may be necessary, the consent of the Members of the Company be and is hereby accorded for re-appointment of Samir Mehta (DIN: 00061903) as Chairman of the Board of Directors and the Company, liable to retire by rotation, for a period of 5 years w.e.f. April 01, 2023.

RESOLVED FURTHER THAT Samir Mehta shall exercise substantial powers of management subject to superintendence, control and direction of the Board of Directors of the Company.

RESOLVED FURTHER THAT Samir Mehta shall be paid commission at a rate not exceeding the percentage limit of net profits of the Company as specified in the Act, calculated in accordance with Section 198, subject to the overall ceiling prescribed under Section 197 read with Schedule V to the Act.



Notice (Contd.)

RESOLVED FURTHER THAT the actual amount of commission to be paid to Samir Mehta for each year and periodicity of payment shall be decided by the Board from time to time which shall include any Committee of the Board specifically authorised for this purpose from time to time (hereinafter referred to as “the Board”).

RESOLVED FURTHER THAT Samir Mehta shall not be entitled to any other perquisites and shall not be paid Sitting Fees for attending Meetings of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any Financial Year, the Company shall pay Samir Mehta, in respect of such Financial Year, remuneration by way of salary, allowances, perquisites and other benefits as the Board may deem fit, subject to the limits and conditions prescribed in Section II of Part II Schedule V to the Act for the time being in force.”

8. RE – APPOINTMENT OF JINAL MEHTA AS MANAGING DIRECTOR

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (hereinafter referred to as “the Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other approvals as may be necessary, the consent of the Members of the Company be and is hereby accorded for re-appointment of Jinal Mehta (DIN: 02685284) as Managing Director of the Company, liable to retire by rotation, for a period of 5 years w.e.f. April 01, 2023 on the following terms and conditions:

1.	Basic Salary	₹82,55,000 per month (Rupees Eighty-Two Lakhs Fifty-Five Thousand) for the Year 2022-23 i.e. w.e.f. April 01, 2022.
		Basic Salary to be increased w.e.f. April 01, 2023 upto 15% p.a. every year.
2.	Commission	At a rate such that the total remuneration does not exceed percentage limit of net profits of the Company as specified in the Act, calculated in accordance with Section 198, subject to the overall ceiling prescribed under Section 197 read with Section I of Part II of Schedule V to the Act.
		The actual amount of commission to be paid to Jinal Mehta for the Financial Year and periodicity of payment shall be decided by the Board from time to time.
3.	Perquisites and Benefits	Will be allowed as under:
	(I)	<ul style="list-style-type: none"> i. The Company shall provide him a fully furnished accommodation. If he is not provided accommodation by the Company, the Company shall pay House Rent Allowance at the rate of 20% of the Salary. ii. The Company shall pay the premium on Personal Accident Insurance Policy as per the Rules of the Company. iii. The Company shall pay premium on medical insurance for self and family as per the Rules of the Company. iv. The Company shall reimburse annual fees for two clubs.
	(II)	<ul style="list-style-type: none"> i. The Company shall provide a car with driver for official and personal use. ii. The Company shall provide telephones at his residence, the cost of which shall be borne by the Company.
	(III)	<ul style="list-style-type: none"> i. Company's contribution to the Provident Fund will be as per applicable laws and rules of the Company. ii. Company's contribution to Pension / Superannuation Fund will be as per applicable laws and rules of the Company. iii. Gratuity shall be payable as per applicable laws and rules of the Company.
4.	Other terms	<ul style="list-style-type: none"> i. His entitlement for leave, its accumulation and encashment shall be as per the prevailing rules of the Company. ii. Such appointment shall not be considered as a break in his service. iii. Total remuneration for the year shall not exceed percentage limits of net profits of the Company as specified in the Act, calculated in accordance with Section 198, subject to the overall ceiling prescribed in Section 197 read with Section I of Part II of Schedule V to the Act. iv. He shall not be entitled to receive sitting fees for attending Meetings of the Board of Directors or a Committee thereof.

RESOLVED FURTHER THAT Jinal Mehta shall exercise substantial powers of management subject to superintendence, control and direction of the Board of Directors of the Company.

RESOLVED FURTHER THAT the actual amount of salary and commission to be paid to Jinal Mehta for each year and periodicity of payment shall be decided by the Board from time to time which shall include any committee of the Board specifically authorised for this purpose from time to time (hereinafter referred to as “the Board”).

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any Financial Year, the Company shall pay Jinal Mehta, in respect of such Financial Year, remuneration by way of salary, allowances, perquisites and other benefits as the Board may deem fit, subject to the limits and conditions prescribed in Section II of Part II Schedule V to the Act for the time being in force.”

9. RATIFICATION OF REMUNERATION OF COST AUDITORS

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provision of Section 148 of the Companies Act, 2013 (“the Act”) read with the Companies (Cost Records and Audit) Rules, 2014, the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, rules or notifications of the Act including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, the Cost Auditors appointed by the Board of Directors of the Company to conduct audit of cost records of the Company for FY23 be paid remuneration of ₹12,40,000/- plus applicable taxes and out of pocket expenses incurred by them during the course of cost audit.”

10. APPOINTMENT OF RADHIKA HARIBHAKTI AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV to the Companies Act, 2013 (“the Act”) and other applicable provisions of the Act and the rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), Radhika Haribhakti (DIN: 02409519), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. August 07, 2021 and holds

office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 consecutive years commencing from August 07, 2021 till August 06, 2026 (both days inclusive) and shall not be liable to retire by rotation.”

11. APPOINTMENT OF KETAN DALAL AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV to the Companies Act, 2013 (“the Act”) and other applicable provisions of the Act and the rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), Ketan Dalal (DIN: 00003236), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. May 11, 2022 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 consecutive years commencing from May 11, 2022 till May 10, 2027 (both days inclusive) and shall not be liable to retire by rotation.”

12. ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS

To consider and if thought fit, to pass the following resolutions as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 71, 180 and other applicable provisions, if any, of the Companies Act, 2013 and all applicable rules made thereunder for the time being in force (“the Act”), the Memorandum of Association and the Articles of Association of the Company, the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI regulations, circulars and guidelines for the time being in force and Foreign Exchange Management Act and Reserve Bank of India directives, circulars and guidelines for the time being in force and all other applicable laws, approval of the Members be and is hereby accorded for issuance of Non-Convertible Debentures (“the NCDs”) by way of offer



Notice (Contd.)

or invitation, upto an aggregate amount of ₹2,000 Crore, on a private placement basis to the following identified investor classes viz.

- (a) Qualified Institutional Buyers as defined in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) Banks other than scheduled commercial banks, companies, bodies corporate, Foreign Portfolio Investors (category III) registered with SEBI, financial institutions (including Non-Banking Financial Companies), pension / gratuity / provident / superannuation funds;
- in one or more tranches, within the overall borrowing limits approved for the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds and things as may be necessary for or incidental to the above resolution."

**By Order of the Board
For Torrent Power Limited**

Ahmedabad
May 10, 2022

Rahul Shah
Company Secretary

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Email: cs@torrentpower.com

Notes

1. The Ministry of Corporate Affairs ("the MCA") vide its circular no. 2/2022 dated May 05, 2022 permitted the companies to hold the Annual General Meeting ("AGM" or "meeting") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 02/2021 dated January 13, 2021 and General Circular No. 19/2021 and 21/2021 dated December 08, 2021 and December 14, 2021 respectively, as per the MCA circular (collectively referred to as "the MCA Circulars"). In compliance with the provisions of the Companies Act, 2013 ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and the MCA Circulars, AGM of the Company for FY22 is being held through VC / OAVM. Registered Office of the Company shall be deemed to be the venue for AGM. **The detailed procedure for participation in the Meeting through VC / OAVM is as per Note No. 24 and 25.**
2. Since AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for AGM.
3. Members attending AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Members of the Company who are Institutional Investors are encouraged to attend and vote at AGM through VC / OAVM. Corporate Members intending to authorize their representatives to participate and vote through e-voting on their behalf at AGM are requested to send a certified copy of the Board Resolution and authorization letter to the Company.
5. Members can join AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 Members on a first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend AGM without any restriction.
6. The statement pursuant to Section 102 of the Act and Regulations 36(3) and 36(5) of the Listing Regulations is annexed hereto and forms part of this Notice.
7. **In terms of Section 124 of the Act, the amount of dividend not encashed or claimed within 7 years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Government of India (GoI).** Accordingly, unclaimed dividend in respect of FY15 of the erstwhile Torrent Cables Limited (since amalgamated into the Company) and the Company will be due for transfer to the said Fund in September, 2022. Members who have not encashed their dividend warrants for FY15 are requested to approach the Company for payment.

Further, pursuant to the provisions of Section 124 of the Act and IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all shares on which dividend has not been paid or claimed for 7 consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. The Company has sent intimation to all such Members who have not claimed their dividend for 7 consecutive years. All such Members are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to the Demat Account of IEPF Authority and no claim shall lay against the Company. The Members thereafter need to claim their shares from IEPF Authority by filing IEPF Form-5 and by following such procedures as prescribed therein.

8. Nomination facility is available for the Members as per Section 72 of the Act. Members of the Company have an option to nominate any person as their nominee to whom your shares shall vest in the unfortunate event of their death. It is advisable to avail this facility, especially by the Members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission of shares by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to Depository Participant (DP).
9. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. For further information, Members are requested to approach the RTA of the Company.
10. **Trading in equity shares of the Company is compulsorily in dematerialised mode by all the Members. Also, as per provisions of the Listing Regulations, transfer of listed securities shall not be processed unless the securities are in dematerialized form. This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.**
11. **With a view to conserve natural resources, we request the Members to update and register their email addresses with their DPs or RTA, as the case may be, to enable the Company to send communications including Integrated Annual Report, Notices, Circulars, etc. electronically. Members may register their email addresses by following below process:**

Physical Holding By clicking on the below link, the Member may register his / her email address, mobile number and bank details:
https://web.linkintime.co.in/EmailReg/Email_Register.html

After clicking the above link, the Member have to fill the relevant details in the respective fields and attach self attested copy of PAN and address proof and cancelled cheque leaf.

Demat Holding By clicking on the link below, the Member may register his / her email address and mobile number:
https://web.linkintime.co.in/EmailReg/Email_Register.html

For registration of bank details, the Member may contact their respective DPs.

12. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names, are requested to send the share certificates to RTA, for consolidation of such multiple folios into a single folio.
13. Members are requested to intimate changes, if any, pertaining to name, postal address, email address, telephone / mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code etc., to their DPs in case shares are held by them in electronic form and to the Company / Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 in case shares are held by them in physical form.
14. **Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition.** Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4. **It may be noted that any service request can be processed only after the folio is KYC Compliant.**



Notice (Contd.)

15. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
16. All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of AGM of the Company and will also be available electronically for inspection by the Members during AGM. Members seeking to inspect such documents can send an email to cs@torrentpower.com.
17. In compliance with the MCA Circulars and the SEBI Circular dated May 13, 2022, the Notice of the AGM along with Integrated Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company's RTA / DPs. Members may note that the Notice and Integrated Annual Report will also be available on the Company's website i.e. www.torrentpower.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Central Depository Services (India) Limited (CDSL) at www.evotingindia.com.
18. In terms of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and MCA Circulars, the Company has provided e-voting facility through CDSL. This facility is being provided to the Members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice.
- The information and other instructions regarding remote e-voting and e-voting during AGM are detailed in Note No. 24 and 25.
19. Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) and failing him Jitesh Patel, Practicing Company Secretary (Membership No. A20400) have been appointed as the Scrutinizer to scrutinize the voting during AGM and remote e-voting process in a fair and transparent manner.
20. Results of voting shall be declared by the Chairperson or a person so authorised by him in writing on receipt of consolidated report from the Scrutinizer. The results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. www.torrentpower.com and on the website of CDSL and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
- 21. The resolutions shall be deemed to have been passed on the date of the AGM, subject to the same being passed with requisite majority.**
22. Since AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
- 23. Members who would like to express their views / have questions may send their views / questions 7 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at cs@torrenttower.com and register as a speaker. Only those Members who have registered as a speaker will be allowed to express their views / ask questions during the meeting.**
- 24. Process regarding remote e-voting and e-voting during the meeting, and attending the meeting through VC/ OAVM:**
- Remote e-voting period begins on **Thursday, August 04, 2022 at 9:00 am and shall end on Sunday, August 07, 2022 at 5:00 pm.** During this period, Members of the Company, holding shares either in physical form or in dematerialized form, **as on the cut-off date i.e. August 01, 2022** may cast their vote electronically. E-voting module shall be disabled by CDSL for voting thereafter.
 - Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- A. For Individual Members holding securities in Demat mode:**
- In terms of the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, the Individual Members holding securities in demat mode are required to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and email address with their DPs in order to access e-voting facility.

- b) Login method for remote e-voting:

Member having Demat account with	Login Method
CDSL	<p>CDSL Easi / Easiest facility If Members are already registered for Easi / Easiest facility:</p> <ol style="list-style-type: none"> Visit web page of Easi by https://web.cdslindia.com/myeasi/home/login Member will have to enter their existing "USER ID" and "PASSWORD". After successful authentication, the Member will be able to see "E-VOTING" menu. On clicking the "E-VOTING" menu, the Member will be able to see the e-voting page. Click on options available against the Company name or E-Voting Service Provider (ESP) – CDSL and the Member will be redirected to the e-voting website of CDSL for casting vote before and during the meeting and joining the meeting. <p>If Members are not registered for Easi / Easiest facility:</p> <ol style="list-style-type: none"> Visit the web page at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Enter 16 digit "DEMAT ACCOUNT NUMBER" and "PASSWORD" as: "PAN" and first 4 digits of the "DOB" (DDMM) of first holder. Tick check box of "TERMS AND CONDITIONS" and click on "CONTINUE" "OTP" will be sent on the registered mobile number of Member Enter the "OTP" and click on "CONTINUE" Registration form will appear, fill the form to create "USER NAME" and "PASSWORD" and answer to secrete question and click on "CONTINUE". Upon successful registration, please follow steps given in points 1 to 4 above (Members are already registered for Easi / Easiest facility). <p>E-voting website of CDSL</p> <ol style="list-style-type: none"> Visit e-voting website of CDSL at www.cdslindia.com. Select "E-VOTING" and enter "DEMAT ACCOUNT NUMBER" and "PAN". System will authenticate, by sending "OTP" on registered mobile & email as recorded in the Member's Demat Account. After successful authentication, the Members will be able to see the e-voting page. Click on options available against the Company name or ESP – CDSL and the Member will be redirected to the e-voting website of CDSL for casting vote before and during the meeting and joining the meeting.
NSDL	<p>NSDL IDeAS Facility If Members are already registered for IDeAS facility:</p> <ol style="list-style-type: none"> Visit e-Services website of NSDL at https://eservices.nsdl.com/ On homepage of e-Services, click on "BENEFICIAL OWNER" under "LOGIN", available under "IDeAS" section. A new screen will open. Enter "USER ID" and "PASSWORD". After successful authentication, the Member will be able to see E-Voting Services. Click on "ACCESS TO E-VOTING" under e-voting services and the Member will be able to see the e-voting page. Click on options available against the Company name or ESP – CDSL and the Member will be re-directed to the CDSL e-voting website for casting vote before and during the meeting and joining the meeting. <p>If Members are not registered for IDeAS e-Services:</p> <ol style="list-style-type: none"> Option to register is available at https://eservices.nsdl.com. Select "REGISTER ONLINE FOR IDeAS" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Enter the 8-character "DP ID" followed by 8-digit "CLIENT ID" and registered mobile number



Notice (Contd.)

Member having Demat account with	Login Method
	<ol style="list-style-type: none"> Select any of the following options for verification of demat account: <ol style="list-style-type: none"> Option 1: Bank account – enter last 4 digit of bank account Option 2: OTP – enter 6 digit OTP sent on registered mobile number Fill your personal information and click on “SUBMIT” Upon successful registration, please follow steps given in points 1 - 5 above (Members are already registered for IDeAS facility). <p>E-voting website of NSDL</p> <ol style="list-style-type: none"> Visit e-voting website of NSDL at https://www.evoting.nsdl.com On homepage of e-voting system, click on “LOGIN” icon, available under “SHAREHOLDER / MEMBER” section. A new screen will open and the Member will have to enter “USER ID” (i.e. 8-character “DP ID” followed by 8-digit “CLIENT ID”) and “PASSWORD” / “OTP” and a verification code as shown on the screen. After successful authentication, the Member will be able to see the e-voting page. Click on options available against the Company name or ESP – CDSL and the Member will be redirected to the e-voting website of CDSL for casting vote before and during the meeting and joining the meeting.
Logging through their DPs	<ol style="list-style-type: none"> Member can login using the “LOGIN CREDENTIALS” of Demat account through their DPs registered with NSDL / CDSL for e-voting facility. After successful login, the Members will be able to see “E-VOTING OPTION”. Once Member clicks on “E-VOTING OPTION”, he / she will be redirected to NSDL/CDSL Depository site. After successful authentication, the Member will be able to see e-voting page. Click on option available against the Company name or ESP- CDSL and the Member will be redirected to e-voting website of CDSL for casting vote before and during the meeting and joining the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and / or Forget Password option available at above mentioned websites.

c) Casting vote electronically on CDSL e-voting system

- After successfully logging by following the above process, the Members will be able to see EVSN of all companies in which they hold shares and whose voting cycle is active.
- Click on “EVSN” for “TORRENT POWER LIMITED”.
- On the voting page, the Member will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select option “YES / NO” as desired. Option YES implies that you assent to the resolution and option NO implies that Member dissent to the resolution.
- Click on “RESOLUTIONS FILE LINK” if Member wish to view the entire resolution details.
- After selecting the resolution the Member has decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If the Member wishes to confirm, click on “OK”, else to change, click on “CANCEL” and accordingly modify your vote.
- Once the Member “CONFIRM” his / her vote on the resolution, he / she will not be allowed to modify your vote.
- Member can also take a print of the votes cast by clicking on “CLICK HERE TO PRINT” option on voting page.

Helpdesk for the Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.
NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no: 1800 1020 990 and 1800 22 44 30.

B. For the Members, other than the Individual Members holding shares in demat mode and the Members holding shares in Physical mode.

- Visit the e-voting website at www.evotingindia.com.
- Click on “SHAREHOLDERS”.
- Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 character DP ID followed by 8 digits Client ID,
 - Members holding shares in physical form should enter Folio Number registered with the Company.
- Enter Image verification as displayed and click on “LOGIN”.
- If Non-individual Members are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then their existing password is to be used.
- If the Member is a first-time user follow the steps given below:

the other Members For Non-individual Members holding shares in Demat Form and other Members holding shares in Physical Form

PAN	<p>Enter 10 digit alpha-numeric “PAN” (applicable for both demat as well as physical Members)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / DPs are requested to use sequence number indicated in PAN field of the email sent to them. Members who have not registered their email address may obtain sequence number from the Company after registering their email address as per the process defined in Note No. 11.
Dividend Bank details OR Date of Birth (DoB)	<p>Enter the “DIVIDEND BANK DETAILS” or “DOB” (in dd/mm/yyyy format) as recorded in the Member’s demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the DPs or the Company please enter “MEMBER ID / FOLIO NUMBER” in the Dividend Bank details field as mentioned in instruction (c).

- After entering these details appropriately, click on “SUBMIT” tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, the Non-Individual Members holding shares in demat form will now reach “PASSWORD CREATION” menu wherein they are required to mandatorily enter their login password in new password field.

Kindly note that this password is also to be used by Non-individual demat holders for voting for resolutions of any other company on which they are eligible to vote. It is strongly recommended not to share password with any other person and take utmost care to keep password confidential.

- For the Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on “EVSN” for “TORRENT POWER LIMITED” on which Member choose to vote.
- On the voting page, the Member will see “RESOLUTION DESCRIPTION” and against the same; the option “YES / NO” for voting. Select the option “YES / NO” as desired. The option YES implies, assent to the resolution and the option NO implies dissent to the resolution.
- Click on the “RESOLUTIONS FILE LINK” if the Member wishes to view the entire resolution details.
- After selecting the resolution, click on “SUBMIT”. A confirmation box will be displayed. If the Member wishes to confirm, click on “OK”, else to change vote, click on “CANCEL” and accordingly, modify vote.
- Once the Member “CONFIRM” his/ her vote on the resolution, he/she will not be allowed to modify.
- Member can also take a print of votes cast by clicking on “CLICK HERE TO PRINT” option on voting page.
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to upload the scanned copy of the Board resolution and Power of Attorney which they have issued in favour of the Custodian, if any, in PDF format in system for the scrutinizer to verify the same.

In case of any queries or issues regarding e-voting, Member may refer the Frequently Asked Questions (‘FAQs’) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call on 1800 22 55 33.



Notice (Contd.)**25. General Guideline for attending the meeting through VC / OAVM and e-voting on the day of AGM:**

- Procedure for e-voting on the day of the AGM and attending the AGM will remain same as the instructions mentioned above.
- The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- Members are encouraged to join the meeting through Laptops / Desktops for better experience. Further, the Members will be required to allow camera and use Internet with good speed to avoid any disturbance during the meeting.
- Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

- Only those Members, who will be present in AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting prior to meeting day and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during AGM.
- If any votes are casted by the Members through e-voting available during AGM and if the same Members have not participated in the meeting through VC / OAVM facility, then the votes casted by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members participating in the meeting.
- Members who have voted through remote e-voting prior to meeting day will be eligible to attend the AGM. However, they will not be eligible to vote during AGM.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATIONS 36(3) AND 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**ITEM NO. 4 & 7**

The Members had at 14th Annual General Meeting of the Company held on August 01, 2018, approved appointment of Samir Mehta (DIN: 00061903) as Chairman for a period of 5 years w.e.f. April 01, 2018. The term of Samir Mehta will come to an end on the closing hours of March 31, 2023.

In view of the above and based on the recommendation of Nomination and Remuneration Committee, the Board approved, subject to approval of the Members, re-appointment of Samir Mehta as Chairman of the Board of Directors and the Company, liable to retire by rotation, for a period of 5 years w.e.f. April 01, 2023.

Samir Mehta, 58, is the Chairman of ₹21,000 Crore Torrent Group and has been associated with the Company since its inception, as a Promoter. Under his leadership, Torrent Pharma took several strategic initiatives, including forays into new therapies and geographies, large investments in product development infrastructure and capabilities, building state-of-the-art manufacturing facilities and acquisitions, thus establishing Torrent as one of India's fast growing and well respected Pharma majors. His emphasis on professional organisational design, precise execution and operational efficiencies has built a strong and globally competitive generic business platform in Torrent Pharma.

He has also guided the Group's entry and growth in the Power sector. Torrent Power has systematically improved its performance on all efficiency parameters and ranks

amongst the best run power utilities in the Country. His emphasis on efficiency and reliability has led the Company to demonstrate exemplary operational capabilities and high customer orientation thus, setting new benchmarks in the sector and attracting many accolades.

In a move to expand its business presence, he mentored the Group's entry in the emerging City Gas Distribution sector by participating in bidding rounds for new areas and acquiring existing CGD entities. In a short span, Torrent has established an investment plan of ₹10,000 Crore and started rolling out its network across 17 geographical areas in India.

Much before the current emphasis on CSR, he always conducted the businesses in a socially responsible way, giving a new dimension to the traditional meaning of CSR. He has emphasized environmental responsibility in industrial operations and creation of local livelihoods in the influence areas of Torrent establishments. His belief that improving community health and school education of the underprivileged class are powerful instruments for social empowerment and upliftment, has driven much of the Group's investments in CSR activities.

A fine blend of business acumen and cautious entrepreneurial optimism, he has positively influenced all aspects of the Group culture with his contemporary outlook and innovative ideas. Torrent Group has established a reputation for being employee-centric, and above all fair and humane in all its dealings.

Samir Mehta is also the Executive Chairman of Torrent Pharmaceuticals Limited, a Group company. He would therefore, draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person, in accordance with the provisions of Schedule V to the Companies Act, 2013. As Chairman of the Company, he will exercise substantial powers of management, as that of a Managing Director, subject to superintendence, control and direction of the Chairman and Board of Directors of the Company.

For other details such as number of Meetings of the board attended during the year and remuneration drawn in respect of the above Director, please refer to the Corporate Governance Report which is a part of this report.

Samir Mehta is the Chairman of the Committee of Directors and a Member of the Stakeholders Relationship Committee of the Company.

Details of his directorship in other companies and Membership in the committees of these companies are given below:

Sr.No	Directorship in Companies	Name of Committees
1.	Torrent Pharmaceuticals Limited	Committee of Directors – Chairman
2.	Torrent Investments Private Limited	Corporate Social Responsibility Committee – Chairman Nomination & Remuneration Committee – Member
3.	UNM Foundation (Earlier Known as Tornascent Care Institute)	Nil

He ceased to be director of Arvind Limited w.e.f. July 29, 2019 in past three years.

The resolutions contained in Item no. 4 and 7 of the accompanying Notice, accordingly, seeks the Members' approval for re-appointment of Samir Mehta as Chairman of the Board and the Company as an Ordinary Resolutions.

Samir Mehta holds 6,125 Equity Shares of the Company and is related to Sudhir Mehta, Chairman Emeritus and Jinal Mehta, Managing Director. Sudhir Mehta, Samir Mehta and Jinal Mehta are, therefore, deemed to be interested in the resolutions. None of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolutions.

ITEM NO. 5

The Members had, at 13th Annual General Meeting (AGM) of the Company held on August 01, 2017, appointed M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants (FRN: 012754N/N500016) ("PWC") as Statutory Auditor of the Company to hold office commencing from the conclusion of 13th AGM till the conclusion of this AGM of the Company. Their first term of PWC as Statutory Auditor of the Company would end at this AGM and they are eligible for re-appointment for second term.

Considering the evaluation of past performance, experience and expertise of PWC, the Board on the recommendation of Audit Committee, at its Meeting held on May 10, 2022, proposed re-appointment of PWC as Statutory Auditor of the Company to hold office commencing from the conclusion of this AGM till the conclusion of 23rd AGM i.e. for a second and final term of 5 years. The proposed remuneration to be paid to PWC, for the Statutory Audit of FY23 is ₹1.11 Crore plus out of pocket expenses and applicable taxes.

The Board of Directors, subject to recommendation of the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with PWC.

The Company has received a letter confirming their eligibility and consent letter for re-appointment from PWC.

The recommendation is based on various factors like People, Audit Methodology, Quality Control, Reputation of the Firm and Knowledge. PWC, having a Firm Registration No. 012754N / N500016, is a Firm of Chartered Accountants registered with the Institute of Chartered Accountants of India, was established in the year 1991 and converted into a Limited Liability Partnership in the year 2014. The registered office of the Firm is situated at New Delhi and has 10 branch offices in various cities in India. The Firm is primarily engaged in providing auditing and other assurance services to its clients and is a member firm of Price Waterhouse & Affiliates, a network of Firms registered with the Institute of Chartered Accountants of India having Network Registration No. NRN/E/14. Price Waterhouse & Affiliates is a network of 11 separate, distinct and independent Indian chartered accountant Firms, each of which is registered with the Institute of Chartered Accountants of India.

The Firm has more than 75 Assurance Partners as at April 01, 2022. It has a valid peer review certificate and audits various companies listed on stock exchanges in India.

The resolution contained in Item no. 5 of the accompanying Notice, accordingly, seeks the Members' approval to re-appoint PWC as Statutory Auditors of the Company to hold office from conclusion of this AGM of the Company till conclusion of 23rd AGM at a remuneration to be fixed by the Board of Directors of the Company as an Ordinary Resolution.



Notice (Contd.)

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 6

Mamta Verma, IAS (DIN: 01854315), was appointed as an Additional Director by the Board of Directors on August 07, 2021 based on the request received from Government of Gujarat. As per the provisions of Section 161 of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company, she holds the office of Director till commencement of this Annual General Meeting. The Company had received a notice in writing under Section 160 of the Act from a Member proposing her candidature for appointment as Director of the Company.

Mamta Verma, IAS, 50, is Master in Arts (MA) with Psychology and has done Master of Public Policies from Minneapolis Hubert H Humphrey School of Public Affairs, U.S.A. She is a Senior IAS Officer having rich experience in the field of Management & Administration. She has held positions in Government of Gujarat such as Collector, District Development Officer, Additional Chief Executive, Additional Industries Commissioner, Special Commissioner, Commercial Taxes, Industries Commissioner, Director & Municipal Administrator, Chief Executive Officer of Ahmedabad Urban Development Authority (AUDA) and Gujarat Urban Development Corporation (GUDA), Principal Secretary of Tourism Yatradham and Civil Aviation.

During her tenure as Industries Commissioner and Chairperson of Industrial Extension Bureau, she was instrumental in implementation and execution of some of the most pathbreaking reforms and initiatives of Government of India such as “Ease of Doing Business Reforms” as well as “Competitive Ranking of Startups”.

Presently she is Principal Secretary, Energy & Petrochemicals Department, Gandhinagar. Prior to her present assignment she was also instrumental in formulating policies such as Industrial Policy, 2015, Heritage Policy etc. and started as Industrial Commissioner and also acted as Principal Secretary, Tourism, Yatradham, Civil Aviation.

For other details such as number of Meetings of the board attended during the year and remuneration drawn in respect of the above Director, please refer to the Corporate Governance Report which is a part of this report.

Details of her directorship in other companies and Membership in the committees of these companies are given below:

Sr.No	Directorship in Companies	Name of Committees
1.	Gujarat Urja Vikas Nigam Limited	Nil
2.	Gujarat State Electricity Corporation Limited	Nil
3.	Gujarat Energy Transmission Corporation Limited	Nil

Sr.No	Directorship in Companies	Name of Committees
4.	Diamond Research and Mercantile City Limited	Nil
5.	Gujarat Chemical Port Limited	Nil
6.	Gujarat Power Corporation Limited	Nil
7.	Gujarat Narmada Valley Fertilizers & Chemicals Limited	Nil
8.	Gujarat State Fertilizers & Chemicals Limited	Nil

Nomination and Remuneration Committee and the Board have considered the above proposal at their respective Meetings held on May 10, 2022 and recommended to the Members for their approval.

The resolution contained in Item no. 6 of the accompanying Notice, accordingly, seeks the Members’ approval for appointment of Mamta Verma, IAS as Director of the Company as an Ordinary Resolution.

Mamta Verma does not hold any equity shares of the Company. She is not related to any Director of the Company.

Mamta Verma is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 8

The existing term of Jinal Mehta (DIN: 02685284) will come to an end on the closing hours of March 31, 2023.

Based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on May 10, 2022 approved re-appointment of Jinal Mehta as Managing Director of the Company, liable to retire by rotation, for a period of 5 years w.e.f. April 01, 2023, subject to approval of the Members. Such re-appointment will not be considered as a break in his service with the Company.

Jinal Mehta, 39, has done his Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) from University of Technology Sydney (UTS), Sydney, Australia. He has more than 15 years of experience across all facets of the power sector – generation, transmission and distribution. He was involved during the project and operations phases of 1147.5 MW SUGEN Mega Power Project and 382.5 MW SUGEN Expansion (i.e. UNOSUGEN). Subsequently, he was responsible for the implementation of the 1200 MW DGEN Mega Power Project. Subsequently, he took charge of the distribution business of the Company in April, 2014 and led significant operational improvements in both the licensed and franchised distribution businesses, in terms of network modernisation, reduction in AT&C losses, improved customer services and timely regulatory approvals for recovery of costs. Under his leadership, the Company grew its Distribution business further by obtaining a distribution

license for Dholera Special Industrial Region (SIR) and the Union Territory of Diu, Daman, Dadra Nagar Haveli (DDDNH) and was appointed as the Distribution Franchisee by MSEDCL for Shil, Mumbra & Kalwa (SMK) in Thane District. Under his leadership, Torrent Power has strengthened its leadership position in the Power Distribution business and distributes nearly 26 billion units per annum of power and caters to peak demand of approx. 4750 MW to over 3.8 million customers across 12 cities.

Apart from conventional generation, transmission and distribution, his contribution in growing renewable capacity; both Solar and Wind Power, has resulted into renewable energy becoming significant part of our generation portfolio today with plans for significant further growth. Accelerated commitment to increase renewable portfolio has enabled the Company to consummate several acquisitions, during the period, with aggregate capacity of 281 MW. With these acquisitions, the Company now has an aggregate installed generation capacity of ~4.1 GW, which consists largely of clean generation sources such as gas (2.7 GW) and renewables (1.0 GW).

Jinal Mehta is also the Managing Director of Torrent Power Grid Limited, a subsidiary company. He would therefore, draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of where he is a managerial person, in accordance with the provisions of Schedule V to the Companies Act, 2013. As Managing Director, he will exercise substantial powers of the management, subject to superintendence, control and direction of the Board of Directors of the Company.

For other details such as number of Meetings of the board attended during the year and remuneration drawn in respect of the above Director, please refer to the Corporate Governance Report which is a part of this report.

Jinal Mehta is a Member of the Corporate Social Responsibility Committee, the Stakeholders Relationship Committee and Committee of Directors of the Company.

Details of his directorship in other companies and Membership in the committees of these companies are given below:

Sr.No	Directorship in Companies	Name of Committees
1.	Torrent Power Grid Limited	Nil
2.	Torrent Investments Private Limited	Corporate Social Responsibility Committee – Member Nomination & Remuneration Committee – Member
3.	Torrent Gas Private Limited	Committee of Directors – Chairman

The resolution contained in Item no. 8 of the accompanying Notice, accordingly, seeks the Members’ approval for re-appointment of Jinal Mehta as Managing Director of the Company as an Ordinary Resolution.

Jinal Mehta holds 8,000 Equity Shares of the Company. He is son of Sudhir Mehta, Chairman Emeritus and a relative of Samir Mehta, Chairman. Sudhir Mehta, Samir Mehta and Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 9

The Audit Committee at its Meeting held on February 03, 2022 recommended and the Board at its Meeting held on the same day approved the reappointment of M/s Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for FY23 at a remuneration of ₹12,40,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of cost audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company.

The resolution contained in Item no. 9 of the accompanying Notice, accordingly, seeks the Members’ approval to ratify the remuneration to be payable to Cost Auditors of the Company for FY23 as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 10

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their Meeting held on August 06, 2021 appointed Radhika Haribhakti (DIN: 02409519) as an Additional Director (Non-Executive Independent) of the Company w.e.f. August 07, 2021 to hold office upto the date of this Annual General Meeting (AGM) of the Company. She is eligible to be appointed as an Independent Director for a term of 5 consecutive years.

Radhika Haribhakti, 64, has over 31 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch. She has advised several large corporates and led their Equity and Debt offerings in Domestic as well as International Capital Markets. She now heads RH Financial, a boutique Advisory Firm focused on M&A and Private Equity.



Notice (Contd.)

She is a graduate in Commerce from Gujarat University and Post graduate in Management from the Indian Institute of Management, Ahmedabad (IIMA).

She has also been closely associated with issues of Women Empowerment and financial inclusion and has served on the Boards of non-profits for over 18 years, including 12 years as Chairperson.

For other details such as number of Meetings of the board attended during the year and remuneration drawn in respect of the above Director, please refer to the Corporate Governance Report which is a part of this report.

Radhika Haribhakti is a Member of the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee of the Company.

Details of her directorship in other companies and Membership in the committees of these companies are given below:

Sr. No	Directorship in Companies	Name of Committees
1.	Navin Fluorine International Limited	Audit Committee – Member Stakeholders' Relationship Committee – Member
2.	Rain Industries Limited	Audit Committee – Chairperson Nomination and Remuneration Committee – Chairperson
3.	ICRA Limited	Audit Committee – Member Nomination and Remuneration Committee – Chairperson Risk Management Committee – Member
4.	EIH Associated Hotels Limited	Audit Committee – Member Risk Management Committee – Member
5.	Pipeline Infrastructure Limited	Audit Committee – Chairperson Nomination and Remuneration Committee – Member Risk Management Committee – Member Corporate Social Responsibility Committee – Member
6.	Bajaj Finserv Limited	Nomination and Remuneration Committee – Member Stakeholders Relationship Committee – Member
7.	Bajaj Finance Limited	Nomination and Remuneration Committee – Member Stakeholders Relationship Committee – Member

She ceased to be director of Mahanagar Gas Limited w.e.f. September 25, 2020 and Adani Ports and Special Economic Zone Limited w.e.f. March 31, 2020 in past three years.

As per the provisions of Section 149(13) read with explanation to Section 152(6) of the Companies Act, 2013 ("the Act"), the period of office of Independent Director will not be liable to determination by retirement of directors by rotation at the AGM.

The Company has received a Notice in writing from a Member of the Company under Section 160 of the Act, proposing her candidature for the office of Independent Director. Radhika Haribhakti meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

Radhika Haribhakti fulfils all other conditions as specified in the Act and the Listing Regulations for her appointment as an Independent Director of the Company and is independent of the Management. In the opinion of Board, she possesses requisite expertise and experience for appointment as an Independent Director and the Company will benefit from her valuable, experience, knowledge and counsel.

Copy of the letter for appointment of Radhika Haribhakti as an Independent Director setting out the terms and conditions would be available for inspection without any fees in electronic mode upto the date of AGM of the Company and will also be available electronically for inspection by the Members during AGM.

The resolution contained in Item no. 10 of the accompanying Notice, accordingly, seeks the Members' approval for appointment of Radhika Haribhakti as an Independent Director on the Board of the Company on the terms and conditions as specified in the letter of appointment a Special Resolution.

Radhika Haribhakti does not hold any equity shares of the Company. She is not related to any Director of the Company.

Radhika Haribhakti is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 11

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their Meeting held on May 10, 2022 appointed Ketan Dalal (DIN: 00003236) as an Additional Director (Non-Executive Independent) of the Company w.e.f. May 11, 2022 to hold office upto the date of this Annual General Meeting (AGM) of the Company. He is eligible to be appointed as an Independent Director for a term of 5 consecutive years.

Ketan Dalal, 65, is veteran Chartered Accountant with 40 years of intensive experience in field of taxation and corporate and investment structuring, including mergers and acquisitions.

He was the Joint Head, Tax, All India and the Managing Partner (West) and the member of the India Leadership Team at PwC India. From April, 2017, he has been independently pursuing his professional interests and runs a boutique Structuring and Tax firm, Katalyst Advisors Private Limited.

He was a Member of the "Working Group on Non Resident Taxation" formed by the Ministry of Finance, Government of India in 2003. He has also served on various committees of several professional and business organisations. He was a Member of SEBI committees, including High Powered Advisory Committee (HPAC) on Consent Orders and Compounding.

He has been listed among India's leading tax advisors in ITR (International Tax Review), a leading global magazine on international tax policy and advice around the world and several other books and articles. He has also authored a book "Indian Taxation Decoded - An MNC Perspective" in 2018.

Details of his current directorship in other companies and Membership in the committees of these companies are given below:

Sr.No	Directorship in Companies	Name of Committees
1.	Hdfc Life Insurance Company Limited	Audit Committee – Member Stakeholders' Relationship Committee – Member
2.	Zensar Technologies Limited	Audit Committee – Member Risk Management Committee – Member
3.	Eternis Fine Chemicals Limited	Nil
4.	Katalyst Advisors Private Limited	Nil

As per the provisions of Section 149(13) read with explanation to Section 152(6) of the Companies Act, 2013 ("the Act"), the period of office of Independent Director will not be liable to determination by retirement of directors by rotation at the AGM.

The Company has received a Notice in writing from a Member of the Company under Section 160 of the Act, proposing his candidature for the office of Independent Director. Ketan Dalal meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Ketan Dalal fulfils all other conditions as specified in the Act and the Listing Regulations for his appointment as an Independent Director of the Company and is independent of the Management. In the opinion of Board, he possess requisite expertise and experience for appointment as an Independent Director and the Company will benefit from his valuable, experience, knowledge and counsel.

Copy of the letter for appointment of Ketan Dalal as an Independent Director setting out the terms and conditions would be available for inspection without any fees in electronic mode upto the date of AGM of the Company and will also be available electronically for inspection by the Members during AGM.

The resolution contained in Item no. 11 of the accompanying Notice, accordingly, seeks the Members' approval for appointment of Ketan Dalal as an Independent Director on the Board of the Company on the terms and conditions as specified in the letter of appointment as a Special Resolution. Ketan Dalal does not hold any equity shares of the Company. He is not related to any Director of the Company.

Ketan Dalal is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 12

Members of the Company at Annual General Meeting held on August 01, 2018 accorded consent to the Board of Directors to borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) and create security on assets of the Company for such borrowing, in such form and manner and on such terms and conditions as the Board may deem fit, such that the total amount borrowed and outstanding at any time does not exceed ₹20,000 Crore and for the said purpose authorised the Board inter-alia, to delegate all or any of the above powers to the Committee of Directors.

Out of above borrowing limit, the Company may, at an appropriate time consider offering or inviting subscriptions for Non-Convertible Debentures (NCDs), in one or more series / tranches, on private placement basis, in order to augment long-term resources for financing the ongoing capital expenditure and other general corporate purposes.

Section 42 of the Companies Act, 2013 read with Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a company which intends to make a private placement of its NCDs, shall obtain approval of its Members by means of a Special Resolution. It shall be sufficient if the Company passes a Special Resolution only once in a year for all the offers or invitations for such NCDs during the year.

It is therefore found desirable to have the requisite enabling approval in place for meeting the fund requirements of the Company in an efficient manner.



Notice (Contd.)

The resolution contained in Item no. 12 of the accompanying Notice, accordingly, seeks the Members' approval for issuance of NCDs upto an aggregate amount of ₹2,000 Crore, within overall approved borrowing limit of the Company as a Special Resolution. Such approval shall be valid in respect of all offers and invitations for such NCDs to be made in one or more series / tranches, within 12 months from the date of passing of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

Ahmedabad
May 10, 2022

Registered Office:

"Samanvay",
600, Tapovan,
Ambawadi, Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Phone: +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

**By Order of the Board
For Torrent Power Limited**

Rahul Shah
Company Secretary

Board's Report

Dear Members,

Your Directors are pleased to present Eighteenth Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

1. OPERATIONAL & FINANCIAL HIGHLIGHTS

The Management Discussion and Analysis Report for FY22 is part of the Integrated Annual Report and explains the operating and financial performance of the business for the year.

Summary of the Financial Statements of the Company for the year under review is as under:

(₹ in Crore except per share data)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Total income	14,012	12,027	14,493	12,314
Profit before tax and exceptional items	1,814	1,583	1,864	1,552
Exceptional Item	1,300	-	1,300	-
Profit before tax	514	1,583	564	1,552
Total comprehensive income for the year (after non-controlling interest)	412	1,328	456	1,295
Add: Balance brought forward	5,908	4,775	5,841	4,741
Balance available for appropriation	6,320	6,103	6,297	6,036
Appropriations				
Transfer to / (from) specific reserves	(77)	(69)	(46)	(69)
Dividend paid	697	264	697	264
Balance carried to balance sheet	5,700	5,908	5,646	5,841
Basic and diluted earnings per share (₹ per share)	9	28	9	27

2. DIVIDEND

As per Dividend Distribution Policy, the Company endeavours to distribute approx. 40% of its consolidated annual profits after tax as dividend in one or more tranches. The Board of Directors, on February 03, 2022, declared interim dividend of ₹9.00 per equity share on 48,06,16,784 nos. of equity shares for FY22 [PY ₹11.00 per equity share, including final dividend]. The Board has not considered any further dividend for the year.

The total outflow on account of dividend is ₹432.56 Crore [PY ₹528.68 Crore] i.e. 93.92% [PY 40.67%] of consolidated total comprehensive income for FY22.

The Dividend Distribution Policy of the Company can be accessed at the Company's website: <https://www.torrentpower.com/pdf/investors/DividendDistributionPolicy.pdf>



Board's Report (Contd.)**3. TRANSFER TO RESERVES**

The Company has not transferred any amount to the General Reserve for the year under review, other than ₹1.91 Crore to certain specific reserves, as described in the Statement of Changes in Equity being part of the Standalone Financial Statements. Further, an amount of ₹78.96 Crore has been transferred from Debenture Redemption Reserve to Retained Earnings pertaining to partial redemption of debentures during the year under review.

4. FINANCE

During the year under review, CRISIL upgraded the long-term rating of the Company from AA/Positive to AA+/Stable and reaffirmed short-term credit rating of the Company at A1+. India Ratings has reaffirmed short term rating at IND A1+ to the Commercial Paper Programme of the Company. CRISIL has also upgraded long term rating of the Non-Convertible Debentures (NCDs) issued by Jodhpur Wind Farms Private Limited and Latur Renewable Private Limited, Wholly Owned Subsidiaries of the Company, from AA(CE)/Positive to AA+(CE)/Stable, which has resulted in decrease in Coupon rate from 7.00% to 6.75% from the date of rating upgrade.

Finance cost of the Company (on a consolidated basis)

Issuer	Description of NCDs	Date of Allotment	Number of NCDs issued	Face Value and Issue Price (₹ in Lakh)	Amount raised (₹ in Crore)	Coupon Rate (p. a.)	Maturity Date (Series wise)
Torrent Power Ltd.	Secured, Rated, Listed, Taxable, Non-Cumulative, Redeemable NCDs	March 03, 2022	2,500	10	250	7A : 6.50% 7B : 6.90% 7C : 7.25%	7A : March 3, 2025 7B : March 3, 2026 7C : March 3, 2027

Outstanding consolidated long term debt as on March 31, 2022 was ₹8,414 Crore (Refer Note 23 to the Consolidated Financial Statements). Consolidated debt to equity (including deferred tax liability) ratio as at the end of FY22 was 0.83 (Previous Year: 0.73). The particulars of loans given, guarantees provided and investments made during the year are disclosed in Note 56 to the Standalone Financial Statements.

The Company, being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees, security and investments under Section 186 of the Companies Act, 2013 ("the Act").

5. SUBSIDIARIES AND ASSOCIATES

The Board has reviewed the affairs of the Company's Subsidiaries and Associates at regular intervals. In accordance with Section 129(3) of the Act, the Company has prepared Consolidated Financial Statements incorporating the Financial Statements of all Subsidiaries and Associates, which form part of the Integrated Annual Report. Further, a statement containing salient features of the Financial

was reduced to ₹628 Crore as against ₹776 Crore in FY21. This is mainly due to lower debt and reduction in interest rates.

During the year under review, the Company has,

- tied up incremental working capital lines (non-fund based) of ₹700 Crore i.e. total working capital limits increased from ₹3,950 Crore to ₹4,650 Crore;
- tied up ₹700 Crore in the form of Capex LC facility for 115 MW Wind Power Project being implemented through Subsidiary;
- availed ₹600 Crore of long-term loan to finance capital expenditure for its distribution business;
- raised ₹250 Crore of new long-term loan and ₹250 Crore by way of issuance of secured NCDs, mainly to repay part of its existing debt and towards General Corporate Purpose of the Company;
- increased Long term loan of the Company by ₹605 Crore pursuant to acquisition of Surya Vidyut Limited and LREHL Renewables India SPV 1 Private Limited; existing debt under the entities.

The Company has repaid long term debt of ₹1,125 Crore (including prepayments of ₹235 Crore).

New long-term debt raised by the Company by issuance of NCDs on private placement basis are mentioned below:

Statements of the Company's Subsidiaries and Associates is given in prescribed Form AOC-1, which forms part of the Integrated Annual Report (Refer page no. 414).

The said Form also highlights the financial performance of each of the Subsidiaries and Associates included in the Consolidated Financial Statements.

The details pertaining to the Companies that have become or ceased to be the Subsidiary or Associate of the Company during the year are provided in Note no. 41 to the Consolidated Financial Statements, forming part of the Integrated Annual Report.

In accordance with Section 136 of the Act, the Financial Statements of the Company, Consolidated Financial Statements along with separate Audited Financial Statements in respect of Subsidiaries and Associates are available for inspection by the Members at the Registered Office of the Company during the business hours on all working days. Any person desirous of obtaining the said Financial Statements may write at cs@torrentpower.com. The Integrated Annual Report of the Company and Audited Financial Statements of

each of the Subsidiaries and Associates have been placed on the website of the Company at www.torrentpower.com.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Sunaina Tomar, IAS, Director (DIN: 03435543) tendered her resignation from the Board of the Company consequent to her transfer from the position as Additional Chief Secretary, Energy & Petrochemicals Department and appointment to the position as Additional Chief Secretary, Social Justice and Empowerment Department, Government of Gujarat. The Board has taken her resignation on record effective from June 15, 2021 and placed on record its appreciation for the valuable services rendered by Sunaina Tomar, IAS during her tenure as a Director of the Company.

Government of Gujarat nominated Mamta Verma, IAS (DIN: 01854315) - Principal Secretary, Energy and Petrochemicals Department on the Board of the Company in place of Sunaina Tomar, IAS, and the Board, at its Meeting held on August 06, 2021, appointed her as Additional Director of the Company w.e.f. August 07, 2021 till the commencement of ensuing Annual General Meeting (the AGM). The Board hereby recommends her appointment as Director, liable to retire by rotation, w.e.f. the ensuing AGM i.e. August 08, 2022.

The Members, at their 17th AGM held on August 06, 2021, approved appointment of Usha Sangwan (DIN: 02609263) as an Independent Director of the Company for a period of 5 consecutive years w.e.f. May 21, 2021 till May 20, 2026 (both days inclusive), not liable to retire by rotation.

The Board, at its Meeting held on August 06, 2021, appointed Radhika Haribhakti (DIN: 02409519) as an Additional Director (Non-Executive Independent) of the Company w.e.f. August 07, 2021 till the commencement of the ensuing AGM. The Board hereby recommends her appointment as an Independent Director for a period of 5 consecutive years from August 07, 2021 till August 06, 2026 (both days inclusive), not liable to retire by rotation. In the opinion of the Board, she possesses requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Director of the Company.

Bhavna Doshi (DIN: 00400508) and Dharmishta N. Raval (DIN: 02792246) completed their second and final term as an Independent Directors of the Company on September 30, 2021. The Board placed on record its appreciation for their valuable contribution during their tenure as Independent Directors of the Company.

The Board, at its Meeting held on May 10, 2022, appointed Ketan Dalal (DIN: 00003236) as an Additional Director (Non-Executive Independent) of the Company w.e.f. May 11, 2022 till the commencement of the ensuing AGM. The Board hereby recommends his appointment as the Independent Director for a period of 5 consecutive years from May 11, 2022 till May 10, 2027 (both days inclusive), not liable to retire by rotation. In the opinion of the Board, he possesses requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Director of the Company.

The Board had further at their aforesaid Meeting, subject to the approval of the Members, re-appointed Samir Mehta (DIN: 00061903) as Chairman of the Company for a period of 5 years and Jinal Mehta (DIN: 02685264) as Managing Director of the Company for a period of 5 years effective from April 01, 2023.

As per the provisions of the Act, Samir Mehta (DIN: 00061903), Director, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

A brief resume and other relevant details of the Directors proposed to be appointed / re-appointed are given in the Explanatory Statement to the Notice convening the AGM.

7. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). The Independent Directors are in compliance with the Code of Conduct prescribed under Schedule IV of the Act and the Code of Business Conduct adopted by the Company.

8. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

The Nomination and Remuneration Committee ("the NRC") has approved following criteria and process for identification / appointment of the Directors:

Criteria for appointment:

- Proposed Director ("Person") shall meet all statutory requirements and should:
 - possess the highest ethics, integrity and values
 - not have direct / indirect conflict with present or potential business / operations of the Company
 - have the balance and maturity of judgment
 - be willing to devote sufficient time and energy
 - have demonstrated leadership and vision at senior levels, and have the ability to articulate a clear direction for the Company
 - have relevant experience with respect to Company's business (in exceptional circumstances, specialisation / expertise in unrelated areas may also be considered)
 - have appropriate comprehension to understand or be able to acquire that understanding
 - relating to Corporate Functioning
 - concerning the scale, complexity of business and specific market and environmental factors affecting the functioning of the Company
- The appointment shall be in compliance with the Board Diversity Policy of the Company.

Board's Report (Contd.)

Process for Identification / Appointment of Directors:

- Board members may (formally or informally) suggest any potential person to the Chairperson of the Company Meeting the above criteria. If the Chairperson deems fit, necessary recommendation shall be made by him to the NRC.
- Chairperson of the Company can himself also refer any potential person Meeting the above criteria to the NRC.
- The NRC will process the matter and recommend such proposal to the Board.
- The Board will consider such proposal on merit and decide suitably.

Remuneration Policy:

The Company has in place a policy relating to the remuneration of the Directors, KMP and other employees of the Company. The policy is available on the website of the Company at https://www.torrentpower.com/pdf/investors/Remuneration_Policy.pdf.

9. EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The evaluation of the Board, its Committees and Individual Directors was carried out as per the process and criteria laid down by the Board of Directors.

The proforma formats for facilitating the evaluation process of the Non-Independent Directors and the Board as a whole and the Committees were sent to all the Non-Executive Directors (except Promoter Director). A presentation on functioning of the Board and the Committees, containing the outcome of their evaluation and feedback was reviewed by the Independent Directors in their separate Meeting and by the Board. Based on the feedback, the Board expressed satisfaction on overall functioning of the Board, the Committees and performance of the Directors.

10. MEETINGS OF THE BOARD, COMMITTEES & COMPLIANCE TO SECRETARIAL STANDARDS

The Board meets at regular interval, with gap between two Meetings not exceeding 120 days. During the year under review, the Board met five times.

The Board has six committees namely Audit Committee (AC), Nomination and Remuneration Committee (NRC), Corporate Social Responsibility and Sustainability Committee (CSRSC), Stakeholders Relationship Committee (SRC), Risk Management Committee (RMC) and Committee of Directors (CoD). A detailed note on the composition of the Board and its Committees (AC, NRC, SRC and RMC) is provided in the Corporate Governance Report, forming part of the Integrated Annual Report. Composition of CSRSC is given in the Report on CSR Activities (Annexure C). CoD is a Board Committee to facilitate routine executive decisions and exercise of authority granted by the Board in various matters. The Minutes of the Committee Meetings are reviewed at by the Board at the Board Meeting.

During the year under review, the Company has complied with the provisions of Secretarial Standard 1 (relating to Meetings of the Board of Directors) and Secretarial Standard 2 (relating to General Meetings) issued by the Institute of the Company Secretaries of India.

11. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3) of the Act, the Board of Directors states that:

- in preparation of the Financial Statements, the applicable accounting standards have been followed and there are no material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profits for the year ended March 31, 2022;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the financial Statements have been prepared on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

12. AUDITORS**STATUTORY AUDITORS**

The Members at 13th AGM of the Company had appointed M/s. Price Waterhouse Chartered Accountants LLP (PWC) as the Statutory Auditors of the Company to hold office from the close of 13th AGM till conclusion of 18th AGM.

The first term of five years of PWC as Statutory Auditors of the Company will be completed at the ensuing AGM and they are eligible for re-appointment. They have furnished a certificate regarding their eligibility for re-appointment as Statutory Auditors of the Company, pursuant to Section 139(1) of the Act read with relevant Rules. The Board of Directors recommends their re-appointment for another five years i.e. from conclusion of 18th AGM till the conclusion of 23rd AGM.

The Auditors' Report for FY22 forms part of the Integrated Annual Report and does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to Section 148(3) of the Act, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai had been appointed as the Cost Auditors of the Company for FY22 by the Board of Directors for conducting audit of cost records maintained in respect of electricity. Their remuneration was ratified by the Members at 17th AGM of the Company.

The Cost Audit Report for FY21 does not contain any qualification and was filed with the Central Government (within the prescribed time limit) on August 23, 2021 pursuant to Section 148(6) of the Act.

SECRETARIAL AUDITORS

Pursuant to Section 204 of the Act read with the Rules thereof, the Board of Directors had appointed M/s. M. C. Gupta & Co., Company Secretaries, Ahmedabad, as the Secretarial Auditors of the Company for FY22. The Secretarial Audit Report for FY22 is annexed herewith as **Annexure A**.

There are no adverse observations in the Secretarial Audit Report which call for explanation.

13. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Statutory Auditors of the Company have audited such controls with reference to the Financial Reporting and their Audit Report is annexed as Annexure A to the Independent Auditors' Report under the Standalone Financial Statements and the Consolidated Financial Statements which forms part of the Integrated Annual Report.

14. CORPORATE GOVERNANCE

In compliance with Regulation 34 read with Schedule V of the Listing Regulations, the Report on Corporate Governance forms part of the Integrated Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance is annexed to the Board's Report as **Annexure B**.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, the Company was required to spend ₹28.80 crore (2% of the average net profit of the past three financial years and surplus arising at implementing agency level from temporary investment of funds for FY21). The Company contributed to implementing agency ₹28.60 Crore during the year. The total amount spent during the year was ₹19.66 Crore. Further, unspent amount of at the end of the year at the implementing agency level was transferred to "Unspent CSR Account" of related ongoing project. The CSR Activities undertaken by the Company were under the thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. The brief details of the major CSR activities are described hereunder:

REACH: Driven by the belief of Chairman Emeritus, Sudhir Mehta '**Children are the future of our nation and this future must be well preserved**', the flagship CSR program of the Group "REACH" – Reach EAch CHild was initiated in the year

2016 under the aegis of UNM Foundation (earlier known as Tornascent Care Institute), a Section 8 Company. REACH has three major pillars: **(a) Grass Root Interventions (b) Green Field Actions and (c) Other Allied Activities**. Salient achievements are:

- Grassroot Intervention Model:** it targets to establish baseline health status of children in age group of 6 months to 6 years, through medical camps in communities and villages surrounding the industrial establishments of the Group. In pre-covid period, 71,387 children in 351 villages have been screened. Appropriate treatment regime resulted in benefiting more than ~74% Malnourished children and more than ~90% Anemic children. About ~73% children having chronic illnesses were also provided appropriate treatment with encouraging outcomes.

During FY22, as second wave of Covid-19 ebbed, REACH program was extended to additional 649 villages starting from June, 2021, making total number of villages covered under REACH to 1,000. Anganwadi Model is followed in additional villages to identify and serve Malnourished children. 7,511 Malnourished Children have been provided with Mauji biscuits as special nutritional supplement. Till now 39% of children from additional villages have been treated out of malnourishment. Additionally, intensive Awareness activities about prevention of Malnourishment and Anemia is carried out including audio-visual film show in vernacular language.

- Greenfield Actions:** Healthcare services are provided to children up to 18 years. There are three Primary Pediatric Health Centers (PPHCs) with basic laboratory and day care facility at Dahej, Balasinor and Indrad, while fourth major center near SUGEN Power Plant has a 150 bed pediatric hospital 'Balsangam' which is part of 'Rangtarang' hospital complex started in FY20. Till Date more than 3,25,000 patients have been treated under OPDs across all four centers since its inception in 2017. More than 40,000 OPD cases have been handled across all Locations in FY22.

Balsangam, a 150-bed state-of-the-art paediatric hospital is fully operational within the Rangtarang complex which also has Sumangal, a multi-disciplinary clinic for patients of all age groups. Activities at Balsangam, which were, affected during covid period, have been scaled up post pandemic at a fast pace from June, 2021.

Additionally, two more multi-purpose Satellite centers have been started at Waghai and Chhappi in Gujarat and three more would be started at Radhanpur, Naswadi and Dediapada, Gujarat. These multi-purpose Satellite centers will be scaled up appropriately in future depending on feedback as well as demand of healthcare services from the respective local population.

- Other Allied Initiatives:** Counseling and Support was provided to rural adolescent girls around SUGEN, Dahej & Indrad centers covering menstrual hygiene and sanitation, by providing free health and hygiene kits. This has resulted in reducing prevalent social



Board's Report (Contd.)

taboos and ultimately increasing confidence and self-esteem amongst beneficiaries. Hygiene Kits were provided to total 14,000+ Adolescent girls from all camp villages, between 11-18 years of age on monthly basis under this programme. Biodegradable and Reusable Sanitary Napkins were provided as a pilot project to solve issue of disposal and Initial feedback from the beneficiaries was encouraging.

Shiksha Setu: Phase-III of Shiksha Setu i.e. the Teaching and Learning Support Program, conducted through UNM Foundation, was initiated during FY22. The program covers 45 Government primary schools located near SUGEN power plant, Chhatral, Chhapi, Memadpur and Ahmedabad reaching out to 15,000+ students and 480+ teachers of 1st to 8th standard. Due to Covid, schools were closed for about two years which had adversely impacted student learning levels. Remedial classes for more than 4,000 Students from Grade 3rd to 8th were organized to support students achieve basic reading and arithmetic skills. About 1,500 mothers' were reached through mothers' Engagement and School Readiness activities.

During the year "Second Chance" programme was initiated at Chhatral cluster in Mehsana District of Gujarat aiming to support School dropout Students for clearing Grade 10th examination and enhance percentage of Students going for Higher Education / Vocational Training. Total 112 Students were enrolled in the Programme out of which 104 Students were mobilized and provided coaching for preparation of Grade 10th examination. 93 Students appeared for Grade 10th examination through National Institute of Open School out of which more than 70% students passed.

During the year "Vocational Skills Development Programme" was initiated at Chhatral cluster in Mehsana District of Gujarat to enhance employable skills of Women and Youth. The Programme aims at enhancing employable skills of 300+ Women and Youth and providing them employment opportunities. Total 100 Women and Youth were mobilized and trained on various skills viz. Sewing machine operator, Data entry operator, General duty assistant etc.

Pratiti-Development and Maintenance of Public Parks: The Company along with one of India's best known landscape design firm developed an approach for development of urban public parks. In Ahmedabad, six small sized parks measuring approx. 33,000 sq. mt. have been fully developed and opened for public use during FY19, one small sized park admeasuring 740 sq. mt was fully developed and opened for public use in FY21 and one large sized park measuring approx. 28,300 sq. mt. was fully developed and opened for public use in FY22. One more large sized park measuring approx. 36,700 sq. mt. is at advance stage of completion and will be opened for public in FY23 in Ahmedabad.

Moreover, three large sized parks measuring approx. 63,300 sq. mt. situated in the heart of Surat, Gujarat is under re-development. Presently, all three public parks are open for public use and maintenance of these public parks is also funded from CSR Contribution of the Company.

In addition to above, the Company continued other social activities during the year, as described hereunder:

Creating livelihoods:

- There has been an ongoing endeavor to empower the youths hailing from immediate vicinity and reach out to the locals who are qualified and remaining unemployed due to limited job opportunities and Covid-19 pandemic. One of the major successes under this program has been identifying interested youths and imparting classroom and physical training for absorption as security guards. Training helps to make them competent and also empowers them to grow in their career. Post covid, training for a batch of 20 locals started in February, 2022 and another batch was started in April, 2022. Similar efforts are being made for jobs like Technicians, Healthcare Workers, Drivers, Horticulture and Housekeeping staff.
- Differently abled persons (with impaired hearing and speech) are provided employment once trained for routine cleaning of solar panels at GENSU power plant, thus providing them a dignified livelihood. Bus facilities was extended for their daily commute to work.
- Employment opportunities for uneducated and destitute locals for horticulture, house keeping and canteen work at industrial and office facilities have been a continuous source of goodwill amongst the neighbouring villages.

Community Healthcare: Post Covid-19, the day care clinic "Sumangal" which is a community health care clinic under the 'Rangtarang' hospital complex, has also been scaled up and caters to the communities and villages around. The footfalls at "Sumangal" are now about 150 patients per day. Services being provided include ENT, Dental Care, Physiotherapy, Pathology and Radiology facilities and special consultations in ophthalmology, dermatology, gynaecology etc.

The Report on CSR activities is annexed herewith as **Annexure C.**

Donations

The Company has made donations amounting to ₹27.30 Crore toward various social causes as detailed below:

- ₹15.75 Crore to various organisations engaged in activities related to healthcare, education, arts & culture, science, sports, relief to disaster victims; socio-economic development including skill development, self-help groups, upliftment of women, integrated development of tribes, protection of consumer rights, building of toilets etc.
- ₹11.55 Crore to various charitable organizations to fight effects of COVID -19 pandemic and its fallout on poorer sections of the society.

Shardashish School: The Company has earmarked Donation of ₹15 Crore during FY23 and FY24 (₹6 Crore donated in FY20) to UNM Foundation for construction of new school building and related infrastructure at Shardashish School situated in the premises of Amgen Power Plant's housing colony at Sabarmati in Ahmedabad. Majority of students are with economically disadvantaged background from nearby slum areas. The new school building will cater facilities like Tutorial room, Computer room, Smart room with Projector, Laboratory, Library, Assembly Hall, additional new classes, Kids play zone, Music room, etc.

16. ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company accords utmost importance to EHS in its various operations. The key developments concerning EHS during FY22 include:

- Integrated Management System (IMS) was implemented to ensure a safe, healthy and environmental friendly working which includes Quality Management System (QMS) (ISO 9001:2015), Environment Management System (EMS) (ISO 14001:2015), Occupational Health and Safety Standard (ISO 45001:2018), Energy Management System (EnMS) (ISO 50001:2018), Asset Management System (AMS) (ISO 55001:2014) at SUGEN, GENSU, DGEN power plants, Ahmedabad, Surat, Dahej, Bhiwandi Shil Mumbra Kalva and Agra Distribution units, Information Security Management System (ISMS) (ISO 27001:2013) at SUGEN and DGEN power plants and were periodically certified with surveillance audit by TUV India.
- SUGEN Mega Power Project continued to excel, demonstrating an outstanding performance and commitment towards Health and Safety Management and has received Five Star rating under British Safety Council Five Star Occupational Health and Safety Audit and won "Sword of Honor" from British Safety Council. SUGEN also added several feathers in its cap for Health and Safety Management by receiving certificates from National Safety Council, India; FICCI, India; and International Safety Award, BSC.
- SUGEN & DGEN Mega Power Project were awarded Gold Trophies for FY22 by Quality Circle Forum of India (QCFI) under Ankleshwar Chapter Convention of Quality Concept (ACCQC) for Kaizen and Five-S categories with implementation of Five S (Workplace Management System) respectively.
- SUGEN and DGEN power plants have maintained 'no reportable Lost Time Accident free' as on March 31, 2022.
- Residential townships: Shardashish at SUGEN power plant and Meghdhanush at DGEN power plant have implemented and maintained township Management systems with International Standards of Environment Management System (EMS) (ISO 14001:2015) and Occupational Health and Safety Management Standard (ISO 45001:2018) and were periodically certified with surveillance audit. Indian Green Building Council

(IGBC) has certified Meghdhanush with Platinum certification under IGBC Green Residential Societies Rating System valid upto 2023.

- AMGEN power plant and Renewable sites has introduced Safety commitment yearly drive to strengthen workplace safety and to nullify any potentiality of safety incidents. To uplift the safety performance the Safety card system is extended for contractors also.
- AMGEN power plant has developed inhouse system for tracking environment compliance by preparing Environment Annual planner with a dashboard for tracking routine as well as critical environmental activities & compliances.
- Ahmedabad, Surat and Dahej distribution units have been awarded Five Star rating from British Safety Council for occupational health & safety practices.
- Ahmedabad, Surat and Dahej distribution units has been awarded prestigious Sword of Honour & Globe of Honour by British Safety Council for its commitment to excellence in Occupational Health and Safety and Environmental Sustainability.
- Establishments of Environment Policy, Sustainability Policy, Energy Policy and Sustainable Procurement Policy for Environmental Sustainability at Surat and Dahej distribution units.
- Implementation of Compressive Hazard Identification and Risk Assessment (HIRA), Environmental Aspect and Impact Assessment of all the departmental operations, devising respective control measure, exploration of opportunities for further Enhancement Occupational Health and Safety and Environmental Sustainability Management System at Surat and Dahej distribution units.
- Safety initiatives like workplace safety awareness, safety quiz, competition for Employees and Vendors, tackles for positive engagement of work force in safety, periodic inspection of tools and tackles, internal / external mock drills for strengthening emergency preparedness, campaign for encouraging near-miss-reporting, basic training on electric safety and its hazards were taken throughout the year to further enhance safety culture.
- Precautionary measures during Monsoon, Diwali & other festivals were published in local newspapers of the Distribution units and relayed on FM radio for public awareness. Public awareness and campaigns for safety measures to be taken by the consumers was organised.
- Safety improvement initiatives such as use of immobilizer for Confined space work and tripod arrangement for rescue, Tower fall-arrest system, Work at height for LA installation, UG cable laying through HDD, enhancement of PPE like HT face visor, protective eye-wear, Class E safety helmet and rubber hand gloves at Ahmedabad Distribution Unit.



Board's Report (Contd.)

- Implemented robust annual shut down safety system with initiatives like safety awareness with practical demonstration, deputation of cross function team in addition to third party safety officers for ensuring safe execution and confirmed safe annual shut down with zero safety incident.
- Specialized training programs were organised on prevention and precaution for COVID-19, such as boosting immune system, yoga for daily life, Health Management for healthy and positive lifestyle, managing emotions amid COVID-19 era etc., Online health talks on common health problems; such as hypertension, diabetes, lifestyle diseases, knowledge and competence enhancement for imparting different safety awareness, chemical handling, fire prevention and emergency preparedness etc. Also, specialized training programs were organised as per GWO (Global Wind Organisation) standard including Work at Height, Basic First Aid, Fire Awareness, Active and Passive Height Rescue and Manual Handling for reducing risk during work in Wind Turbine Generator across all Renewable sites.
- To tackle difficult situation of COVID-19, with proactive and predictive approach adequate necessary measures strategized and implemented like strict surveillance at entrance, frequent sanitization of all work places, barriers installation at work desks / vehicles/ cafeteria, compliance of covid protocol with continuous awareness and frequent audits, periodic covid testing of employees, allowing work from home and home to field wherever feasible, contact tracing etc.

During the year under review, the Company has also credited following dividend to IEPF Authority against equity shares already transferred:

Financial Year	Dividend (in ₹)	Amount credited to IEPF* (in ₹)	No. of equity shares already transferred
2020-21 (Final dividend)	5.50 per share	85,73,672.50	19,82,273
2021-22 (Interim dividend)	9.00 per share	1,43,71,293.00	20,30,188

* Net of Tax Deducted at Source (includes Tax + Surcharge + Cess as applicable) which was ₹62,29,228/-.

The Members whose shares and unclaimed dividend have been transferred to the IEPF Demat Account and IEPF account respectively, may claim the shares or apply for refund of dividend by making an application to the IEPF Authority in web Form IEPF-5 (available on <http://www.iepf.gov.in>). The details of Members whose dividend remained unpaid / unclaimed for 7 consecutive years or more may be accessed at Company's website at www.torrentpower.com.

The details of unpaid / unclaimed dividend lying in unpaid Dividend accounts as on March 31, 2022, are mentioned below:

Sr. No.	Dividend for Financial Year	Due date for transfer to IEPF	Amount of Unpaid / Un-claimed Dividend (in ₹)
1.	2014-15 (Final) of erstwhile Torrent Cables Ltd.	September 02, 2022	3,08,387.00
2.	2014-15 (Final) of Torrent Power Ltd.	September 09, 2022	51,36,352.50
3.	2015-16 (Interim) of Torrent Power Ltd.	April 15, 2023	1,58,06,659.50
4.	2016-17 (Final) of Torrent Power Ltd.	September 06, 2024	1,16,56,114.80
5.	2017-18 (Final) of Torrent Power Ltd.	September 06, 2025	1,50,27,060.00

Moreover, the Company has in place the "Conviction for Safety" policy, which provides for substantial compensation to the personnel (Employees as well as Contractors) and their families, who are adversely affected by accidents and creating more awareness at the workplace about safety and compliance so as to avoid accidents at the workplace.

17. VIGIL MECHANISM

The Company has in place a Vigil Mechanism / Whistle Blower Policy pursuant to the applicable statutory requirements. The details of the Whistle Blower Policy are explained in the Report on Corporate Governance.

18. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company has, during the year under review, credited unpaid / unclaimed Dividend to IEPF Authority and equity shares to the Demat account of IEPF Authority as per the details mentioned below:

Financial Year	Unpaid / Unclaimed Dividend transferred (in ₹)	No. of equity shares transferred
2013-14 (Final)	22,41,859/-	61,968

Sr. No.	Dividend for Financial Year	Due date for transfer to IEPF	Amount of Unpaid / Un-claimed Dividend (in ₹)
6.	2018-19 (Final) of Torrent Power Ltd.	September 10, 2026	1,15,62,775.00
7.	2019-20 (Interim) of Torrent Power Ltd.	March 19, 2027	2,56,63,863.20
8.	2020-21 (Interim) of Torrent Power Ltd.	March 17, 2028	1,03,36,578.50
9.	2020-21 (Final) of Torrent Power Ltd.	September 11, 2028	99,84,037.50
10.	2021-22 (Interim) of Torrent Power Ltd.	March 11, 2029	Nil*

Note: Torrent Cables Limited was amalgamated with Torrent Power Ltd. w.e.f. October 01, 2015.

*As the Company has paid dividend through demand draft to those shareholders whose bank account details are not available with the Company and expiry date of such demand draft is on June 1, 2022, and hence there is NIL balance as the Company is not able to identify the unpaid balance in said dividend account as on March 31, 2022.

The actual amount lying in unpaid dividend accounts along with corresponding shares related thereto will be transferred to IEPF Authority within statutory timeline as applicable.

Rahul Shah, Company Secretary, has been appointed as Nodal Officer of the Company and details of the Nodal Officer are available on the website of the Company at <https://www.torrentpower.com/index.php/investors/iepf>.

19. BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility Report forms part of the Integrated Annual Report.

20. RISK MANAGEMENT

The Company has in place a Risk Management framework for a systematic approach to control risks. The Risk Management Policy of the Company lays down procedures for risk identification, assessment, monitoring, review and reporting. The Policy also lists the roles and responsibilities of the Board, Risk Management Committee, Chief Risk Officer, Risk Champions and Risk Co-ordinators. The Risk Management process is reviewed and monitored by the functional heads.

Management Discussion and Analysis Report which forms part of the Integrated Annual Report identifies key risks, which can affect the performance of the Company.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with the related parties are given in the prescribed Form AOC-2, annexed herewith as **Annexure D** and in the section on the Related Party Transactions in the Report on Corporate Governance.

22. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The details in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are forming part of this Report as **Annexure E**.

23. PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORKPLACE

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

24. THE EXTRACT OF THE ANNUAL RETURN

In terms of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company <https://www.torrentpower.com/index.php/investors/annualreturn>.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 are given in the **Annexure F**, which forms part of this Report.

26. OTHER DISCLOSURES

- During the year under review, the Company has neither accepted nor renewed any fixed deposits.
- During the year under review, there are no changes in the nature of business.
- There are no material changes and commitments affecting the financial position of the Company, which has occurred between end of Financial Year i.e. March 31, 2022 and the date of Directors' Report i.e. May 10, 2022.
- No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future.

Board's Report (Contd.)**27. APPRECIATION AND ACKNOWLEDGEMENTS**

The Board of Directors is pleased to place on record its appreciation for the continued support received from all stakeholders including government, regulatory authorities and financing institutions. The Board is thankful to the Members and employees for their unstinted support and contribution.

The Directors express their regret at the loss of human life due to COVID-19 pandemic and have immense respect and gratitude for every person who has risked their life and safety to fight this pandemic.

For and on behalf of the Board of Directors

May 10, 2022
Ahmedabad

Samir Mehta
Chairperson
DIN: 00061903

Annexure A

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Torrent Power Limited,
“Samanvay”,
600, Tapovan,
Ambawadi, Ahmedabad – 380 015

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Torrent Power Limited (CIN: L31200GJ2004PLC044068) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Torrent Power Limited’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto August 09, 2021) and Securities and Exchange Board of India (Issue and Listing of Non - Convertible Securities) Regulations, 2021 (w.e.f. August 10, 2021);
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**.



Board's Report (Contd.)

vi. The Company has complied with following other laws specifically applicable to the Company:

- (a) Electricity Act, 2003
- (b) Gujarat Electricity Duty Act, 1958
- (c) Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003
- (d) Gujarat Electricity Grid Code, 2013
- (e) Energy Conservation Act, 2001

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting. There were no dissenting views on any matter.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. The Company has issued Secured, Listed, Rated, Taxable, Non-Cumulative, Redeemable, Non-Convertible Debentures aggregating to ₹250 Crore through Private Placement basis.
2. During the year under review, Commercial Papers aggregating to ₹350 Crore were issued.
3. The 17th Annual General Meeting of the Members of the Company was held on August 06, 2021 through VC / OAVM in terms of MCA General Circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020 and 02/2021 dated January 13, 2021.
4. During the year under review, the Company has acquired 100% Equity Share Capital each of Visual Percept Solar Projects Private Limited and of Surya Vidyut Limited, 51% Equity Share Capital of Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited and 100% of the share capital and all securities of LREHL Renewables India SPV 1 Private Limited.

For M. C. Gupta & Co.
Company Secretaries
UCN: S1986GJ003400

Mahesh C Gupta
Proprietor
FCS: 2047 (CP: 1028)
Peer Review No. 579 / 2019
UDIN: F002047D000294064

Place: Ahmedabad
Date: May 10, 2022

Note: This Report is to be read with our Letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

Annexure "A"

To,
The Members,
Torrent Power Limited,
"Samanvay",
600, Tapovan,
Ambawadi, Ahmedabad – 380 015

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the Management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For M. C. Gupta & Co.
Company Secretaries
UCN: S1986GJ003400

Mahesh C Gupta
Proprietor
FCS: 2047 (CP: 1028)
Peer Review No. 579 / 2019
UDIN: F002047D000294064

Place: Ahmedabad
Date: May 10, 2022



Board's Report (Contd.)

Annexure B

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of,
Torrent Power Limited

We have examined the compliance of conditions of Corporate Governance by Torrent Power Limited ("the Company"), for the year ended March 31, 2022 as stipulated in Regulations 17, 17A 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 22109553AIRVVB6396

Place: Ahmedabad
Date: May 10, 2022

Annexure C

REPORT ON CSR ACTIVITIES FOR FY22

1. Brief outline on CSR Policy of the Company:

- Torrent has always been committed to the cause of social service and has consistently channelised a part of its resources and activities, such that it positively impact the society socially, ethically and also environmentally. The Company has taken up various CSR initiatives improving the quality of life of the people and making quality value addition to the society.
- The Company channelizes its CSR activities in light of its guiding principle as enumerated by its founder - Shri U. N. Mehta: **"Giving back to the society, for all the years of care, support and nurturance that is being bestowed upon the organisation"**.
- The Policy focuses on three thrust areas in which CSR activities are planned - (a) Community Healthcare, Sanitation & Hygiene (b) Education & Knowledge Enhancement and (c) Social Care & Concern.
- The CSR Activities are conducted, preferably in areas where the Company has industrial or business presence, after approval of the Corporate Social Responsibility and Sustainability Committee ("CSRSC") and the Board.
- CSR Activities are conducted by Implementing Agencies, which include section 8 company/ registered public trust/ registered society established by the Company/ an external entity engaged in CSR activities etc.

2. Composition of Corporate Social Responsibility and Sustainability Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Bhavna Doshi*	Chairperson of Committee, Independent Director	3	1
2.	Usha Sangwan [#]	Chairperson of Committee, Independent Director	3	2
3.	Samir Barua	Member of Committee, Independent Director	3	3
4.	Jinal Mehta	Member of Committee, Director	3	3

* Ceased to be Chairperson and Member of Committee w.e.f. September 30, 2021 due to completion of second and final term as an Independent Director of the Company.

[#]Appointed as Member of Committee w.e.f. October 01, 2021 and as a Chairperson w.e.f. October 27, 2021.

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

CSR Committee: <https://www.torrentpower.com/index.php/investors/corporateinformation>

CSR Policy: <https://www.torrentpower.com/pdf/investors/AmendedCSRPolicy.pdf>

CSR Projects: https://www.torrentpower.com/pdf/investors/3CSRActivitiesFY2122forwebsiteNov2120211201162357_20220321115649.pdf

4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable for FY22.

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding Financial Years (₹ in Crore)	Amount required to be set-off for the Financial Year, if any (₹ in Crore)
		Nil	



Board's Report (Contd.)

6. Average net profit of the Company as per section 135(5): ₹1,430 Crore

7. a. Two percent of average net profit of the Company as per section 135(5): ₹28.60 Crore

b. Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years: ₹0.20 Crore

c. Amount required to be set off for the Financial Year, if any: Nil

d. Total CSR obligation for the Financial Year (7a+7b-7c): ₹28.80 Crore*

(* In addition to the current year's CSR obligations, the Company had unspent amount pertaining to FY21 of ₹7.64 Crore and ₹0.23 Crore of CSR Projects completed prior to FY21.)

8. a. CSR amount spent or unspent for the Financial Year:

Total amount spent for the Financial Year (₹ in Crore)	Amount Unspent (₹ in Crore)				
	Total Amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (₹ in Crore)	Date of transfer	Name of the Fund	Amount (₹ in Crore)	Date of transfer
19.66*	16.91**	April 25, 2022		Nil	

* Including ₹7.33 Crore spent during the Financial Year, out of unspent amount pertaining to Ongoing Projects of FY21.

** Including ₹0.64 Crore surplus arising at implementing agency level from temporary investment of the funds in FY22 and excluding ₹7.33 Crore spent during FY22, out of unspent amount pertaining to Ongoing Projects of FY21.

b. Details of CSR amount spent against Ongoing Projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Project duration*	Amount allocated for the Project (₹ in Crore)	Amount spent in the current Financial Year (₹ in Crore)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (₹ in Crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number
1.	REACH - Paediatric Healthcare Programme	Community Healthcare, Sanitation & Hygiene (Promoting healthcare including preventive healthcare)	Yes	Various districts in the State of Gujarat viz. Surat, Bharuch, Mahisagar, Mehsana, Kheda, Gandhinagar, Dang, Jambusar, Patan, Banaskantha	3 years	22.82 (including unspent of ₹5.14 Crore of FY21)	8.27 (including ₹4.58 Crore of FY21)	14.29 (Including ₹0.30 Crore surplus arising at implementing agency level from temporary investment of the funds for FY22 and excluding ₹0.56 Crore lying unspent pertaining to FY21)	No	UNM Foundation (Section 8 company) CSR00004202
2.	Pratiti - Public Park Development (Ahmedabad - Phase II)	Social Care & Concern (ensuring environmental sustainability, ecological balance and protection of flora and fauna)	Yes	Ahmedabad district in the State of Gujarat	3 years	7.47 (including unspent of ₹2.47 Crore of FY21)	6.80 (including ₹2.48 Crore of FY21)	1.01 (Including 0.34 surplus arising at implementing agency level from temporary investment of the funds for FY22)	No	UNM Foundation (Section 8 company) CSR00004202

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Project duration*	Amount allocated for the Project (₹ in Crore)	Amount spent in the current Financial Year (₹ in Crore)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (₹ in Crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number
3.	Pratiti - Public Park Development and Maintenance (Surat)	Social Care & Concern (ensuring environmental sustainability, ecological balance and protection of flora and fauna)	Yes	Surat district in the State of Gujarat	3 years	1.75	0.88	0.87	No	UNM Foundation (Section 8 company) CSR00004202
4.	Shiksha Setu (Quality Education Programme in Rural and Urban Slum Area) (Phase II + III)	Education and Knowledge Enhancement (Promoting education)	Yes	Ahmedabad, Surat, Banaskantha and Mehsana in the State of Gujarat	3 years	1.78 (including unspent of ₹0.03 Crore of FY21 & ₹0.23 Crore transferred from other CSR Projects completed prior to FY21)	1.04 (including ₹0.03 Crore of FY21 & ₹0.23 Crore transferred from other CSR Projects completed prior to FY21)	0.74	No	UNM Foundation (Section 8 company) CSR00004202

* Excluding year of commencement.

c. Details of CSR amount spent against other than Ongoing Projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Amount spent for the project (₹ in Crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number
1.	Pratiti - Public Park Maintenance	Social Care & Concern (ensuring environmental sustainability, ecological balance and protection of flora and fauna)	Yes	Ahmadabad district in the State of Gujarat	2.55	No	UNM Foundation (Section 8 company) CSR00004202
2.	Shardashish School (for urban slum children)	Education and Knowledge Enhancement (promoting education)	Yes	Ahmedabad district in the State of Gujarat	0.12	No	Amdavad Vidyut Kelavani Samaj Trust CSR00007076
Total					2.67		

Board's Report (Contd.)

- d. Amount spent in Administrative Overheads: Nil
- e. Amount spent on Impact Assessment, if applicable: Not Applicable
- f. Total amount spent for the Financial Year (8b+8c+8d+8e): ₹19.66 Crore
- g. Excess amount for set off, if any: Nil

Sr. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per section 135(5)	28.60
(ii)	Total amount spent for the Financial Year	19.66
(iii)	Excess amount spent for the Financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR Projects or Programmes or Activities of the pre-vious Financial Years, if any	0.20
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

9. a. Details of Unspent CSR amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)			(6)
Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in Crore)	Amount spent in the reporting Financial Year (₹ in Crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (₹ in Crore)
				Name of the Fund	Amount (₹ in Crore)	Date of transfer	
1.	2020-21	6.06	5.50	---	Nil	---	0.56

b. Details of CSR amount spent in the Financial Year for Ongoing Projects of the preceding Financial Year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Crore)	Amount spent on the project in the reporting Financial Year (₹ in Crore)	Cumulative Amount spent at the end of reporting Financial Year (₹ in Crore)	Status of the Project - Completed / Ongoing
1.	FY31.03.2021_1	REACH - Paediatric Healthcare Pro-gramme	2020-21	3 years*	41.89	8.27 (including ₹4.58 Crore of FY21)	27.04	Ongoing
2.	FY31.03.2021_2	Pratiti - Public Park Development (Ahmedabad -Phase II)	2020-21	3 years*	5.00	6.80** (including ₹2.48 Crore of FY21)	8.16	Ongoing
3.	FY31.03.2021_3	Shiksha Setu (Quality Education Programme in Rural and Urban Slum Area) (Phase II)	2020-21	3 years*	0.26	0.26**	0.26	Ongoing

* Excluding year of commencement.

** Out of the funds lying with the implementing agency prior to FY22.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details):

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of CSR assets (₹ in Crore)	Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.	Details of the capital assets created or acquired (including complete address and location of the capital asset)
April 01, 2021	0.23	UNM Foundation "Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	Part of expenditure for construction of Hospital building of REACH Project. Block No. 135/ K, PO / Gram Panchayat: Dhornpardi - 394 150, Ta-luka: Kamrej, District: Surat (Gujarat). Total area of the Asset / Property: 20,372 square meter.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):
Not Applicable

For and on behalf of the Board of Directors

Samir Barua
Director
DIN: 00211077

Ahmedabad
May 10, 2022

Usha Sangwan
Chairperson CSR Committee
DIN: 02609263

Hoshairpur
May 10, 2022



Board's Report (Contd.)

Annexure D

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of Contracts / Arrangements entered in to by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including value, if any	Justification for entering into such contracts/ arrangements/ transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general Meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Nil								

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including value, if any	Date(s) of approval by the Board and Audit Committee, if any	Amount paid as advances, if any	Date on which shareholders resolution was passed in general Meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Nil							

For and on behalf of the Board of Directors

Ahmedabad
May 10, 2022

Samir Mehta
Chairperson
DIN: 00061903

Annexure E

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY22 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY22 are as under:

Sr. No.	Name	Designation	Ratio of Remuneration of Director to Median Remuneration of employees (Sub-clause (i) of Rule 5(1))	% Increase in Remuneration in FY22 (Sub-clause (ii) of Rule 5(1))
1.	Sudhir Mehta	Chairman Emeritus	0.00	-100.00
2.	Samir Mehta	Chairperson	216.56	0.00
3.	Pankaj Patel	Independent Director	7.80	28.57
4.	Samir Barua	Independent Director	11.59	17.58
5.	Keki Mistry	Independent Director	8.88	24.24
6.	Bhavna Doshi	Independent Director	6.28	-36.26 [©]
7.	Dharmishta Raval	Independent Director	6.82	-17.11 [©]
8.	Sunaina Tomar, IAS	Non-Executive Director	1.19	-\$
9.	Jinal Mehta	Managing Director	315.25	11.93
10.	Usha Sangwan	Independent Director	6.50	Not Applicable [#]
11.	Radhika Haribhakti	Independent Director	4.22	Not Applicable [*]
12.	Mamta Verma, IAS	Non-Executive Director	1.19	Not Applicable [*]
13.	Lalit Malik	Chief Financial Officer	Not Applicable	Not Applicable [^]
14.	Rahul Shah	Company Secretary	Not Applicable	9.00

[©] Retired as Director w.e.f. September 30, 2021.

^{\$} Resigned w.e.f. June 15, 2021.

[#] Appointed as Director w.e.f. May 21, 2021.

^{*} Appointed as Director w.e.f. August 07, 2021.

[^] Appointed as Chief Financial Officer w.e.f. May 01, 2021. Sanjay Dalal was Chief Financial Officer until April 30, 2021 and hence not included in the above table.

- Sub-clause (iii) of Rule 5(1): The median remuneration of the employees excluding employees covered under wage settlement and employees who were not eligible for appraisal / increment in FY22 across all grades increased by 8.64%.
- Sub-clause (iv) of Rule 5(1): The number of permanent employees on the roll of Company as on March 31, 2022 was 7,603.
- Sub-clause (viii) of Rule 5(1): The average percentage increase made in the remuneration:
 - of employees (excluding Directors, Managerial Personnel, employees covered under wage settlement and employees who were not eligible for appraisal / increment across all grades) in FY22 is 9.00%;
 - of managerial personnel is 6.74%.
- Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.
- Rules 5(2) and 5(3): The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Integrated Annual Report. Having reference to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the Registered Office of the Company during its working hours up to the date of ensuing Annual General Meeting. Further, any Member interested in obtaining such information may obtain it by writing to the Company Secretary at cs@torrentpower.com.

For and on behalf of the Board of Directors

Ahmedabad
May 10, 2022

Samir Mehta
Chairperson
DIN: 00061903

Board's Report (Contd.)

Annexure F

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo**A. CONSERVATION OF ENERGY****The steps taken or impact on conservation of energy:****A. SUGEN and UNOSUGEN Power Plants:**

- Energy conservation initiatives, with ongoing pay back, implemented have resulted in annual energy savings to the tune of 70,14,000 kWh in FY22.
- SUGEN and UNOSUGEN power plants continue to be one of the most efficient power generating stations in the Country and have improved the performance targets under Perform, Achieve and Trade (PAT) scheme III of the Bureau of Energy Efficiency (BEE) and completed Measurement and Verification audit by BEE approved agency M/s TUV and recommended for Energy Saving Certificates and helping the national mission of emissions reduction.
- New projects implemented for Rainwater harvesting for FY22 have resulted in additional savings of 2,190 m³. Existing Rainwater collection systems have rainwater collection potential to the tune of ~13%.
- Replaced window AC with 5 star rated AC units, Conventional HPMV lights with LED lights and installed VFD for raw water supply pump.

B. DGEN Power Plant:

- Energy conservation measures have resulted in annual energy savings to the tune of 28,28,566 kWh.
- DGEN power plant continues to be one of the most efficient power generating stations in the Country and have improved the performance targets under Perform, Achieve and Trade (PAT) scheme III of the Bureau of Energy Efficiency (BEE) and completed Measurement and Verification audit by BEE approved agency M/s TUV and recommended for Energy Saving Certificates and helping the national mission of emissions reduction.
- Rain water harvesting for FY22 was ~50,000 m³. Existing Rainwater collection systems have rainwater collection potential to the tune of ~20%.
- Operation optimization and replacement of conventional light fittings with LED in FY22 will lead to energy conservations of approx. 1 lakh kWh annually.

C. AMGEN Power Plant:

- Computational Flow Dynamics (CFD) and Cold Air Velocity Test (CAVT) based rectification carried out in boiler second pass and flue gas ducting at D Unit.
- Replacement of old conventional lights with energy efficient LED lamps at MCC rooms, CHP area, stores & training center.

D. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA AND SHIL-MUMBRA-KALWA Distribution Units:

- Replacement of High energy consuming conventional light fittings (HPSV/HPMV/Fluorescent tubelights) with energy efficient LED light fittings at old office and EHV sub-stations at Ahmedabad office, Surat and Dahej distribution unit and sub-stations at Bhiwandi and SMK.
- Monitoring of network loading and carrying out outage analysis to design improvement schemes to reduce technical losses and enhanced reliability by laying of new feeders, bifurcation/upgradation of existing feeders and augmentation of Distribution transformers at Ahmedabad distribution.
- Carrying out Automation in Distribution network by using Automated switchgears to facilitate remote operations of the feeders which reduces transportation requirement and saving fuel at Ahmedabad distribution.
- All new buildings are provided green cover to reduce impact of direct sun light and are equipped with double glazed widows to reduce external heat load on air conditioning system and energy consumption in air conditioning system, and thereby reducing energy consumption. Sensor-based lighting system installed in offices at new Power Supply Centers and design of new buildings is done to facilitate maximum use of natural lights to reduce energy consumption at Ahmedabad office.
- Installation of APFCs to improve PF at LT side of DTCs at Bhiwandi, Surat and Dahej distribution units.

- Establishment of additional Distribution sub-stations / Augmentation of distribution / power transformers to optimize EHV-HV-LV networks and procurement of energy efficient distribution transformers having lower losses and thereby reducing technical losses at Surat and Dahej distribution unit and establishment of Distribution sub-stations nearer to load centers to reduce LV cable network length and thereby reducing technical losses and procurement of star rated energy efficient distribution transformers at Ahmedabad distribution.
- Energy conservation campaign for awareness of consumers through leaflets, energy bills, display, booklet at the Company's customer care centers and through customer meet and Booklet "VIJ DARPAN" for HT & LTMD Customer.
- Replacement of old / high energy consuming Air conditioners with star rated energy efficient Air conditioners with eco-friendly refrigerant and distribution transformers at Ahmedabad office, Surat and Dahej distribution unit.
- Commissioned / Bifurcation of EHV/HV/LV feeders to reduce technical losses at Surat and Dahej distribution.
- Commissioning of additional 66 kV cable connectivity from Pune to AK Road (K) Substation and from Bhatar to Kailash Nagar (H) Substation to reduce technical loss and enhance reliability at Surat and Dahej distribution.
- Introduction of energy conservation initiatives in upcoming PSC buildings.
 - Provision as per IGBC requirements.
 - Installation of energy meters at strategic locations for monitoring of energy consumption.
 - Use of energy efficient HVAC, air conditioning system, pumps, luminaries and fans.
 - Use of occupancy sensors for lighting at Surat and Dahej distribution.
- Automation of 4 Nos. of 22/11 kV sub-stations and two numbers of 22 kV switching stations in FY22 in SMK. In Bhiwandi three switching stations were automated.
- In Bhiwandi and SMK 60 Kms and 34 Kms of 400 sq.mm 22 kV cable was laid respectively in FY22.
- Automation of 2 Nos. of 33/11 kV sub-station. A way ahead for improving reliability at Agra distribution unit.
- 5 MVA EV charging facility is energized for UPSRTC for City transportation system at Agra distribution unit.
- Laid 630 sq mm cable in 33 kV (8.11 KM in FY22) and 240 sq mm cable in 11 kV (128.53 KM in FY22) at Agra distribution unit.

E. RENEWABLE SITE:

- Energy conservation initiatives implemented have resulted in annual energy savings to the tune of 36,500 kWh in FY22.
- Azimuth Sensors were installed and software upgradation have been done in Wind turbines to improve power curve performance and generation.
- Wind Turbine Blades are cleaned at Dayapar Site to improve generation.
- Module cleaning cycle has been optimized to improve generation and reduce soiling loss.
- All lesser performing modules have been reshuffled to one location/string to improve generation. This has been done based on analysis of inverter and string generation data.
- At Solar plants, proactively string issues were identified and rectified to avoid fault/outage and also hotspot and lower performing modules were identified and replaced to improve generation.

The steps taken by the Company for utilising alternate sources of energy:**A. SUGEN, UNOSUGEN & DGEN Power Plants:**

- 50 kW solar roof top installed on the common buildings at Shardashish township at SUGEN power plant generated 60,922 kWh in FY22.
- 6.30 kW floating solar installed inside water reservoir at SUGEN power plant generated 6,271 kWh in FY22.
- 42.70 kW solar roof top installed on office administration building at SUGEN power plant generated 57,169 kWh in FY22.
- Solar power to the tune of 11,703 kWh generated and utilized at the Meghdhanush housing colony at DGEN power plant.



Board's Report (Contd.)

B. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA and SHIL-MUMBRA-KALWA Distribution Units:

- Facilitating and promoting installation of solar roof top at customer premises in line with Solar Rooftop Policy of Government at Ahmedabad distribution.
- Till date Ahmedabad distribution unit has facilitated installation of about 250 MW of solar power across numerous residential, commercial, industrial premises and HT customers and Total units generated through such solar rooftops are about 480 MUs till date at Ahmedabad distribution.
- Surat distribution unit facilitated installation of 4,095 nos. of solar rooftop aggregating 23.20 MW during FY22 (Since inception of rooftop policy till March 31, 2022, 10,717 nos. of solar rooftop Projects with 55.34 MW for residential and non-residential).
- In Surat Distribution 273 kW solar rooftop installed on various EHV buildings in FY22. Total installed capacity is 408 kW which covers all the EHV substations premises & Central Warehouse. Total 0.22 MUs generated in FY22.
- Bhiwandi distribution unit facilitated installation of 140 solar rooftop Projects aggregating 5.4 MW in FY22.
- Agra unit facilitated installation of 262 nos. of solar rooftop Projects aggregating 1.70 MW during FY22 (since inception of rooftop policy till March 31, 2022, 785 nos. solar rooftop with 9.15 MW for residential and non-residential).

C. RENEWABLE SITE:

- RE Sites generates energy using wind and solar resources which are already renewable source.

The capital investment on energy conservation equipment:**A. SUGEN and DGEN Power Plants:**

- ₹14,40,000 spent on VFD of Unosugen Raw Water Distribution Pump at SUGEN power plant.
- ₹1,66,300 spent on LED Lighting at SUGEN power plant.
- ₹2,87,372 spent on Energy Efficient window AC units for sampling containers at SUGEN power plant.

B. AHMEDABAD, SURAT and AGRA Distribution Units:

- ₹4.86 Crore spent for energy efficient 2 stage Air conditioning system, energy efficient and sensor-based lighting in newly constructed Power Supply centers at Ahmedabad distribution.
- ₹2.95 Crore spent on Vermiculite Terrace Insulation and Vertical Garden System at Ahmedabad distribution.
- ₹0.12 Crore incurred on Waterless Urinal at Ahmedabad distribution.
- ₹0.07 Crore spent on LED Lighting conversion at Surat distribution unit.
- ₹0.11 Crore spent on AC replacement at Surat distribution unit.
- ₹0.005 Crore incurred on account of DSM expenses at Surat distribution unit.
- ₹1.22 Crore incurred on account of installation of various APFC panel at Surat & Dahej Distribution Unit.
- ₹4.14 Crore were spent on conversion of HV overhead lines to underground cables at Bhiwandi Distribution Unit.
- ₹0.31 Crore were spent on Automation in Bhiwandi Distribution Unit.
- ₹26.52 Crore spent on conversion of HT (33 and 11 KV) overhead network into underground network at Agra distribution unit.
- ₹10.09 Crore spent on Automation of 33/11 KV sub-stations at Agra distribution unit.
- ₹14.68 Crore spent on conversion of LT overhead network into underground network at Agra distribution unit.

C. RENEWABLE SITE (SOLAR CHARANKA):

- RE Sites generates energy using wind and solar resources which are already renewable source. Significant capital investment is not required for conservation of energy as RE sites consume very less energy and energy consumption is optimized across the site.

B. TECHNOLOGY ABSORPTION**i) The efforts made towards technology absorption:****A. SUGEN AND UNOSUGEN Power Plants:**

- Following systems are upgraded to latest version with cyber security compliance as well as phasing out technological obsolesce:
 - Sugen Unit 10, 20, 30 and common systems Distribution Control system and SFC – SEE controls upgraded from TXP 2000 to T3000
 - Unosugen DCS T3000 for Multiunit configuration
 - Sugen Islanding Scheme Server Windows-7 to Windows-10
 - Unosugen Gas Turbine GC
 - SLDC/RLDC communication RTU (Remote Trunking Units) from serial to mod bus communication
 - Sugen and Unosugen Switchyard SCADA system with hardware optimization
 - Sugen and Unosugen Switchyard Protection Relays software from DIGSI 4.82 to 4.93
 - Sugen and Unosugen Water Treatment Plans Software WIN CC with hardware upgradation
 - Sugen and Unosugen Asset Management System – BFS to Web based BFS version
- Sugen and Unosugen installation of 32 Nos. additional CCTV for safety and security surveillance undertaken for O&M area with additional CCTV Monitors at CCR and Fire Station for O&M Area safety surveillance.
- Rainwater Collection projects implemented for Transformer yard area and Green Island sump area.
- On-Line display of Plant Environmental Monitoring data provided at Main Gate Swagat.
- Any Place, Any Time – Safety Corrective Action Report (SCAR) application developed and implemented to report safety observations on web link from desktop / mobile.

B. GENSU Solar Plant:

- Solar module Voc checking carried out for entire plant has resulted in identifying 44 nos. of poor performing solar modules having defects of Dry Soldering / Diode Open issue. All 44 nos. defective modules repaired by our inhouse team. Required material received from M/S Canadian Solar under module warranty.
- RCFA done for IGBT Stack failure of Tmeic 1MW Central Inverter. Action taken on major two observations as outcome of RCFA. 1). Full cleaning of all 60 nos Inverters IGBT Stack by removing from inverter. 2). Gate drive PCB cleaning and applied Insulated coating Spray on PCB. Both activities Completed before winter season Oct-2021 and no failure observed thereafter.
- Demonstration of Module cleaning using robotic machine done at Gensu site to save water and reduce cost for module washing. Further analysis regarding purchase of robotic machine is in progress.

C. DGEN Power Plant:

- Existing connection of plant air to N2 interconnection changed from compressed air receiver tank to outlet of ACF tank, to avoid oil carry over towards plant side and EDG underground diesel storage tank selection to utilize standby tank stagnant diesel.
- DM Plant SOV junction boxes modified by installing Namur type SOV. Also PVC tubing replaced with copper tubing. This led to reduction in air leakages and ultimately reduction in compressor power consumption and also arrangement prepared for ease of lube oil top up in MOT from oil drum adding with a Pressure transmitter provided in DC Emergency Lube oil line for monitoring.
- Inhouse fabrication of Solar heater for regeneration of silica gel to reduce electricity consumption and also Exciter compartment temperature and pressure measurement instruments installed in all three units for identification of proper cooling of excitation slip rings.
- Implementation of auto re-closure function for DGEN-Navsari Lines and redundant communication based on GPRS connectivity is established between DGEN & PLL.

D. AMGEN Power Plant:

- Old and obsolete Coal conveyor belt weigher replaced with latest electronics units – 12 nos.
- Old and obsolete electronic drum level state indicators replaced in D station.
- Station Service Switchgear MCC and Turbine valve MCC panels replaced with latest IEC-61439 standard at D unit for safety.
- Old and obsolete 24 V DCS Charger Panel-1 & 2 has been replaced at D station.



Board's Report (Contd.)**E. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA AND SHIL-MUMBRA-KALWA Distribution Units:**

- Fuse type distribution pillars introduced in LV network for quick restoration of supply in breakdown, to enhance safety and to reduce affected customers during faults at Ahmedabad distribution unit.
- Developed e-portal and mobile based application for all customer services to promote digitization and provide faster services to the customers at Ahmedabad distribution unit.
- Adoption of Field Force Mobile Application for most of the field activities such as Complaint Management, meter reading, asset survey etc at Ahmedabad distribution unit.
- Implementation of metering panel for high rise buildings to reduce space requirement of meters, enhance safety and improve aesthetics of power installations at customer premises at Ahmedabad distribution unit.
- Introducing Thermoplastic fuse base instead of Porcelain fuse base in distribution Network Assets to enhance reliability and safety at Ahmedabad distribution unit.
- 220kV, 120MVar Variable Shunt Reactor (VSR) installed at Ring Road (CGIS) Substation – First in India to adopt VSR technology for compensation of reactive power and also implemented AMI Pilot project based on Nb-IOT technology with Reliance JIO Things for 40 nos. of energy meters at Surat and Dahej distribution.
- Replacement of 66 kV manual isolator with motorized isolators for remote operation at Vasta Devdi (B) SS and also replaced all conventional RMU with DA enabled RMU at Dahej distribution and drive continued for Surat and Dahej distribution.
- Renovation of Delhi Gate (A) Station Plug Point & new exclusive LEC Center with latest facilities (kiosk, Queue Management system, dialogue monitoring system, etc.) to enhance the customer experience, Centralized Call centers operations and implemented new Energy Bill design with option to select vernacular language at Surat and Dahej distribution.
- Introduction of Hermetically sealed Natural Ester oil filled DTs, Ultra compact substation, MSP with FSDs, Nut-less bus-bars for LT assets, metering panel for high rise building increase use of latest technology Thermography cameras for LT assets monitoring, Implementation of FRP trench cover instead of precast RCC cover in DSS and also implementation of mobile based field force application (FFA) – LV CBM, Tool audit, Warehouse, Unsafe asset reporting, Robotic technology introduced for underground water tank cleaning at Surat and Dahej distribution.
- Document Storage building operationalized at Puna station – All customer's documents are Barcoded, Indexed, packaged and placed in Document Storage Building and adoption of state of the art technology in upcoming PSC Buildings at Surat and Dahej distribution.
- Implementation of SMC box in place of OTTP / OTDP to enhanced safety at as distribution points, implementation of HDPE muff in place of RCC muff for ease of operation and reduce wastage and also implementation of SAP & FFA (for meter reading) at Shil- Mumbra-Kalwa and Bhiwandi Distribution units.
- Installation and extension of SCADA and addition of automated RMUs at 22 kV and 11 kV feeders in Bhiwandi and SMK distribution units and introduced intimation to inform consumers through SMS for power failure / shutdown before 10 mins with the reason and the tentative restoration time at Bhiwandi and SMK distribution units.
- Fuse type MSP introduced for faster fault restoration and to enhance safety at SMK distribution units. It will be helpful in fault grading and local isolation.

F. RENEWABLE SITES (SOLAR CHARANKA, LALPUR, MAHIDAD, JAMANWADA, NAKHATRANA and MAHUVA):

- Fire ball installation has been done in Suzlon Wind turbines at to minimize fire risk.
- Installed meters to improve accuracy of scheduling & forecasting of power at renewable sites.
- Improvements such as replacement of connector, using insulated connector are done in 33 KV internal transmission to improve reliability, stability and to improve generation at Wind sites.
- Design improvement have been done in USS equipment to improve reliability and availability.
- Identified low performing modules by thermal imaging (100% module thermography through drone) and shuffled underperforming modules at single location/string which has resulted in improvement generation at Solar sites.
- Various modification drainage sleeve, Power cabinet Hygrostat wiring, blade skirt sealing and PCB coating were done to improve reliability and availability of WTGs at Lalpur and Mahidad site.
- Shielded sensors have been used in the Wind Turbine to improve availability during lightning at Zalki and Gudadanal.
- Remote monitoring of Renewable portfolio is being established to improve availability and generation.

ii) The benefits derived:**A. GENERATION & RENEWABLE SITES:**

- Cost reduction.
- Improved availability & efficiency, reliability and safety.
- Easy and safe maintenance.

B. DISTRIBUTION :

- Better availability, reliability and safety.
- Energy conservation and reduction in carbon footprint.
- Improved power availability and safety.
- Reduced power interruptions and faster restoration after breakdown.
- Faster customer services and enhanced customer satisfaction.
- Reduced Technical and Commercial losses.
- Future ready network to cater normal load growth.
- Creating awareness amongst customers for safety and energy conservation.
- Reduced power interruptions & enhanced customer satisfaction.
- Reduction in energy losses and theft.
- Increase in evacuation capacity utilizing same corridor.
- Creating awareness on safety with respect to network assets.
- Ease & Safe maintenance.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):**I. The details of technology imported;**

- T3000 Plant DCS Systems alongwith SFC & SEE controls, Asset Management software Web BFS with cyber security compliance for SUGEN Mega Power Project.
- Meter Testing Bench- Three phase (ZERA Germany make, 10 position with reference meter accuracy class 0.02)
- Old and obsolete SCADA Infrastructure upgraded which includes replacement of Servers, Storage, Backup System, UI (Desktops) Network Switches (Layer-3), Operating Systems and SCADA application Software to meet technology enhancements and cyber security requirements.

II. The year of import: a. & c. in FY22, b. in FY20**III. Whether the technology been fully absorbed:** Yes**IV. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not Applicable.**iv) The expenditure incurred on Research and Development:** No expenditure has been incurred on R&D.**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Description	₹ in Crore
Foreign Exchange Earned (Actual Inflow)	-
Foreign Exchange Used (Actual Outflow)	1264.47

For and on behalf of the Board of Directors

Ahmedabad
May 10, 2022Samir Mehta
Chairperson
DIN: 00061903

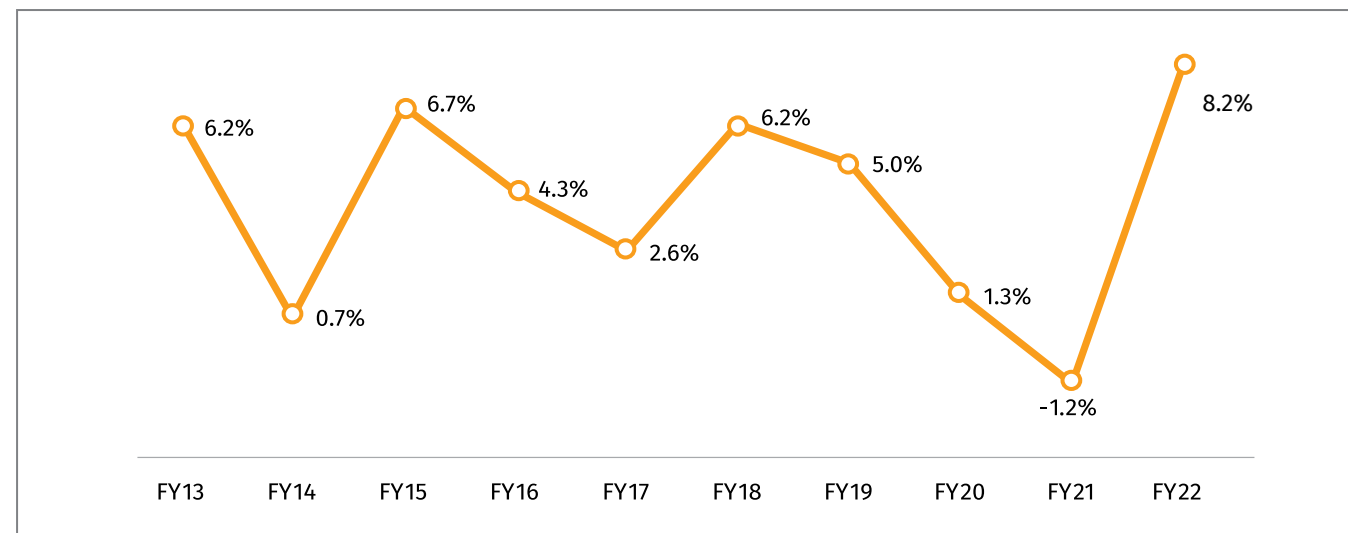
Management Discussion and Analysis

POWER SECTOR

Power sector during FY22 witnessed strong growth in demand of around 8.18%, highest in a decade, against decline of 1.18% in the previous year, signifying the economic recovery post COVID-19. The power demand picked up in June'21 and reached all-time high during July-August'21. A new high of met peak

demand was recorded on April 29, 2022 at 207 GW on the back of early rise in temperature. However, coal supply constraints and high fuel prices (coal and gas) failed to adequately satisfy the growing demand resulting in peak power shortage of 10.8 GW i.e. approx. 5% of total demand in April'22.

Electricity demand growth (in %)



Fuel prices further rose due to ongoing Russia-Ukraine conflict & resultant sanctions against Russia by US & other western countries. Imported coal prices remained at nearly 150% premium over notified prices, while prices at CIL's (Coal India Limited) e-auction also touched a new ceiling. Similarly, LNG prices in international markets remained highly volatile; the WIM (West India Marker) averaged ~ \$ 30.85 per mmbtu in Q4 FY22, compared to ~ \$ 8.57 per mmbtu in Q4 previous year.

The resultant effect of demand outpacing supply was seen on power sold on exchanges where the power traded at its capped limit of ₹20/unit during March'22. Considering the profiteering by the generators, timely intervention was undertaken by the Union of India (UoI) through the regulators to revise ceiling at ₹12/unit in Day Ahead Market (DAM) of power exchange from April 2, 2022. On May 6, 2022 the price cap was made applicable to all market segments as many generators moved from DAM to other markets like TAM (Term Ahead Market) post imposition of ceiling in DAM.

Amongst this crisis, the Government remains focused on Climate Change Management. India made a commitment towards climate change at United Nations Climate Change Conference (COP26)-Glasgow to achieve "net zero" by 2070 backed by increasing the non-fossil power capacity to

500 GW by 2030 and thereby aiming to meet 50% of energy requirement from renewable sources. Similarly, countries across the world are giving primacy to Renewable Energy and thus, renewable energy has become a hope for the world to preserve the pristine environment and resources for the future generations.

India is leading on this front and has already reached a milestone of 150+ GW total installed renewable capacity in FY22. The renewable capacity addition increased by 15.5 GW [Solar - 14 GW and Wind - 1 GW] during FY22 against 7.4 GW [Solar - 5.5 GW and Wind - 1.6 GW] during the previous year as the sector revived post Covid. The solar capacity addition was infact moderate in view of module prices aggravated by hike in GST rate for solar power equipment along with supply chain issues. On the other hand, the wind segment continues to witness subdued capacity addition owing to execution headwinds, financing challenges for few developers and weak financial profile of some of the Original Equipment Manufacturers (OEMs) leading to supply side constraints. Slow renewable capacity addition and consistent growth in power demand have continued our dependence on coal-based generation leading to improved thermal Plant Load Factor (PLF) of 59% in FY22 against 53% in PY.

As more investments flow towards solar generation capacity, the thrust on domestic manufacturing capabilities is increasing. To facilitate domestic manufacturing and to back the ambitious target, Government of India (GoI) increased the outlay for Production Linked Incentive Scheme - 'National Programme on High Efficiency Solar PV Modules' (PLI Scheme) to ₹19,500 Crore.

The following are key initiatives of the GoI for promoting green energy: (i) Extension of waiver of Inter-State Transmission Charges on transmission of the electricity generated from Solar and Wind Sources; (ii) Flexibility in Generation and Scheduling of Thermal/Hydro Power Stations through bundling with Renewable Energy and Storage Power; (iii) Setting up of Regional Energy Management Centres (REMCs) for accurate forecasting of renewable power and assisting grid operators to manage variability and intermittency of renewable power; (iv) Introduction of Green Day Ahead Market (GDAM) for trading of renewable power on a day-ahead basis to promote renewable sources of energy and to support integration of green energy in a most efficient, competitive and transparent manner.

It goes without saying that the growth of the power sector is contingent on the development of a robust power transmission network. Over the past decades, India witnessed commendable growth in power transmission sector. But increased investment in transmission sector is required to reshape the grid for future requirements and to facilitate evacuation of increasing renewable power. Gauging the need of the sector, GoI approved ₹12,000 Crore for second phase of Green Energy Corridor involving laying of 10,750 circuit kilometres (ckm) of transmission lines by 2026 to facilitate grid integration and power evacuation of around 20 GW of renewable power projects.

BUSINESS MODEL

The Company is an integrated power utility engaged in the businesses of electricity generation, transmission and distribution with operations spread across the states of Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Uttar Pradesh, Karnataka and UT of Dadra & Nagar Haveli and Daman & Diu.

1. GENERATION

The Company has total generation capacity of 4,675 MW spread across thermal and renewable generating assets (including capacity in pipeline of 565 MW).

A. 3,092 MW Thermal Generation

i. 362 MW Coal-fired Thermal Generation

The 362 MW AMGEN Power Plant at Ahmedabad in Gujarat is an embedded generation unit for the licensed distribution area of Ahmedabad. It is regulated by Gujarat Electricity Regulatory Commission (GERC) which allows cost plus post-tax Return on Equity (RoE) of 14% as part of the regulated tariff.

The Government is also trying to address the issues of ailing power distribution sector. Revamped Distribution Sector Reform Scheme is the latest of many central government schemes, with total outlay of 3.03 lakh crore targeting to bring Aggregate Technical and Commercial (AT&C) losses to 12% from current national average of 22%; and to eliminate the gap between the cost of supply and average revenue realised by discoms. The scheme is linked to improved operational performance by discoms with the release of funds being contingent on achievement of reduction in losses and installation of modern infrastructure, including smart meters. In order to ensure viability of power sector, GoI has also notified scheme for automatic pass through of fuel cost in tariff.

The government has been promoting privatisation of distribution starting with Union Territories (UTs) to bring in greater efficiencies. GoI vide recent budget announced the delicensing of electricity distribution and proposed to allow distribution companies to have non-discriminatory access to the distribution system of any area. The delicensing of distribution is expected to bring competition and enable retail customers to choose the distributor. A Public-Private Partnership (PPP) model can be especially useful in loss-making areas, where commercial operation might not be feasible without government support.

In FY23, India is expected to grow at 8-9% as per Economic Survey projections which will continue to drive electricity demand. The pandemic and the Russia-Ukraine conflict underlined the need for energy security and to harness the power of technologies such as energy storage, hybrid and electric vehicles, green hydrogen, etc. Thus, the sector is set to witness a significant change in coming times which will redefine the industry outlook.

ii. 2,730 MW Gas-fired Thermal Generation

The Company has three gas-based plants namely 1,147.5 MW SUGEN Mega Power Plant, 382.5 MW UNOSUGEN Power Plant and 1,200 MW DGEN Mega Power Plant which are built with highly efficient power generation technologies. SUGEN and UNOSUGEN are regulated by Central Electricity Regulatory Commission (CERC) which allows cost plus post-tax RoE of 15.5% as part of the regulated tariff structure. 76% of SUGEN and UNOSUGEN capacities are tied up under long term Power Purchase Agreements (PPAs). 1,200 MW DGEN Power Plant is stranded for want of demand.

B. 1,583 MW Renewable Generation

i. 1,018 MW Operational Projects

During the reporting year, the Company expanded its operational renewable portfolio by 231 MW by acquisition of new projects. The total operational renewable generation capacity of 1,018 MW (213 MW Solar and 805 MW Wind)

Management Discussion and Analysis (Contd.)

is tied up under long-term PPAs. 491 MW or 48% of operational capacities have attractive preferential feed-in-tariff based PPAs with the Company operated distribution utilities.

Details of renewable assets acquired during the year are as under:

- **156 MW Wind Power Plants**
4 wind power plants having a total capacity of 156 MW & spread across the states of Gujarat, Rajasthan and Madhya Pradesh were acquired on March 11, 2022. The projects have long-term PPAs with the respective state discoms. Weighted average tariff of the projects is ₹4.68 per kWh with a balance useful life of ~20 years.
- **50 MW Solar Power Plant**
50 MW solar power plant located in Maharashtra has been acquired on March 25, 2022. The project has a long-term PPA with SECI at a tariff of ₹4.43 per kWh with balance useful life of ~22 years.
- **25 MW Solar Power Plant**
25 MW solar power plant located in Gujarat has been acquired on February 15, 2022. The Project has a long-term PPA with Gujarat Urja Vikas Nigam Limited (GUVNL) at a tariff of ₹15 per kWh upto December'23 & ₹5 per kWh thereafter. The plant has balance useful life of ~15 years.

ii. 565 MW upcoming Projects

- **100 MW Solar Power Project**
The Project was won by the Company in an auction conducted by GUVNL in FY21 at a tariff of ₹1.99 per kWh for a period of 25 years. The scheduled commissioning date has been extended till October'22 due to COVID-19. The Project is being implemented by Torrent Solar Power Private Limited, a wholly owned subsidiary of the Company.
- **300 MW Solar Power Project**
The Company won 150 MW in reverse auction and further 150 MW of capacity was awarded under green-shoe option in auction conducted by distribution arm of the Company in FY21 to service Renewable Purchase Obligations (RPO) at a tariff of ₹2.22 per kWh for a period of 25 years. The scheduled commissioning date has been extended till February'23 and April'23 for each project of 150 MW in view of force majeure situation arising on account of non-availability of transmission. The project is being implemented by Torrent Saurya Urja 2 Private Limited, a wholly owned subsidiary of the Company.
- **115 MW Wind Power Project**
Torrent Solargen Limited, a wholly owned subsidiary of the Company has entered into an agreement with developer and

equipment manufacturer for development of 115 MW Wind Power Project won under the SECI V auction held in FY19 at a tariff of ₹2.76 per kWh for a period of 25 years with scheduled commissioning date extended till September'22. Required development permissions and connectivity approval have been received and site execution work is in progress.

- **50 MW Solar Project Plant**
The Company has entered into a Share Purchase Agreement (SPA) on April 23, 2022 with SkyPower Southeast Asia III Investments Limited and SkyPower Southeast Asia Holdings 2 Limited (the Sellers) for the acquisition of 100% securities of Sunshakti Solar Power Projects Private Limited (the SPV). The SPV operates 50 MW solar power project in the state of Telangana. Long-term PPA for the Project is with Northern Power Distribution Company of Telangana Limited (NPDCOTL) for a period of 25 years at a fixed tariff of approx. ₹5.35 per kWh, with remaining useful life of ~20 years. The acquisition is further subject to customary conditions for transaction closure.

2. DISTRIBUTION

In line with the Company's strategy to grow its distribution business, the Company has completed the acquisition of 51% of equity share capital of Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited. The operations have been taken over with effect from April 1, 2022.

As a distribution licensee of Union Territory of Dadra & Nagar Haveli and Daman & Diu (DNH & DD), the Company is responsible for electricity supply in approx. 603 sq. kms with annual demand of around 9,000 MUs and serving around 1.5 Lakh customers for a term of 25 years. The business is regulated by Joint Electricity Regulatory Commission (JERC) which allows post-tax RoE of 15.5% for wires business and 16% for retail business as part of the regulated tariff.

The Company is also the licensed operator for electricity distribution in the cities of Ahmedabad, Gandhinagar, Surat and Dahej SEZ, aggregating to 425 sq kms of area. It is also developing a state-of-the-art distribution network as a licensee in Dholera Special Investment Region (DSIR) spanning 920 sq kms area. DSIR is part of the prestigious Delhi-Mumbai Industrial Corridor (DMIC) Project and is being developed in phases as a manufacturing hub on the concept of plug-and-play model. DSIR will have infrastructure facilities comparable to any smart industrial city in the world. DSIR represents a long term growth opportunity for the Company. The licensed distribution businesses of the Company in Gujarat are regulated by GERC, which allows cost plus post-tax RoE of 14% as part of a regulated tariff structure.

With the addition of Dadra & Nagar Haveli (including Silvassa) and Daman & Diu, Torrent will distribute nearly

26 billion units to over 4 million customers and cater to a peak demand of over 4,500 MW. This acquisition will significantly strengthen Torrent's position as the leading Power Distribution Company in the country with a presence in 3 States and 1 Union Territory.

The Company operates as a franchisee (of the license holder) for electricity distribution in the cities of Bhiwandi, Agra and Shil-Mumbra-Kalwa (SMK), aggregating to 1,007 sq kms of area. The term of the franchise agreement for Bhiwandi is upto 2027, for Agra is upto 2030 and

for SMK is upto 2040, which may be renewed on expiry. The franchised distribution businesses of the Company are governed by the respective Distribution Franchise Agreements executed between the Company and State DISCOMs as the license holders. The main thrust of the Company is to reduce AT&C losses, improve electricity supply and customer services in the franchised areas.

In addition to above, the Company has non-material transmission and electrical cables manufacturing businesses.

OPERATIONAL AND FINANCIAL PERFORMANCE

1. OPERATING PERFORMANCE

The following tables set forth the key operational parameters:

A. Thermal Generation

Particulars	AMGEN [#]		SUGEN [^]		UNOSUGEN [^]		DGEN [^]	
	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21
PAF (%)	92.05	90.43	92.74	96.09	91.22	97.36	100	99.25
PLF (%)	76.88	44.27	44.31	59.89	41.09	57.76	0.10	9.78
Generation (MUs)	2,222	1,266	4,332	5,855	1,339	1,882	10	1,000

[#] Coal-based

[^] Gas-based

During the year, AMGEN PLF improved substantially to reach nearly pre-Covid levels due to rise in demand and higher take-off by long term beneficiaries. Despite acute coal shortages throughout India, AMGEN managed to get allocated domestic coal as per Fuel Supply Agreement (FSA).

Plant Availability Factor (PAF) was lower at SUGEN and UNOSUGEN gas-based plants due to major overhauls. The same were completed successfully along with system upgrades. The regular major overhauls revitalize the units and improve the performance.

Further, the gas-based operations of the Company were mainly affected in second half of the year due to unprecedented high LNG prices in the international

markets leading to a significant decline in PLF levels. The impact continues with ongoing Russia-Ukraine conflict leading to an exorbitant increase in LNG prices. This made the gas-based power unaffordable and forced the buyers to reduce the offtake from these plants.

Tender to procure LNG was issued in August'21 with an intention to procure 34 cargoes spread over 5 year period from CY 22 till CY 26. As prices quoted were on a higher side, it was decided to optimize the procurement and 12 cargoes were tied up. With this tie-up, 25% of annual gas requirement has been tied-up (CY 23 – CY 26); another 25% coming from IOCL and RIL for serving long term PPA. For balance requirement, tenders will be floated at an opportune time.

B. Renewables

Operational Projects*	Solar		Wind	
	FY22	FY21	FY22	FY21
Capacity (MW)	138	138	648.5	648.5
PLF (%)	16.82	17.61	27.12	24.99
Net Generation (MUs)	203	213	1,541	1,420

*New renewable acquisitions have not been considered as the plants were acquired towards the end of financial year.



Management Discussion and Analysis (Contd.)

Wind PLF in FY22 was higher in comparison to FY21 PLF which was affected by substantial and abnormal drop in wind speed, heavy rain & extended monsoon and un-scheduled outages. Solar PLF was lower mainly due to lower irradiation in FY22.

C. Licensed Distribution

Particulars	Ahmedabad & Gandhinagar		Surat		Dahej	
	FY22	FY21	FY22	FY21	FY22	FY21
Area (sq. km.)	~356	~356	~52	~52	~17	~17
Sales (MUs)	7,684	6,947	3,337	2,604	659	453
Growth (%) over PY	10.60		28.17		45.55	
Distribution Loss (%) – Actual	4.17	6.03	3.38	4.06	0.45	0.49
Distribution Loss (%) – Normative	6.24	6.55	3.54	3.59	0.43	2.00
Consumer Base (lakhs, except Dahej)	20.39	20.06	6.27	6.24	117*	114*
Peak Demand (MW)	1,646	1,578	689	623	93	78

* Represents number of industrial consumers; Dahej licensed area comprises the Dahej SEZ area, which is made up of export oriented manufacturing units.

Licensed Distribution demand for FY22 reached nearly pre-Covid level of FY20. Maximum recovery was seen in industrial and commercial category consumers. Sales at Dahej increased exponentially and marked growth of ~37% from the pre-Covid level in FY20. The rise was mainly driven by demand from new customers and increased demand from existing commercial and industrial customers on the back of normalisation of manufacturing activities.

Distribution losses at Ahmedabad and Surat licensed distribution operations for FY22 marked significant reduction as compared to FY21 due to higher sales to all segment of consumers. Company was not only able to limit the distribution losses way below normative levels but also managed to record reduction in losses beyond the pre-pandemic level of FY20.

Tariff for FY23 (including true-up for FY21) was determined by GERC vide order dated March 31, 2022 for Ahmedabad and Surat licensed areas. No tariff hike has been allowed for Ahmedabad and Surat. However, the Hon'ble Commission has approved rise in base FPPPA for Ahmedabad from ₹1.82/unit to ₹2.02/unit and for Surat from ₹1.38/unit to ₹1.48/unit. The Company's profits are not directly impacted by the tariff order, as its returns in licensed distribution businesses are determined by 14% post-tax RoE prescribed in the tariff regulations. The

tariff order results in creation of cashflow surplus/deficit based on annual costs incurred, which is settled through quarterly Fuel and Power Purchase Price Adjustment (FPPPA) and true-up mechanism in the subsequent years.

The aggregate amount of regulatory gap of past periods approved and expected to be approved by GERC as on March 31, 2022 is ₹1,344 Crore and the same is appropriately accrued in the financial statements. In addition, aggregate amount of regulatory gap of ₹604 Crore is under dispute at various forums (primarily comprising of claims on account of carrying costs) and is not accrued in the financial statements; the same will be accrued in the financial statements of the period in which such disputes are determined by the appropriate statutory authorities in favour of the Company.

During FY22, a detailed Customer Survey was conducted at Ahmedabad, Surat and Dahej operations to measure the stringent Overall customer satisfaction score, Loyalty Score and Net Promoter Score across these cities. Survey covering over 5,000 customers, across geographies, was executed by an independent professional market research agency and included all customer segments. The Customer Satisfaction score of 80%, Loyalty score of 93% and Net Promoter score of 57 are amongst the best globally.

Ahmedabad, Gandhinagar and Surat distribution units have won the British Safety Council's prestigious Sword of Honour award for achieving excellence in the field of health and safety and Globe of Honour award in the field of environmental sustainability. To compete for these international awards, an organization undergoes an exhaustive audit program in health, safety, and environment. The organization must demonstrate, to an independent panel of experts, its excellence in health & safety and environmental management throughout the business and must also achieve the five stars (>92% score) in the British Safety Council's audit. The Company is one of just 5 organizations (of which 2 including Torrent Power are electric utilities) worldwide to receive both

these prestigious recognitions in 2021. Torrent Power is only the second company ever from India to win both these accolades in a single year.

The operations are yet to commence at Dholera licensed area and currently the focus is primarily on graded planning and development of an efficient distribution network involving setting up of basic infrastructure and provision of temporary construction power to new industries to be set up. Based on development plans of the DSIR Authority, an investment of about ₹1,200 Crore is envisaged over 10 years to cater to demand of about 425 MVA out of which approx. ₹186 Crore has been incurred till FY22.

D. Franchised Distribution

Particulars	Bhiwandi		Agra		Shil-Mumbra-Kalwa	
	FY22	FY21	FY22	FY21	FY22	FY21
Area (sq. km.)	~721	~721	~221	~221	~65	~65
Sales (MUs)	3,094	2,466	1,784	1,656	440	389
Growth (%) over PY	25.44		7.75		12.91	
Distribution Loss (%)	11.64	16.22	12.10	13.50	40.48	44.89
Consumer Base (lakhs)	3.62	3.44	4.87	4.76	2.75	2.59
Peak Demand (MVA)	566	574	472	449	132	126

The Franchised Distribution sales for FY22 were higher as compared to FY21 which was affected by COVID-19 restrictions. The sales reached nearly pre-Covid level in FY20 during the current year despite the second wave in FY22.

As compared to the pre-Covid level sales in FY20, sales at Bhiwandi and Agra were marginally lower by 4.6% and 0.94% respectively. Maximum recovery was seen in industrial and commercial category of consumers.

Bhiwandi operations were able to successfully reduce distribution losses beyond pre-pandemic level of FY20 through surveillance and vigilance, theft deterrent systems, distribution transformer cleaning, law enforcement against illegal connections, etc. Agra distribution area also marked reduction in distribution losses for FY22 as compared to FY21 through various efforts focusing distribution loss reduction.

FY22 was the 2nd year of operations at Shil, Mumbra & Kalwa (SMK). The focus remained on reducing the losses through various capital projects such as HT/LT network revamping, meter replacement, service revamping and DT clean up, etc. Despite operational challenges and second wave of Covid in H1 FY22, SMK franchised distribution area was able to reduce distribution losses by 4.4% as compared to FY21.

The collection efficiency is showing continuous improvement due to revival of vigilance activities, disconnection drives and pick up in economic activities. The Company was thus able to reverse higher provisions made in previous years in view of the lower collections. Bhiwandi achieved collection efficiency of 102.01% and Agra achieved collection efficiency of 98.61%. Despite challenges, SMK also achieved the collection efficiency of 102.67% and led to a downward trend in AT&C loss.

Management Discussion and Analysis (Contd.)

2. CONSOLIDATED FINANCIAL PERFORMANCE

The key financial data from the Statement of Profit and Loss is set out below:

(₹ in Crore)			
Particulars	FY22	FY21	Change in %
Revenue from Operations	14,258	12,173	17%
Fuel/Power Purchase/Material Cost	9,077	7,130	27%
Contribution	5,181	5,043	3%
Other Income	235	142	65%
Other Expenses	1,590	1,577	1%
PBDIT	3,826	3,607	6%
Finance Cost	628	776	(19%)
Depreciation and Amortization Exp.	1,334	1,280	4%
Other Comprehensive Income / (Expense)	3	6	(50%)
Profit Before Tax and Exceptional Items	1,867	1,558	20%
Exceptional Items	1,300	-	100%
Profit Before Tax	567	1,558	(64%)
Tax Expense	106	258	(59%)
Total Comprehensive Income	461	1,300	(65%)

The key operating drivers of distribution business namely higher volumes, lower distribution losses and increased RoE on account of new Capex were positive and contributed to the increase in contribution. Renewable portfolio contribution increased mainly on account of new acquisitions and better wind PLFs. On the other hand, reduced demand from long term beneficiaries as well as merchant power mainly due to high gas cost, led to a drag on the contribution levels. Finance cost decreased on account of lower interest rate by approx. 0.63% coupled with reduction in loan balance. The reduction in tax expenses was mainly due to reversal of deferred tax liability arising from DGEN impairment.

The bottom line of the Company took a hit due to one-time charge on account of an impairment loss on carrying amount of DGEN power plant by ₹1,300 Crore. It should be noted that DGEN impairment is a non-cash charge and will not impact the cashflows of the Company. The impairment charge will reduce depreciation charge in balance years of useful life.

Liquidity, Capex and Debt Positions

The Company's liquidity, including mutual fund investments and deposits with banks/financial institution, was ₹917 Crore at the beginning of the year. Liquidity as at the end of the year was ₹883 Crore, a decrease of ₹34 Crore. For the year:

- » net cash generated from operating activities was ₹2,648 Crore

- » borrowings including short term debt net of repayment was ₹694 Crore and
- » net cash utilised for (a) capital expenditure ₹1,604 Crore; (b) dividend distribution ₹702 Crore; (c) payment for acquisition of subsidiaries ₹515 Crore and (d) advance against equity investment ₹555; leaving a closing liquidity balance of ₹883 Crore.

During the year, the Company incurred capital expenditure (i.e. capitalisation, capital work-in-progress and capital advances) of ₹1,906 Crore as under:

Particulars	Amount (₹ in Crore)
Licensed Distribution	1,254
Franchised Distribution	316
Renewable Generation	256
Thermal Generation	76
Others	4
Total	1,906

The long term debt of the Company at the year-end was ₹8,414 Crore, net increase of ₹605 Crore over the previous year (new debt raised ₹1,125 Crore, loan balance of acquired subsidiaries ₹605 Crore less repayment of debt ₹1,125 Crore). The weighted average rate of interest at the year-end was 7.45% with repayment profile as under:

Financial Year	Repayment Amount (₹ in Crore)
2022-23	1,290
2023-24 to 2026-27	3,874
2027-28 to 2030-31	2,621
2031-32 to 2032-33	629
Total	8,414

The following table sets forth key financial ratios based on consolidated financials:

Particulars	FY22	FY21	Explanation in case of deviation of > 25%
Debtors Turnover Ratio	9.43 (~39 days)	9.02 (~40 days)	
Interest Coverage Ratio	5.87	4.59	Interest Coverage Ratio has improved by 28% as compared to the previous year mainly due to reduction in finance cost and due to increase in EBITDA, reasons of which are explained in the preceding para.
Current Ratio	1.16	1.40	
Long Term Debt to Equity Ratio	0.83	0.73	
Net Debt to EBITDA	2.30	1.99	
EBITDA Margin	25.19%	28.47%	
Net Profit Margin	9.73%*	10.65%	Net Profit Margin for FY22 works out to 3.22% after considering exceptional item pertaining to DGEN plant impairment in FY22.
Return on Net Worth	13.20%*	12.68%	Return on Net Worth for FY22 works out to 4.37% after considering exceptional item pertaining to DGEN plant impairment in FY22.

*Excluding exceptional item pertaining to DGEN plant impairment in FY22

RISKS AND CONCERNS

Key risks and concerns in the businesses of the Company are briefly explained below:

- » The Company has operational gas-based power generation capacity of 2,730 MW, out of which 1,163 MW is tied up as on March 31, 2022 under long term PPAs and balance 1,567 MW untied capacity is dependent on short term power contracts for their operation. During the year, certain portion of such capacity remained unutilised for want of short term power contracts or unviability of prices in the short term power market and high gas prices.

The Company has built capabilities to import LNG from international markets at efficient prices to operate its power plants. However, such prices are subject to fluctuations and associated foreign exchange

The Company's long term rating was upgraded and short-term rating was reaffirmed during the course of the year and was as follows at end of the year:

Long term rating : CRISIL AA+ / Stable (Upgraded from 'CRISIL AA/Stable' during previous year)

Short term rating : CRISIL A1+ / IND A1+

risks, geopolitical & supply-demand mismatch risks, consequent to which, there would be periods during which power from these plants would be uncompetitive.

The fuel contracts of the Company contain Take or Pay/ Use or Pay/ Ship or Pay obligations. There could be a potential liability on the Company to pay the obligation charges as defined in the contracts. Similarly for CY 2022, such liability could arise if the Company is not able to tie-up adequate quantity of fuel. Mitigation efforts are being made to reduce the impact of these adverse implications which are common to all gas users across the country.

The Company is making efforts to get long term PPAs for its unutilised gas power capacity. However, large stranded coal-based capacities, Government's thrust



Management Discussion and Analysis (Contd.)

to increase renewable generation capacity in the country coupled with falling tariffs of renewable power poses a risk to the Company's uncontracted gas-based generation capacity.

- » The Company's 362 MW AMGEN coal-based power plant is required to comply with stricter emission norms by December'22. Efforts are being made for extension / exemption from revised norms due to limited balance useful life of plant, significant capex requirement which may lead to huge burden on consumers in view of such limited life and network constraints of the Company's discom to source alternate power. AMGEN is also situated in a densely populated area where lot of town planning schemes are coming up. These aspects pose a risk to AMGEN's continued operations.

The Union Ministry of Environment, Forest and Climate Change (MoEFCC) has mandated all coal and lignite based Thermal Power Plants (TPPs) to utilize 100% fly ash in an environment friendly manner within 3-5 years. It also, for the first time, introduced fines on non-compliant plants under the 'Polluter Pays Principle', considering utilization targets from April 1, 2022. Non-compliant TPPs will have to pay a fine of ₹1,000 per ton on which is to be accounted at the end of every financial year based on annual reports. AMGEN has tied up with Ahmedabad Municipal Corporation (AMC) for utilization and is at advanced stage of negotiation with National Highways Authority of India (NHAI) for utilization in their road projects.

- » The Company's licensed distribution business faces the risk of delay in recovery of some part of cost of supply due to regulatory stipulations. The unrecovered and undisputed regulatory claim as at year end was ₹1,344 Crore, recognised in the financial statements for the year. While such recoveries are permitted with carrying costs for delayed recovery, the same may affect the cash flows of the Company.

In addition, regulatory disputes also cause delay in recovery of some part of the cost of supply. Such disputed regulatory claim as at the year end was ₹604 Crore, which is not recognised in the financial statements for the year.

The Power Ministry came out with "Automatic Pass through Model" during the year to address the above concerns and directed the State regulators to adopt this model. GERC is yet to come out with guidelines on adoption of this model. The model if adopted, may help the generating companies on an immediate basis as discoms will have to pay as soon as their fuel costs rises, however, if timely pass on to consumers is not allowed due to political pressures, it may lead to greater under-recovery for discoms.

» In terms of upcoming projects, the Company's Renewable business faces the risk of high commodity price including module prices leading to increased project cost. As indigenous module manufacturing capacity is insignificant, solar projects are mainly dependent on imported modules resulting in import and currency risk. In addition, high dependence on import for key technologies also adds the technological risk when imported from an unfriendly nation. Land acquisition is another major challenge in renewable energy business faced by all developers causing delay in many projects.

In terms of operational projects, stringent renewable scheduling and forecasting guidelines considering unpredictable weather forecast results into high penalty for no fault of developer. Further, long receivable cycle of revenue from various state discoms adds pressure on cashflows.

- » The speed of technological development brings new challenges; the frequency and intensity of cyber-attacks are on rise with more focus on critical infrastructure, highlighting a potential risk of interruption of normal business activities. Apart from constant adoption and application of cyber security strategy, Company has taken special measures considering cyber risk is not only a business threat but can also be a huge risk for the entire electricity industry and country as a whole.

During the year, Company has created a specific department lead by Chief Information Security Officer being responsible for governance, coordination and control of cyber security issues, policies and guidelines in accordance with national and international standards. The Company has set up specific cyber security framework for Information Technology (IT) and Operational Technology (OT) network. Company has created CCMP (Cyber Crisis Management Plan) and undertook Vulnerability Assessment and Penetration Testing program for proactive management and response to cyber incidents. In addition, Company has also implemented various technological solutions and is in the process of implementing various other solutions as a part of Zero Trust Network Architecture. All IT policies and risk governance are as per ISO 27001 standard.

The constantly evolving threat, cybercrime is one of the biggest threats to businesses. As a measure to counter/reduce cybercrime incidents Company has taken up user awareness as one of the key activities. The Company has availed cyber insurance in order to combat any financial loss arising due to a cyber attack.

BUSINESS OUTLOOK**1. THERMAL GENERATION**

SUGEN and UNOSUGEN plants are backed with long term PPAs for 76% capacity. DGEN plant is operated intermittently for supply of power through merchant power market albeit at lower volume and contribution during periods of power supply deficit, provided affordable natural gas and/or RLNG is available.

The 'Ministry of Power' and 'Ministry of Petroleum and Natural Gas' have formed an expert committee during the last financial year with an aim to increase consumption of domestic natural gas in power sector, however favourable outcome through this committee is still awaited. Further, the prevailing LNG prices in international markets are highly volatile due to gas supply disruptions from Russia because of ongoing Russia-Ukraine conflict which is further intensified by carbon neutral commitments by various countries. Prices of natural gas /RLNG are generally expected to remain high during FY23 in the current global scenario. Consequently, electricity generation from gas-based power plants may be unaffordable, and may result into lower operating PLF of the plants. Considering that there is no fuel tie-up for CY 2022, the Company will look for opportune time to contract gas at affordable rates.

With the growing demand for power and above cited limitations faced by gas-based generation facilities, coal-based generation looks unavoidable for 24x7 reliable power. Coal-based power plant's ability to supply power during peak power demand either as base power or as off-peak power is greatly valued. Thus, the coal-based plants are expected to operate at better PLF as compared to FY22 despite growing renewable power sector and stringent environment norms.

2. RENEWABLES

The Company expects its renewable power assets to operate efficiently in the coming years. With focus of the Government on renewable power generation, and with the Company's experience of executing and operating renewable projects, it intends to grow further its renewable energy portfolio with focus on solar. The Company has recently acquired 231 MW of renewable assets; 75 MW Solar and 156 MW Wind.

The Company intends to grow by way of bidding for new projects and acquiring new projects. The Company is also actively procuring land for renewable power project development and putting in efforts to explore and seize opportunities as they come up. In addition, Company is also actively pursuing upcoming opportunities in the space of Green Hydrogen and Energy Storage technologies.

3. DISTRIBUTION

In Licensed Distribution business, the Company will focus on developing the licensed area of Dholera SIR and newly acquired area of UT of Dadra & Nagar Haveli and Daman & Diu. The Company will also focus on adopting state-of-the-art technology and automation in operations in addition to expansion and upgradation of existing networks in distribution areas of Ahmedabad, Gandhinagar, Surat and Dahej SEZ to cater to the growth in demand and further reduce distribution losses.

In Franchised Distribution business, the Company will focus on developing the operations at franchised area of SMK and expanding and upgrading its network in existing areas of Bhiwandi and Agra to cater to the growth in demand and further reduce AT&C losses.

The Company will continue to look out for new opportunities in distribution sector in the form of privatisation or franchise of existing areas. Having recognised that the only way forward to reduce the AT&C losses is privatisation; the Ministry of Power is pushing for privatisation in the distribution sector; thereby creating growth opportunities for the Company. With the Company's long experience in supplying reliable and quality power and reducing distribution losses to amongst the lowest in the country, the Company expects to benefit from the Govt's plans of delicensing the electricity distribution business and allowing DISCOMs to have non-discriminatory access to the distribution system of any area. Company is also opportunistically viewing the Public-Private Partnership (PPP) model under distribution business.

It is expected that other UTs such as Puducherry, Jammu & Kashmir, State of Goa may announce privatisation. The Purvanchal DISCOM and other DISCOMs in the state of Uttar Pradesh may also come up for privatisation.

The stringent operational norms proposed for DISCOMs will also lead to greater franchise opportunities for the Company in the near to medium term.

4. TRANSMISSION

Currently, the Company has limited investments in the transmission segment; however, given the huge investment opportunity available in this segment, robust regulatory mechanisms, limited counter-party risks and the Company's strengths in financing and executing large projects, this is an area earmarked for future growth. The Company intends to selectively participate in tariff based competitive bidding for transmission projects (inter-state and intra-state) at attractive returns.



Management Discussion and Analysis (Contd.)**INTERNAL CONTROL SYSTEMS**

The Company's Internal Control Systems are commensurate with the size and nature of its operations, aimed at achieving efficiency in operations, optimum utilisation of resources, reliable financial reporting and compliances with all applicable laws and regulations. Ernst & Young (EY) LLP is the Internal Auditor of the Company. It carries out extensive

internal audit throughout the year across all functional areas and submits reports to the Audit Committee. The recommendations from such internal audit and follow-up actions for improvements of the business processes and controls are also periodically reviewed and monitored by the Audit Committee.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis may be forward-looking. Actual outcomes may vary from those expressed or implied. The Company assumes no

responsibility to publicly amend, modify, update or revise any such statements on the basis of subsequent developments, information or events.

Business Responsibility Report**SECTION A : GENERAL INFORMATION ABOUT THE COMPANY**

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L31200GJ2004PLC044068
2.	Name of the Company	Torrent Power Limited
3.	Registered Address	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380015
4.	Website	www.torrentpower.com
5.	E-mail id	cs@torrentpower.com
6.	Financial Year reported	FY22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 351 - Electric power generation, transmission and distribution
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	Generation, transmission & distribution of electricity
9.	Total number of locations where business activity is undertaken by the Company	21
10.	Number of international locations	NA
11.	Number of national locations	21
12.	Markets served by the Company – Local/ State/ National/ International	National

SECTION B : FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details (Standalone basis)
1.	Paid up Capital	₹480.62 Crore
2.	Total Turnover	₹13,715.74 Crore
3.	Total profit after taxes (TCI)	₹411.68 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	6.95% of Total Comprehensive Income (TCI) of FY22
5.	List of activities in which expenditure in 4 above has been incurred	The list of activities in which CSR expenditure in Sr. No. 4 above has been incurred is part of the Board's Report included in this Integrated Annual report.



Business Responsibility Report (Contd.)

SECTION C : OTHER DETAILS

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has the following Subsidiary Companies: 1. Torrent Solargen Limited 2. Torrent Power Grid Limited 3. Torrent Pipavav Generation Limited 4. Latur Renewable Private Limited 5. Jodhpur Wind Farms Private Limited 6. TCL Cables Private Limited 7. Torrent Solar Power Private Limited 8. Torrent Saurya Urja 2 Private Limited 9. Torrent Saurya Urja 3 Private Limited 10. Torrent Saurya Urja 4 Private Limited 11. Torrent Saurya Urja 5 Private Limited 12. Visual Percept Solar Projects Private Limited 13. Surya Vidyut Limited 14. Dadra and Nagar Haveli and Daman and Diupower Distribution Corporation Limited 15. LREHL Renewables India SPV 1 Private Limited
2.	Do the Subsidiary Company/ Companies participate in the BR initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)	The BR Initiatives of the Company are driven at parent level. Hence, all subsidiary companies participate in BR initiatives of the Company.
3.	Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	Yes, the Company's contractors and suppliers are required to participate in some of the BR initiatives of the Company.

SECTION D : BR INFORMATION

1. Details of Director/ Directors responsible for BR

(a) Details of the Director responsible for implementation of the BR policy/ policies

Sr. No.	Particulars	Details
1.	DIN	02685284
2.	Name	Shri Jinal Mehta
3.	Designation	Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	Same as above
2.	Name	Same as above
3.	Designation	Same as above
4.	Telephone number	079- 26628300
5.	E-mail Id	cs@torrentpower.com

2. Principle-wise (as per NVGs) BR Policy/ policies

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, all the policies have been approved by the Board, except the Human Resource policies and Integrated Management System (IMS) policies, which have been approved by Chairperson or MD.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online.	All policies can be accessed at www.torrentpower.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the Company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why:

Not applicable



Business Responsibility Report (Contd.)

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors/ its Committees/ Chairman or any authorised officials of the Company, as the case may be, assess the BR performance on annual or half yearly basis depending upon the type of BR activities.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company publishes Business Responsibility Report and the same can be accessed at www.torrentpower.com The same is published annually.

SECTION E : PRINCIPLE WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1.1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

No. Besides covering the Company, it also extends to various stakeholders including Group companies, Suppliers, Contractors, etc.

1.2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Shareholder Complaints:

The Company received 19 shareholder complaints during FY22. 100% of such complaints were satisfactorily resolved.

Other Stakeholder Complaints:

The Company received 2 complaints from other stakeholders (i.e. employees and contractors) during FY22 via the Whistle Blower Mechanism. 100% of such complaints were satisfactorily resolved.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

2.1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company's business activities comprise of Generation, Transmission & Distribution of Electricity and Cables manufacturing. It has incorporated measures covering social as well as environmental concerns, risks and/or opportunities in each of these as under:

- Most of the units of the Company are IMS certified

covering ISO 9001 (Quality Management System), ISO 14001 (Environment Management System) and ISO 45001 (Occupational Health and Safety Management System). Some of the units have additionally obtained ISO 50001 (Energy Management System), ISO 55001 (Asset Management System) and ISO 27001 (Information Security Management System) certification. The Licensed distribution units implemented British Safety Council (BSC) five star specifications for "Occupational Health and Safety" and "Environmental Sustainability" to enhance overall performance and won the prestigious "Sword of Honour" and "Globe of Honour" awards. SUGEN plant has received five star rating for the second time under BSC Five Star Health and Safety Audit and has won the prestigious "Sword of Honour" during FY22. Generation plants have also implemented Five-S (Workplace Management System) and have been certified by Quality Circle Forum of India (QCFI) and Union of Japanese Scientists and Engineers (JUSE). Moreover, health and safety systems at SUGEN have been appreciated by National Safety Council of India with Prashansha Patra award.

- Principles of circular economy have been adopted to reduce, reuse and recycle resources to the extent possible at various units.
- State-of-the-art technologies in gas based plants, viz., installation of advanced class Gas Turbines with lower carbon footprint, dry low NOx burners (with emissions well below Indian standards), Combined Cycle Power Plants (CCPPs) in single shaft configuration to reduce footprint etc. have been resorted to, duly taking into consideration societal and environmental sustainability. Such CCPPs are also registered under Clean Development Mechanism (CDM).
- The effluent water generated from the generating plants as well as sewage treatment plants is utilised in horticulture thus avoiding/ minimizing discharge outside plant premises.
- The Company has established systems and

procedures through Standard Operating Procedures (SOPs) for safe and effective operation and maintenance of its plants as well as its transmission and distribution network duly mitigating risks and health hazards. Suppliers are also made participants in our systems and procedures. To enhance safety consciousness amongst all stakeholders and inculcate safety culture, Behaviour Based Safety (BBS) has been implemented at Generation plants and Distribution units.

- The Company has undertaken LT and HT network revamping and uprating at its distribution units to replace old and dilapidated network including undergrounding of network with the primary objective of improving reliability of the network and safety of the employees and general public. This has resulted in reduction in losses. The Company has also undertaken revamping of consumer end installations & Mini Section Pillars (MSPs) and procurement of fuse type feeder pillars to enhance safety and reliability. Existing designs of feeder pillar and meter boxes are reviewed considering public safety, sustainability, asset securitization, operation and maintenance efficiency etc. Fully insulated tools and hard barricades with reflective stickers are used for operations to enhance the safety of working personnel.
- The Company uses high efficiency energy meters and star rated distribution transformers. Accordingly, the Company's distribution losses have been reduced to one of the lowest in the country in the Company's licensed areas, thus saving on energy. The Company has undertaken implementation of smart grid technology including automatic meter reading and distribution automation to remotely monitor the assets and reading of meters. As part of the objective of going paperless, mobile based Field Force Application has been developed for all field activities to reduce paper consumption.
- The Company's Distribution units have installed more than 7,000 state-of-the-art technology SF6 gas insulated switchgears for protection and operation of 11KV/ 22KV distribution network. Such units undertake activity of earthing reactivation of DSS equipment and MSPs for safety of public and other stakeholders. Distribution units also undertake installation of dry type transformers, hermetically sealed and ester filled distribution transformers located in crowded and densely populated areas including pole mounted transformers for enhancement of public safety and environment protection. Some of the distribution units have also replaced substation focus lights with LED lights. The Company has installed Very Early Smoke Detection and Alarm (VESDA) system for its major stores.
- Use of compact substations in place of conventional substations in distribution enables conservation of land resources and reduces usage of construction material. Ultra-compact substations are also designed for specific areas to further reduce the

footprint up to 50% in comparison to conventional substations. Metering panels are installed for multi-storied buildings to optimize space. Further, some of the distribution units have installed Solar Rooftop on various EHV buildings, used food decomposer machine for converting food wastes to manure and introduced robotic water tank cleaning process for conservation of water.

- Various other initiatives include decentralization of distribution operations and multiple customer convenience centers to reduce travelling of consumers as well as employees, use of secondary containment system for spill prevention, use of Horizontal Directional Drilling technology instead of soil excavation for cable laying, use of mobiles and handheld gadgets as substitute to paper for field data collection, use of nets around outdoor EHV substations to prevent intrusion of birds and animals, use FSC certified papers, continuous improvement in safety standards, regular safety and environment audits, mock drills, Demand Side Management (DSM) and energy conservation awareness programmes amongst customers in Distribution units. Further, the Company has adopted biodegradable and environment friendly packaging for materials being procured and usage of single use plastic in packaging material has been stopped at some units of the Company.
- The Distribution units are also promoting installation of Solar Rooftop amongst its customers to contribute to increase in share of renewables in the country.
- New distribution offices and substations are designed to ensure maximum use of natural light and to the extent possible, are equipped with contact less water taps, waterless urinals, motion sensor based lighting systems and star rated air conditioners. Further, Indian Green Building Council's (IGBC) guidelines have been implemented while construction of new buildings and aiming for platinum certification. This not only conserves natural resources while construction but also enables substantial energy saving in air-conditioning and lighting system. Rain-water harvesting & recharge wells have been developed in new buildings.
- Products at cables unit include 132 KV cables with aluminum corrugation (in place of lead sheath); 66 KV cables with HDPE outer sheath in place of PVC outer sheath which is less environment friendly, wooden drum using reusable PP sheet in place of wooden planks and returnable steel drums in place of wooden drums. Use of steel drums instead of wooden drums resulted in reduction of consumption of wooden drums by 25%. Further, the same out bound vehicle, which is sent for dispatching the finished cable, is arranged to bring back the empty drums thereby reducing carbon emissions during transportation.



Business Responsibility Report (Contd.)

- Safety of employees and general public is given high importance in the organization. Safety Committees are formed and headed by senior officers with participation from supervisors and experienced workers who effectively contribute to improving the safety performance of the organization. Some of the initiatives include use of arc suit rated with NFPA 70E specification during VCB operations in EHV substations to reduce/eliminate risk of arc flash, using anemometer for measurement of wind speed for EHV line work to reduce the hazard of 'falling from height' owing to high wind speed, introduction of nut-less busbar for various Low Voltage assets, use of insulated paint on poles and MSPs and installation of fire rated doors in EHV SS.
- Occupational health of the employees is given equal priority. Most of the units have an Occupational Health Center with doctors and nursing staff. Various other facilities including installation of adequate number and appropriate type of fire extinguishers, fire suppression system, fire detection and alarm system, emergency siren system, Automated External Defibrillators, Self-contained Breathing Apparatus, Stretchers, First aid boxes and Ambubags (for artificial respiration) are made available. The Company has also trained suitable number of employees for first aid treatment and emergency response. Quarterly monitoring of environmental parameters including quality of air (workplace and ambient), noise (workplace and ambient), drinking water, food and DG stack emission etc. is carried out. The Company has conducted various in-house surveys i.e. noise, vibration, stress monitoring, Display Screen Equipment (DSE), asbestos, fragile roof, legionella and safety culture to foster safety culture and enhance safety standards based on outcome of the surveys.
- The Company has established various policies like OH&S, Road Safety, Fire Safety and Health & Wellbeing. The Company has arranged various trainings on OH&S topics for relevant stakeholders. The Company celebrates the National Safety Week with an objective to spread and enhance the desired safety culture across the organization. The Company also celebrates Environment Day to re-emphasize its concern for environment while carrying out various activities. Further, the Company celebrates the National Energy Conservation Day to spread awareness amongst the customers, employees, their family members and contractual workforce regarding energy conservation, demand side management and use of energy efficient appliances. Energy conservation and safety awareness campaigns are conducted for awareness of consumers through customer meets and booklets.
- Further, the Company is engaged with its neighborhood by providing employment opportunities, skill development and health care facilities. The Company has set up an ultra-modern health care facility near SUGEN, named Rangtarang. Balsangam, a specialty child care hospital and Sumangal, a day care medical clinic is in operation

at Rangtarang. Child day care clinics are also operational at Dahej, Indrad and Balasinor in Gujarat. In addition, two satellite child care centres have been established at Waghai and Chappi in Gujarat and three more are planned at Dediapada, Nasawadi and Radhanpur in Gujarat.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The following are some of the initiatives taken in respect of conservation of natural resources:

- Various procedures have been put in place to improve heat rate, reduce auxiliary power consumption and water consumption at generating stations. These initiatives include timely maintenance of plants by preventive and predictive maintenance philosophy. The Company's gas based plants, being amongst the most efficient power generating stations in the country, have bettered the performance targets under BEE PAT III scheme, are recommended to BEE for Energy Saving Certificates by measurement and verification audit conducted by an independent agency and are helping the national mission of emissions reduction.
- Some of the initiatives undertaken by the Company include large scale replacement of conventional luminaires with LED devices, replacement of air conditioners with star rated air conditioners, installation of rooftop solar panels and solar water heaters, installation of Air Turbo Ventilator at rooftop for air ventilation, recycling waste water, segregation of lighting circuits for reducing power consumption, rainwater harvesting, use of recycled paper and packaging material, recycling of the paper consumed, etc. Solar power is being used for common facilities of townships.
- As part of DSM Scheme, Energy Audits as well as Peak Load shifting programs have been carried out for the benefit of consumers. In addition, the Company took all necessary steps to operationalize the Net Metering arrangement for Rooftop Solar PV system at the premises of consumers.
- Water consumption is recorded and optimized to reduce wastage.
- Material of construction (MoC) has been changed for distribution boxes and feeder pillars to improve the life cycle of the product. Surface treatment and painting procedures have been improved to enhance the life cycle of the feeder pillars, distribution boxes and other enclosures installed onsite.

- Measures have been taken to improve design of distribution transformers to reduce oil leakage instances and environment risk.
- In-house testing infrastructure and quality management system are in place to test the material before installation onsite. It can reduce the chances of product failure & wastage of resources and improves reliability.
- Initiatives such as installation of LED lighting and sensor based lighting, star rated air conditioning system in all new buildings to reduce energy consumption, installation of 2 stage air conditioning system and provision of double glazed window glasses to reduce consumption of air conditioning system have been implemented.
- Energy conservation tips are given to consumers during onsite camps, by way of messages on energy bills and through booklet.
- Further, the Company has carried out energy audit of all its offices and substations in its distribution areas to identify the opportunities for energy conservation.
- Converting DC drive system to AC drive system has enabled energy conservation by around 10% in some of the machines at Cables unit.
- Around 25% of wooden drums consumption has been reduced by incorporating returnable steel drums model in supplying finished cables to some of the major customers.
- Reusable PP sheet is used instead of wooden planks in packing of finished cables.
- Other initiatives include monthly/ daily monitoring of resource consumption including paper, water, electricity, food waste, LPG & PNG, petrol and diesel, disposal of food waste for composting through authorized vendors, bill on WhatsApp and online payment promotions.

2.3 Does the Company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has procedures in place for sustainable sourcing (including transportation). Further, sustainability is extended to suppliers/vendors. All requirements on various aspects such as Health & Safety and Environment Protection, Ethics & Compliance, and Prevention of Bribery & Corruption are in place. Counselling and monitoring of suppliers/vendors is being done regularly. Sustainable Procurement Policy has been put in place at some of the units.

Some of the initiatives include procurement of hermetically sealed power transformers with environment friendly ester oil instead of mineral oil to prevent oil leakage, procuring energy efficient (lower losses) distribution transformers, procurement of cobalt free silica gel, eliminating use of plastic in packing material, specifying use of fly ash bricks / blocks in construction of all new buildings, procurement of asbestos free products, use of CNG vehicles for commuting purpose and digitalisation of all documents to minimize printing/re-printing.

Around 25% of steel drums dispatched are being brought back from customers and are being reused. The Company is using sustainable model in reducing the carbon footprint even in transportation. The same out bound vehicle, which is sent for dispatching the finished cable, is arranged to bring back the empty drums thereby reducing carbon emissions during transportation.

The Company has also incorporated procedures such as TREM card, stringent pre-qualification criteria etc. in its IMS to ensure that transportation of chemicals and other materials are compliant with rules and regulations and the Company's own procedures. Fuel gas lines are maintained as per Petroleum and Natural Gas Regulatory Board (PNGRB) guidelines and safety audits are carried out at regular intervals. Usage of water is optimized by optimizing the Cycle of Concentration of cooling water and recycling of waste water.

The Company has recently been awarded the prestigious "Sword of Honour" and "Globe of Honour" awards from British Safety Council for its distribution licensed operations. Compliance under these recognitions extensively covers sustainability parameters for sourcing functions. Suppliers and service providers are evaluated on EHS aspects by some of the distribution units and are motivated to adopt ISO 9001 (Quality Management System), ISO 14001 (Environment Management System) and ISO 45001 (Occupational Health and Safety Management System) to achieve goal of sustainable procurement.

2.4 Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has taken several steps to procure goods and services from local and small vendors (specially focusing on women and the weaker sections of the society, wherever possible) in order to promote entrepreneurship among them. Continuous engagement takes place with such suppliers to improve their capacity & capability. Some of these initiatives include:

- While sourcing consumables and spares, priority is given to local vendors.



Business Responsibility Report (Contd.)

- Employment of differently abled people for jobs that are deemed safe for them.
- Engagement of destitute women for managing the canteen services at one of the units.
- Local people have been trained and employed as security guards at some of the units.
- All packing materials (steel & wooden drums & planks) and some of the raw materials such as PVC Fillers & GI Armour Strips for cables unit are procured locally from small vendors.
- Direct and indirect employment opportunities are provided to local populace to the extent feasible. For fabrication, plumbing, carpentry, horticulture, housekeeping, vehicle operations, computer operator, health care, O&M of the plant, gardening, transportation, etc., as far as possible, local skilled personnel are employed.
- Project affected personnel in gas based generation units during construction phase have been absorbed in employment and external technical training has been imparted to them at eminent institutes prior to or during employment.

2.5 Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being a responsible corporate citizen, the Company believes in "Reduce-Reuse-Recycle" principle. Some of the initiatives taken as part of this principle include:

- 100% utilization of fly ash generated as waste from the coal based plant.
- Re-use of treated effluent water.
- Use of waste water for gardening, sprinkling, etc.
- Zero liquid discharge since August 2017 at SUGEN plant and since April 2016 at DGEN plant.
- Use of vegetation and food waste in making compost which in turn is used as manure.
- Sludge recovered from raw water is compacted through Chamber Filter Press and is used for landfill.
- PVC Scrap (>90%) is recycled & reused in inner sheath, outer sheath & PVC fillers at Cables unit.
- Hazardous wastes e.g. used oils, batteries, e-wastes, bio-medical wastes etc. are disposed off only to State Pollution Control Boards approved Treatment, Storage and Disposal Facilities (TSDF) & recyclers.
- The distribution units undertake oil filtration activity of its power and distribution transformers for reutilization of oil and conservation of natural resources.

- Recycling of non-hazardous plastic waste through authorized recyclers.
- Use of steel cable drums and reusing them as substitute to wooden cable drums.
- Site returned distribution transformers are being reused after necessary overhauling or repairing.
- Site returned 11kV switchgears are being reused after being repaired.
- Reusing packaging material PP sheets and avoiding wooden planks in packing of drums.
- Use of recycled papers for energy bills and other stationeries and recycling of paper.
- Other initiatives include monthly/ daily monitoring of resource consumption including paper, water, electricity, food waste, LPG & PNG, petrol and diesel and disposal of food waste for composting through authorized vendors.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

3.1 Please indicate the total number of employees.

Total number of permanent employees is 7,603 as on March 31, 2022.

3.2 Please indicate the total number of employees hired on temporary/ contractual/ casual basis.

Total number of employees hired on temporary/ contractual/ casual basis is 10,721 as on March 31, 2022.

3.3 Please indicate the number of permanent women employees.

Total number of permanent women employees is 658 as on March 31, 2022.

3.4 Please indicate the number of permanent employees with disabilities.

Total number of permanent employees with disabilities is 22 as on March 31, 2022.

3.5 Do you have an employee association that is recognized by management?

Yes.

3.6 What percentage of your permanent employees are members of this recognized employee association?

~31% of the total permanent employees of the Company are members of such recognized employee association.

3.7 Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in the last financial year and pending, as on the end of the financial year.

The Company does not engage any child labour, forced labour or involuntary labour.

There were no complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in FY22.

3.8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees

(b) Permanent Women Employees

(c) Casual/ Temporary/ Contractual Employees

(d) Employees with Disabilities

Percentage of employees who were given safety & skill up-gradation training in the last year is as under:

- (a) Permanent Employees – 61%
- (b) Permanent Women Employees – 99%
- (c) Casual/ Temporary/ Contractual Employees – 65%
- (d) Employees with Disabilities – 86%

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

4.1 Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its various key internal and external stakeholders.

4.2 Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

4.3 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Various initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders at locations in and around its operations in the areas of: (i) Community Health Care, Sanitation and Hygiene (ii) Education and Knowledge Enhancement and (iii) Social Care and Concern.

The details of various CSR initiatives of the Company are part of the Board's Report included in this Integrated Annual report.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

5.1 Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

Various Company Policies as indicated below promote Human Rights:

- Policy on Protection of Women against Sexual Harassment at Workplace
- Conviction for Safety Policy
- Policy on Financial Support in the event of Demise
- Mediclaim Policy for Employees
- Policy for Medically challenged employees
- Grievance Redressal Mechanism
- Equal pay for equal work without discrimination on the basis of gender.

Besides covering the Company, the policies are also extended to various stakeholders including Group companies, Suppliers, Contractors, etc. as relevant.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints on breach of human rights were received during FY22.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

6.1 Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

The Environment Policy of the Company covers the Company currently. The subsidiary companies of the Company also carry out their operations in accordance with principles laid down in the said Policy. The Company promotes the adoption of environmental protection goals and practices by contractors and suppliers of the Company and strongly encourages improvements in contractors' and suppliers' practices to make them consistent with those of the Company. Further, the IMS covering ISO 14001 for Environment Management at most of the units spells out dedication to maintain the ecological balance while carrying out operations. Some of the units have also implemented Energy Policy, Sustainability Policy and Sustainable Procurement Policy.

6.2 Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company recognizes the value of the environment to the community and future generations and is

Business Responsibility Report (Contd.)

committed to managing its business as a responsible Corporate Citizen. Some of the initiatives taken by the Company to address global environmental issues such as Climate Change, Global Warming, etc. include most of its generation capacity being natural gas based and renewable based comprising solar and wind.

The Company is seized of the global environmental scenario and in its efforts to contribute towards sustainability, the Company has chosen state-of-the-art technology for its CCPPs with advanced class Gas Turbines using clean fuel technology of natural gas leading to lower carbon footprint and very low NOx emission. The Company's CCPPs are also registered under CDM. To continually improve environmental performance, the Company's gas-based generation plants have undertaken several steps based on BSC Five Star Environment and Sustainability Audit, Water Audit etc. with time bound action plans.

Renewable energy, being considered as clean technology, has least impact on climate change and global warming. As a responsible corporate citizen, the Company has forayed into renewable energy arena in a big way by installing solar and wind energy plants. The Company has also acquired 231 MW of renewable plants during FY22. The Company believes that maximum utilization of renewable energy sources will significantly contribute towards environment protection and preservation.

Solar power is installed for common facilities of townships at generation plants. Further, replacement of conventional luminaires with LED devices on failure, recycling of wastewater, rainwater harvesting etc. are other successful initiatives in this direction.

Further, continuous investments in power distribution infrastructure are made and appropriate measures are taken to reduce technical losses. Power is also procured from power plants using environment friendly fuels and renewable power plants to the extent possible.

Various energy conservation initiatives taken by the Company which aid in environmental protection are part of the Board's Report included in this Integrated Annual report and is available at the following link: www.torrentpower.com.

6.3 Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company believes in following world class practices in its operations. The Company has implemented ISO 14001 for Environment Management at most of the units and has established systems and processes for assessing the environmental risks arising out of various activities being carried out. Measures to minimize the environmental impact are in place and are captured in onsite/ offsite emergency plans and in risk registers, more particularly under IMS.

6.4 Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, four projects of the Company have been registered with United Nations Framework Convention on Climate Change (UNFCCC) under CDM. SUGEN Project was one of the largest and pioneering generation project approved under CDM globally in 2007.

Annual reduction of ~8.5 Million CO₂ can be achieved by generation of power through these Projects. The Company has already achieved ~18 Million of CO₂ emission reduction (approved by UNFCCC) as per the Compliance reports filed till date.

Further, 626 MW capacity is in process for registration under Gulf Carbon Council (GCC). Annual reduction of ~1.31 Million of CO₂ could be achieved by generation of power through these plants.

6.5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Bulk of generating capacity of the Company is with the cleanest fuel, namely natural gas. In addition, it has installed solar and wind plants at different locations. The Company has also acquired 231 MW of renewable plants during FY22. The Company intends to further expand its renewable energy generation portfolio.

Further, treated effluent water is being reused, attaining Zero Liquid Discharge (ZLD) since August 2017 at SUGEN and since April 2016 at DGEN. Vegetation and food waste are used in making compost, which in turn is used as manure. Sludge recovered from raw water is compacted through Chamber Filter Press and is used as manure/ for landfill. Solar power is being used for common facilities of townships.

Hazardous wastes viz used oils, e-waste, etc. are disposed off only to authorised recyclers. Further, replacement of conventional luminaires with LED devices, installation of Air Turbo Ventilator at rooftop for air ventilation, installation of Solar Roof Top on EHV buildings, recycling wastewater, rainwater harvesting etc. have been implemented.

In order to promote clean technology and renewable energy, besides what is stated above, the Company has sourced about ~12.4% of its total power requirement of licensed distribution business from wind and solar plants. The Company has also installed Solar Rooftop system for its captive consumption. The Company strives for reduction in distribution losses by improving the network and reducing the theft of electricity. Unauthorized use of electricity has been curtailed which

otherwise also invokes safety hazards. The Company promotes solar power for residential units as per the Solar Policy.

The details of various energy conservation initiatives taken by the Company which aid in energy efficiency are part of the Board's Report included in this Integrated Annual report and are available at the following link: www.torrentpower.com.

6.6 Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Yes, the emissions generated from the Generation units of the Company are within the permissible limits given by CPCB and SPCB for FY22. The data of emissions, where required, is also being shared with CPCB and SPCB through online servers. Waste generated by the Company during FY22 was also within the permissible limits given by CPCB and SPCB. Hazardous waste is disposed of only to authorized recyclers.

6.7 Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/ legal notices have been received during FY22 either from CPCB or SPCB.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

7.1 Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

Yes, the Company is a member of various trade associations and chambers. The major ones are as under:

- Confederation of India Industries (CII)
- Association of Power Producers (APP)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Council of Power Utilities
- Indian Electrical and Electronics Manufacturers' Association (IEEMA)
- Coal Consumers' Association of India (CCAI)
- Gujarat Safety Council
- National Safety Council
- Indian Smart Grid Forum
- National Solar Energy Federation of India (NSEFI)
- Solar Power Developers Association (SPDA)

7.2 Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a principle, the Company does not engage in lobbying. The Company provides suggestions through the above associations for the advancement/ improvement of power sector and cable industry majorly in the areas of Economic Reforms, Energy security and Sustainable Business Principles.

In the course of our regulated business, the submissions, representations and the information provided to the concerned authorities are based on due-diligence and to the best of our knowledge are true and fair; which is the policy of the Company.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

8.1 Does the Company have specified programmes/ initiatives/ projects in pursuit of the Policy related to Principle 8? If yes details thereof.

Yes, the Company has identified specified programmes/ projects in pursuit of the Policy related to Principle 8. The details of such programmes/ projects are part of the Board's Report included in this Integrated Annual Report.

8.2 Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?

The identified programmes/ projects were carried out directly by the Company itself including through its Section 8 company namely "UNM Foundation" which has been promoted by the Company (together with one of its Group Company).

Besides the above, it is also supplementing the efforts of the local institutions/ NGOs/ local Governments/ implementing agencies in the field of Education, Healthcare, Sanitation and Hygiene, etc. to meet priority needs of the underserved communities with the aim to help them become self-reliant.

The details of such programmes/ projects undertaken either on its own or through external agencies are part of the Board's Report included in this Integrated Annual Report.

8.3 Have you done any impact assessment of your initiative?

The details of impact assessment of various CSR initiatives are part of Board's Report included in this Integrated Annual Report.

Business Responsibility Report (Contd.)**8.4 What is your Company's direct contribution to community development projects? Amount in ₹ and the details of the projects undertaken.**

During FY22, the Company contributed ~₹57 Crore to various community development programmes/ projects. The details of such programmes/ projects are part of section on Social and Relationship Capital included in this Integrated Annual Report.

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Various steps taken to ensure that the community development initiatives are successfully adopted by the community are part of Board's Report included in this Integrated Annual report.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**9.1 What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

In the generation and transmission business there were no complaints.

~100% of complaints in Distribution business were resolved within the turnaround time as prescribed by Hon'ble GERC/ MERC/ UPERC.

No complaint was pending as on March 31, 2022 for the cables business.

9.2 Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Not Applicable as the Company has no packaged product.

9.3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

9.4 Did your Company carry out any consumer survey/ consumer satisfaction trends?

A detailed survey to measure Overall Customer Satisfaction Score (CSAT), Customer Loyalty Score and Net Promoter Score was undertaken in FY22 through a professional market research agency. The survey was conducted for over 5,000 consumers across all segments in Ahmedabad, Surat and Dahej. Overall scores achieved are one of the best globally – CSAT score 80%, Loyalty score 93% and Net Promoter Score 57.

Additionally, the Company captures customer feedbacks on daily basis through various channels like feedback forms, customer interactions SMS, etc. Also, through an internally developed platform named "Sampark", calls are made to customers to record their first hand feedback. A total of over 82,000 such feedbacks were collected during FY22 and analyzed for process improvement and better customer satisfaction.

Report On Corporate Governance

This report sets forth the disclosures for FY22, pertaining to Corporate Governance of Torrent Power Limited ("the Company"), as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Corporate Governance philosophy comprises of three core principles of TRANSPARENCY, INTEGRITY and ACCOUNTABILITY in organising and managing all aspects of its activities. Based on this philosophy, the Company develops its practices on various aspects and elements of governance, ensuring that these at the minimum comply with the requirements of applicable laws and regulations. In matters not covered by the applicable laws and regulations, the governance practices are developed in consonance with the core principles and keeping in balance interests of all stakeholders.

For FY22, the Company is in compliance with the Corporate Governance norms stipulated in the Listing Regulations.

2. BOARD OF DIRECTORS**a) Composition and Category of the Board**

As at the year end, the Board had an optimum combination of Executive and Non-Executive Directors with three Women Directors. More than 75% of the

Board Members are Non - executive and more than 55% of the Board Members are Independent Directors.

As at the year end, the Board composition consisted of 9 Directors with following composition:

Executive Director	2 (both Promoter Directors)
Independent Director	5 (includes 2 Women Directors)
Non-Executive Non-Independent Director	2 (1 Promoter Director & 1 Woman Director)
Total	9

Composition of the Board is in conformity with the applicable law and regulations.

b) Details of memberships / chairpersonships of the Directors in other Boards and in Committees of the Board

The table below sets forth the above particulars for each Director as on March 31, 2022.

Name of the Director	Category	Other Directorships	Other Board Committee Memberships	Other Board Committees in which Chairperson	Directorship in other listed entities	
					Name of Entity	Category
Sudhir Mehta, Chairman Emeritus	Non-Executive Director (Promoter)	1	-	-	Torrent Pharmaceuticals Ltd.	Non-Executive Director (Promoter)
Samir Mehta	Chairperson & Managing Director (Promoter)	1	-	-	Torrent Pharmaceuticals Ltd.	Chairperson & Managing Director (Promoter)
Pankaj Patel	Independent Director	3	-	-	Bayer Crop science Ltd.	Independent Director, Chairperson
					Zydus Lifesciences Ltd. (formerly known as Cadila Healthcare Ltd).	Chairperson
Samir Barua	Independent Director	4	2	1	Equitas Small Finance Bank Ltd.	Additional Director

Report On Corporate Governance (Contd.)

Name of the Director	Category	Other Directorships	Other Board Committee Memberships	Other Board Committees in which Chairperson	Directorship in other listed entities	
					Name of Entity	Category
Keki Mistry	Independent Director	5	6	2	Tata Consultancy Services Ltd.	Independent Director
					HDFC Life Insurance Company Ltd.	Non-Executive Director
					HDFC Asset Management Company Ltd.	Non-Executive Non-Independent Director
					Housing Development Finance Corporation Ltd.	Managing Director, Vice Chairman & Chief Executive Officer
Usha Sangwan	Independent Director	3	3	-	SBI Life Insurance Company Ltd.	Independent Non-Executive Director
					Trident Ltd.	Independent Director
Radhika Haribhakti	Additional Director (Non-Executive Independent)	5	6	2	Navin Flourine International Ltd.	Independent Director
					Rain Industries Ltd.	Independent Director
					ICRA Ltd.	Independent Director
					ElH Associated Hotels Ltd.	Independent Director
Mamta Verma, IAS	Additional Director (Non-Executive)	8	-	-	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Director
					Gujarat State Fertilizers & Chemicals Ltd.	Director
Jinal Mehta	Managing Director (Promoter)	1	-	-	-	-

Notes: For the purpose of considering the above numbers:

- All public companies excluding the Company, are considered and all other companies including private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 ("Act") are excluded.
- Only Audit and Stakeholders' Relationship Committee memberships / chairpersonships are reckoned.

Sudhir Mehta and Samir Mehta are brothers. Jinal Mehta is son of Sudhir Mehta. All other Directors are not related inter-se.

All the Directors have periodically and regularly disclosed to the Company information on their directorships, memberships and chairpersonships on the Boards / Committees of other companies. Based on the disclosures received, none of the Directors of the Company hold directorships / memberships / chairpersonships more than the prescribed limits across all companies in which he / she is a Director.

c) Board Meetings

The Board of Directors met 5 times during FY22 on April 08, 2021, May 20, 2021, August 06, 2021, October 27, 2021 and February 03, 2022.

The calendar of Board Meetings of FY22 was communicated to all the Directors well in advance. The Board Meetings of FY22 were conducted from the registered office in Ahmedabad via Audio Video Conferencing. The Board met at least once in a quarter and time gap between two consecutive Meetings did not exceed 120 days.

The agenda for the Board Meeting was circulated to

all the Directors at least 7 days prior to the date of the Meeting, except for table agenda items, which were placed before the Board with approval of the Independent Directors. The agenda for the Board Meetings included detailed notes on the matters to be considered at the Meeting to facilitate the Directors to take informed decisions. Minimum information to be placed before the Board under Regulation 17(7) read with Schedule II of the Listing Regulations was placed before the Board for its consideration. The requisite quorum was present in all the Meetings.

The attendance of each of the Directors at the Board Meetings and Annual General Meeting ("AGM") held during the year under review, are as under:

Name of the Director	Board Meetings held during the year	Board Meetings	Other Board Committee Memberships
Sudhir Mehta	5	5	Yes
Samir Mehta	5	5	Yes
Pankaj Patel	5	5	Yes
Samir Barua	5	5	Yes
Keki Mistry	5	5	Yes
Bhavna Doshi *	5	3	Yes
Dharmishta Raval *	5	3	Yes
Sunaina Tomar, IAS **	5	1	No
Usha Sangwan @	5	3	Yes
Radhika Haribhakti @@	5	2	No
Mamta Verma, IAS @@@	5	1	No
Jinal Mehta	5	5	Yes

* Retired as Independent Director w.e.f. September 30, 2021 upon completion of their second and final term as an Independent Director.

** Resigned as Director w.e.f. June 15, 2021.

@ Appointed as Independent Director w.e.f. May 21, 2021.

@@ Appointed as Additional Director (Non-Executive Independent) w.e.f. August 07, 2021.

@@@ Appointed as Additional Director (Non-Executive Director) w.e.f. August 07, 2021.

d) Independent Directors

Based on the declaration of independence and other disclosures made by the Independent Directors, the Board has noted that they fulfil the conditions of independence specified in the Act and the Listing Regulations.

Based on the disclosures made by them, no Independent Director served as an Independent

Director in more than 7 listed companies and where the Independent Director was a Whole-time Director / Managing Director in any listed company, he / she was not Independent Director in more than 3 listed companies.

A Meeting of the Independent Directors was held on February 03, 2022 under the Chairpersonship of Samir Barua to review the matters as required by Schedule IV of the Act and the Listing Regulations.



Report On Corporate Governance (Contd.)

e) Criteria for selection of new Directors and Committee Membership

The Company has in place a policy, which provides criteria as well as process for the identification/ appointment of the Directors of the Company. The

Policy on Directors' appointment forms part of the Board's Report. The table below sets forth the core skills / expertise / competencies identified by the Board along with names of Directors who have such skills / expertise / competence for effective functioning of the Board of Directors:

Skills, Expertise, Competencies	Sudhir Mehta	Samir Mehta	Pankaj Patel	Samir Barua	Keki Mistry	Usha Sangwan	Radhika Hari-bhakti	Mamta Verma, IAS	Jinal Mehta
Strategic Leadership	Significant leadership experience to think strategically and develop effective strategies to drive change and growth in context of the Company's overall objectives.								
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Experience	Experience and/ or knowledge of the industry in which the Company operates.								
	Yes	Yes	--	--	--	--	--	Yes	Yes
Financial expertise	Qualification and/ or experience in accounting and/ or finance coupled with ability to analyse key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.								
	--	Yes	--	Yes	Yes	Yes	Yes	Yes	Yes
Governance, Risk and compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and compliance frameworks, identifying and monitoring key risks.								
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.								
	--	--	--	--	--	Yes	Yes	Yes	--

f) Familiarisation Programme

The Company and business familiarisation process for the Independent Directors was an ongoing process during the Financial Year and largely carried out by way of special discussions and presentations at Board/ Committee Meetings on important matters such as key regulatory changes, material legal matters, changing industry trends, periodic operations review, annual budget review (including capex plan), strategy discussions and exceptional developments, if any, in the Company.

The details of such familiarization program have been disclosed on the Company's website at https://www.torrentpower.com/pdf/investors/FamiliarisationProgramme_20220502132040.pdf

g) Shareholding of Non-Executive Directors as on March 31, 2022

- Sudhir Mehta, Chairman Emeritus
6,882 equity shares

Apart from the above, none of the Non-Executive Directors holds any shares of the Company.

3. AUDIT COMMITTEE**a) Terms of Reference**

Major Terms of Reference of the Committee includes:

- Overseeing financial reporting process and review of financial statements (Including quarterly financial statements) and Auditor's Report of the Company and its unlisted subsidiaries;
- Reviewing functioning of vigil mechanism / whistle blower policy;
- Reviewing and approval of related party transactions;
- Scrutiny of inter-corporate loans and investments;
- Reviewing of internal audit function and reports;

- Evaluating internal financial control and risk management system;
- Recommending to the Board appointment and remuneration of auditors and review their performance and adequacy of internal control systems.
- Reviewing the statement of uses / application of funds raised through any issue;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Reviewing utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Valuation of any undertakings, assets, net worth,

liabilities of the Company, if necessary;

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The Terms of Reference were in full compliance with provisions of the Act and the Listing Regulations.

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2022 are set forth below.

Name of the Director	Category of Directorship	Chairperson/Member	No. of Meetings attended
Samir Barua	Independent Director	Chairperson	5
Keki Mistry	Independent Director	Member	5
Bhavna Doshi *	Independent Director	Member	3
Dharmishta Raval *	Independent Director	Member	3
Usha Sangwan #	Independent Director	Member	2
Radhika Haribhakti #	Additional Director (Non-Executive Independent)	Member	2

* Ceased to be a Member of the Committee w.e.f. September 30, 2021 due to completion of the second and final term as an Independent Director of the Company.

Appointed as Member of the Committee w.e.f. October 01, 2021.

Composition of the Committee was in compliance with the provisions of the Act and the Listing Regulations.

During the year under review, five Meetings of the Committee were held on April 08, 2021, May 20, 2021, August 06, 2021, October 27, 2021 and February 03, 2022. The Committee met once in a quarter and time gap between two consecutive Meetings did not exceed 120 days. Senior Management of the Company and representatives of Statutory and Internal Auditors were invited to the Meetings. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

4. NOMINATION AND REMUNERATION COMMITTEE**a) Terms of Reference**

Major Terms of Reference of the Committee includes:

- Evaluation and recommendation of composition of the Board and its sub-committees;

- Evaluation of the balance of skills, knowledge and experience on the Board for every appointment of an independent director and on the basis of such evaluation, to prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified.
- Formulation of criteria for determining qualification, positive attributes and independence of a Director;
- Identification of persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with criteria laid down and recommend the same to the Board for their appointment and removal;
- Recommendation to the Board, remuneration proposed to be paid to Directors/ Key Managerial Personnel (KMP) / Senior Management;

Report On Corporate Governance (Contd.)

- Recommendation of Remuneration Policy to the Board;
 - Formulation of policy on Board Diversity of the Company;
 - Formulation of criteria for performance evaluation of Board, Committees, Individual Directors.
- The Terms of Reference were in full compliance with provisions of the Act and the Listing Regulations.
- b) Composition and Committee Meetings**
- The particulars of the Committee as on March 31, 2022 are set forth below.

Name of the Director	Category of Directorship	Chairperson/ Member	No. of Meetings attended
Pankaj Patel	Independent Director	Chairperson	3
Sudhir Mehta	Non-Executive Director (Promoter)	Member	3
Dharmishta Raval*	Independent Director	Member	3
Radhika Haribhakti #	Additional Director (Non-Executive Independent)	Member	N.A.

* Ceased to be a Member of the Committee w.e.f. September 30, 2021 due to completion of the second and final term as an Independent Director of the Company.

Appointed as Member of the Committee w.e.f. October 01, 2021.

Composition of the Committee was in compliance with provisions of the Act and the Listing Regulations.

During the year under review, three Meetings of the Committee were held on April 08, 2021, May 20, 2021 and August 06, 2021. All the recommendations/ submissions made by the Committee during the year were accepted by the Board.

c) Performance Evaluation Criteria for Independent Directors

The criteria as well as process for evaluation of the Independent Directors are given below:

Criteria

- Fulfillment of functions
- Participation in the Board in terms of adequacy (time & content)
- Contribution at Meetings
- Guidance/ support to the Management outside the Board / the Committee meetings
- Independent views and judgement

Process

- The Chairperson of the Board to discuss self and peer evaluation on a One-on-One basis with each Director.
- The Chairperson to consolidate the comments and give the feedback to individual Directors.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) Terms of Reference

Major Terms of Reference of the Committee includes:

- Resolution of the grievances of all stakeholders including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate share certificates, general meetings;
- Review of transfer/ transmission/ name deletion requests and issuance of duplicate share certificate;
- Overseeing performance of Registrar & Share Transfer Agent in respect of adherence to service standards adopted by the Company;
- Determination of Book Closure period and Record Date in respect of shares, debentures, other securities and General Meetings of the Company;

The Terms of Reference were in full compliance with provisions of the Act and the Listing Regulations.

Powers to approve share transfers/ transmission and related requests have been delegated by the Committee to Senior Officials of the Company for expeditious disposal of the Members' requests and complaints.

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2022 are set forth below:

Name of the Director	Category of Directorship	Chairperson/ Member	No. of Meetings attended
Pankaj Patel	Independent Director	Chairperson	14
Samir Mehta	Chairperson	Member	14
Jinal Mehta	Managing Director (Promoter)	Member	13

Composition of the Committee was in compliance with provisions of the Act and the Listing Regulations.

During the year under review, fourteen meetings of the Committee were held on April 12, 2021, May 17, 2021, May 20, 2021, July 29, 2021, August 31, 2021, September 13, 2021, October 11, 2021, October 27, 2021, November 19, 2021, December 20, 2021, January 06, 2022, February 07, 2022, March 03, 2022 and March 14, 2022. All the recommendations/ submissions made by the Committee during the year were accepted by the Board. Rahul Shah, Company Secretary is the Compliance Officer of the Company.

c) Investor Grievance Redressal

The Company received 19 complaints during the year under review and the same have been resolved to the satisfaction of the complainants within a reasonable period of time.

6. RISK MANAGEMENT COMMITTEE

a) Terms of Reference

Major Terms of Reference of the Committee includes:

- Formulation of Risk Management Policy including its framework for identification of internal and

Name of the Director	Category of Directorship	Chairperson/ Member	No. of Meetings attended
Samir Barua	Independent Director	Chairperson	2
Bhavna Doshi*	Independent Director	Member	1
Usha Sangwan#	Independent Director	Member	1
Radhika Haribhakti#	Additional Director (Non-Executive Independent)	Member	1
Lalit Malik	Chief Financial Officer	Member	2

* Ceased to be a Member of the Committee w.e.f. September 30, 2021 due to completion of the second and final term as an Independent Director of the Company.

Appointed as Member of the Committee w.e.f. October 01, 2021.

external risks, Measures for risk mitigation, business continuity plan etc.

- Ensuring that appropriate methodology, processes, controls and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy, including evaluating adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering changing industry dynamics and evolving complexity;
- Informing Board about nature and content of its discussions, recommendations and actions to be taken;
- Appointment, removal and approving terms of remuneration of the Chief Risk Officer (if any);

The Terms of Reference were in full compliance with provisions of the the Listing Regulations.

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2022 are set forth below.



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Composition of the Committee was in compliance with provisions of the Act and the Listing Regulations.

During the year under review, two Meetings of the Committee were held on July 28, 2021 and January 17, 2022. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

Note: All the Meetings of the Committees were held through Audio-Video Conferencing as allowed by the Ministry of Corporate Affairs.

7. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE (CSRSC)

The complete details of the constitution, meetings, attendances of the Chairperson and Members of the Meetings of the CSRSC are disclosed in the CSR Annual Report part which forms a part of the Board's Report of the Company.

8. REMUNERATION OF DIRECTORS**a) Remuneration Policy**

(₹ in crore)				
Name of the Director [§]	Sitting Fees	Salary & Perquisites [#]	Commission	Total
Samir Mehta	-	-	10.00	10.00
Pankaj Patel	0.09	-	0.27	0.36
Samir Barua	0.16	-	0.37	0.53
Keki Mistry	0.11	-	0.30	0.41
Bhavna Doshi	0.08	-	0.21	0.29
Dharmishta Raval	0.09	-	0.22	0.31
Sunaina Tomar, IAS [®]	0.01	-	0.05	0.06
Usha Sangwan	0.09	-	0.21	0.30
Radhika Haribhakti	0.06	-	0.14	0.20
Mamta Verma, IAS [®]	0.01	-	0.05	0.06
Jinal Mehta	-	12.06	2.50	14.56
Total	0.70	12.06	14.32	27.08

[§] None of the Directors are entitled to severance pay.

[#] Includes Salary, House Rent Allowance, contribution to Provident/ Superannuation Funds and approved Allowances/ Perquisites (excluding premium for Group Personal Accident and Group Mediclaim Insurance).

[®] Sitting fees and Commission of Sunaina Tomar & Mamta Verma, IAS (nominated by the Government of Gujarat (GoG)) is paid/ payable to the GoG.

Directors have not been granted any stock options during the year under review.

Apart from payment of Sitting Fees, Annual Commission

The Company has in place the policy relating to remuneration of the Directors, KMP and other employees of the Company. As required by the Act, the Remuneration Policy has been uploaded on the website of the Company at:

https://www.torrentpower.com/pdf/investors/20191014_remuneration_policy.pdf

b) Non-Executive Directors

Non-Executive Directors are compensated by way of Sitting Fees (except promoter category Non-Executive Director) for Meetings attended and annual Commission for participation in Meetings attended. Members have approved payment of annual Commission to Non-Executive Directors, in addition to Sitting Fees, within the limits laid down under the provisions of the Act. The Board of Directors in terms of authorisation granted by the Members, approved the Commission to be paid to each Non-Executive Director. Detailed criteria for remuneration of Non-Executive Directors are part of Remuneration Policy as mentioned above.

c) Particulars of remuneration paid to the Directors for FY22

and shareholding of Non-Executive Directors disclosed in part 2(g) above, there was no other pecuniary relationship or transactions between the Company and the Non-Executive Directors.

9. GENERAL BODY MEETINGS

- Last 3 Annual General Meetings of the Company

Meeting	Date	Time	Venue	No. of Special Resolutions passed
15 th AGM	August 05, 2019	09:30 am	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	2
16 th AGM	August 06, 2020	09.30 am	Through Video Conferencing/ Other Audio Visual Means from "Samanvay", 600 Tapovan, Ambawadi, Ahmedabad- 380015	2
17 th AGM	August 06, 2021	09.30 am	Through Video Conferencing/ Other Audio Visual Means from "Samanvay", 600 Tapovan, Ambawadi, Ahmedabad- 380015	2

No Postal Ballot was conducted during the year under review and as of the date of this report, there is no proposal to pass any special resolution through Postal Ballot.

10. MEANS OF COMMUNICATION

During the year, quarterly Unaudited Financial Results with Limited Review Report and annual Audited Financial Results of the Company with the Auditors' Report thereon were submitted to the stock exchanges upon their approval by the Board. The Company published its quarterly Financial Results in two English daily newspapers having nationwide circulation i.e. Indian Express and Financial Express and in one regional newspaper i.e. Financial Express (Gujarati Edition). The Company also submitted to the Stock Exchanges the schedule of analysts' or institutional investors' meets and presentations to them. The Company's website: www.torrentpower.com also displays the official news releases of relevance, schedules

and presentations for investors, key Company Policies, its values, CSR and other relevant information in addition to the Financial Results. An exclusive section as "Investors" serves to inform and service the Members, enabling access to information at their convenience.

Pursuant to MCA General Circular No. 2/2022 dated May 05, 2022 read with General Circular No. 20/2020 dated May 05, 2020, Annual Report shall be sent only by email to the members. In view of the same, the Company will send soft copy of Integrated Annual Report for FY22 to those Members whose email IDs are registered with the DPs and/ or with the Company's RTA. Also, soft copy of Integrated Annual Report will be available on the Company's website: www.torrentpower.com.

11. GENERAL SHAREHOLDER INFORMATION**a) 18th Annual General Meeting (AGM)**

Date	:	Monday, August 08, 2022
Time	:	9.30 am
Venue	:	Video Conference / Other Audio-Visual Means
Remote E-voting Period	:	From 9.00 am on August 04, 2022 to 5.00 pm on August 07, 2022
Cut-off date for Remote E-voting	:	August 01, 2022

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b) Tentative Financial Calendar for the year ended March 31, 2023

Financial year	:	April 01, 2022 – March 31, 2023
First quarter results	:	Second week of August, 2022
Second quarter results	:	Second week of November, 2022
Third quarter results	:	Third week of February, 2023
Results for the year end	:	Third week of May, 2023

c) Dividend Payment date

The Interim dividend of ₹9.00/- per equity share of ₹10/- each was declared for the financial year 2021-22 at the Board meeting held on February 03, 2022. Payment of such dividend was made on or before March 05, 2022, subject to deduction of tax at source.

The said Interim dividend to be confirmed as Final dividend at the ensuing Annual General Meeting.

d) Listing on Stock Exchanges and Security Codes

- Equity Shares of the Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. in India:

Stock Exchange	ISIN	Security Code
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	INE813H01021	532779
National Stock Exchange of India Ltd. (NSE) “Exchange Plaza”, C – 1, Block G, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051	INE813H01021	TORNTPOWER

- Non-Convertible Debentures (“NCDs”) of the Company are listed on the Wholesale Debt Market segment of NSE:

Series	Secured / Unsecured	Coupon rate (p.a.)	ISIN	Security Code
Series 1 [§]	Secured	10.35%	INE813H07010	TOPO22
Series 2B*	Secured	10.35%	INE813H07069	TOPO22
Series 2C	Secured	10.35%	INE813H07077	TOPO23
Series 3A [#]	Secured	8.95%	INE813H07085	TOPO21
Series 3B	Secured	8.95%	INE813H07093	TOPO22
Series 3C	Secured	8.95%	INE813H07101	TOPO23
Series 4A	Unsecured	10.25%	INE813H08018	TOPO22
Series 4B	Unsecured	10.25%	INE813H08026	TOPO23
Series 4C	Unsecured	10.25%	INE813H08034	TOPO24
Series 5	Secured	7.65%	INE813H07119	TOPO23
Series 6	Secured	7.30%	INE813H07127	TOPO23
Series 7A	Secured	6.50%	INE813H07135	TOPO25
Series 7B	Secured	6.90%	INE813H07143	TOPO26
Series 7C	Secured	7.25%	INE813H07150	TOPO27

[§] Series 1: 550 NCDs were partly redeemed on September 27, 2021.

* Series 2B: 100 NCDs were fully redeemed on March 25, 2022.

[#] Series 3A: 80 NCDs were fully redeemed on April 06, 2021.

- Annual listing fees for both, Equity and Debt securities for FY22 have been paid to the Stock Exchanges, where the securities of the Company are listed.

e) Market price data

Closing market price of equity shares on March 31, 2022 was ₹491.90 on BSE and ₹491.85 on NSE.

Monthly movement of equity share prices during the year at BSE and NSE:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2021	429.95	375.00	18,85,849	428.55	375.50	1,76,87,159
May, 2021	465.40	388.30	19,14,567	465.90	388.25	3,96,89,170
June, 2021	508.85	429.10	30,99,602	508.70	429.00	5,25,64,905
July, 2021	484.35	446.30	12,26,999	483.85	446.00	1,63,26,241
August, 2021	499.55	437.60	13,92,975	499.80	437.25	2,65,73,528
September, 2021	527.05	464.75	15,26,961	527.35	464.90	2,87,34,956
October, 2021	544.80	482.30	18,48,267	544.90	482.25	3,03,85,985
November, 2021	560.70	495.00	10,80,988	560.75	494.50	2,10,34,760
December, 2021	606.05	526.40	11,92,345	606.55	526.00	2,15,94,258
January, 2022	589.85	521.30	5,91,280	589.80	521.55	1,29,72,985
February, 2022	589.95	435.00	13,39,678	589.90	433.00	2,82,81,686
March, 2022	499.20	456.75	4,78,619	499.20	448.45	82,14,646

f) Performance of Equity Share Price vis-à-vis Nifty 50 is as under:

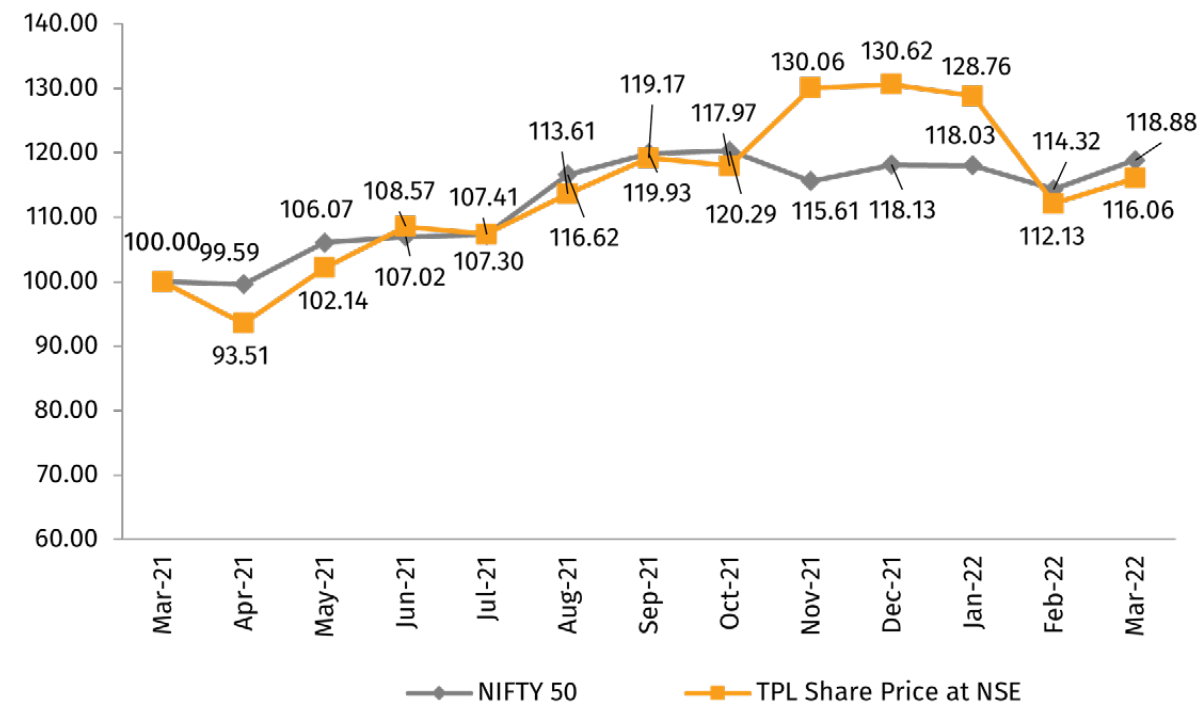
Month	TPL Share Price at NSE (₹)*	NIFTY 50 during the Month* (₹)	Relative Index for comparison purpose	
			TPL share price (%)	NIFTY 50(%)
March, 2021	423.80	14,690.70	100.00	100.00
April, 2021	396.30	14,631.10	93.51	99.59
May, 2021	432.85	15,582.80	102.14	106.07
June, 2021	460.10	15,721.50	108.57	107.02
July, 2021	455.20	15,763.05	107.41	107.30
August, 2021	481.50	17,132.20	113.61	116.62
September, 2021	505.05	17,618.15	119.17	119.93
October, 2021	499.95	17,671.65	117.97	120.29
November, 2021	551.20	16,983.20	130.06	115.61
December, 2021	553.55	17,354.05	130.62	118.13
January, 2022	545.70	17,339.85	128.76	118.03
February, 2022	475.20	16,793.90	112.13	114.32
March, 2022	491.85	17,464.75	116.06	118.88

* Closing data on the last trading day of the month. Closing equity share price at NSE and NIFTY 50 of March 31, 2021 have been taken as the base for calculating relative index for comparison purpose.



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Relative Performance of TPL Share Price v/s Nifty 50



g) Registrar and Share Transfer Agent

Members are requested to send all documents pertaining to duplicate/ transmission/name deletion/ demat requests and other communications in relation thereto directly to the Registrar and Share Transfer Agent at the following address:

Link Intime India Pvt. Ltd.

506 to 508,
Amarnath Business Centre - I (ABC - I),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner,
Off C G Road, Ellisbridge,
Ahmedabad-380006 (Gujarat).
Telephone: +91 079 26465179/86/87
Fax : +91 079 26465179
E-mail: ahmedabad@linkintime.co.in

h) Share Transfer System

In terms of Regulation 40(1) of the Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of transmission of securities or transposition of names. The Members holding shares in physical form are requested to convert their holdings to dematerialized form. Transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company.

The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 and December 14, 2021 has prescribed mandatory provisions for "Common and Simplified Norms for processing Investor's Service request by RTAs and norms for furnishing PAN, KYC details and Nomination". Further, it has made mandatory for the Members holding securities in physical form to furnish PAN, KYC details and either Nomination or declaration to Opt-out to the Registrar and Transfer Agent ('RTA') of the Company. In case of failure to provide required documents and details as per the aforesaid SEBI circular, all folios of such Members shall be frozen on or after April 01, 2023 by the RTA. More details of the above are available on the website of the Company <https://www.torrentpower.com/index.php/investors/holdingshares>.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

Powers to approve share transfers and related requests have been delegated by the Stakeholders Relationship Committee to the Senior Officials of the Company for expeditious disposal of the Members' requests and complaints. Details of transfers/ transmission approved by the delegates were noted by the Stakeholders Relationship Committee at its meeting once in a quarter, which were subsequently noted by the Board of Directors.

i) Distribution of shareholding as on March 31, 2022

• By size of shareholding

No. of Shares	No. of Members	% Members	No. of Shares	% of Shareholding
001 to 500	1,25,391	92.18	59,90,306	1.25
501 to 1000	5,441	4.00	36,92,487	0.77
1001 to 2000	2,247	1.65	32,36,714	0.67
2001 to 3000	936	0.69	23,61,934	0.49
3001 to 4000	404	0.30	14,21,252	0.30
4001 to 5000	344	0.25	15,66,869	0.33
5001 to 10000	630	0.46	44,80,246	0.93
10001 & above	637	0.47	45,78,66,976	95.27
Total	1,36,030	100.00	48,06,16,784	100.00

• By category of Members

Sr. No.	Category	No. of Shares	% of Shareholding
1	Promoters	25,74,43,318	53.57
2	Mutual Funds	6,87,11,239	14.30
3	Foreign Portfolio Investors	3,29,56,178	6.86
4	Insurance Companies	3,06,70,733	6.38
5	Central Government / State Government(s)	70,58,501	1.47
6	Financial Institutions and Banks	10,59,322	0.22
7	Body Corporates	4,79,35,639	9.97
8	Non-Institutional Individuals	3,07,79,647	6.40
10	Others	40,02,207	0.83
	Total	48,06,16,784	100.00

j) Dematerialisation and Liquidity of shares

Equity Shares of the Company can be traded only in dematerialised form by the investors. The Company has established connectivity with National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL"). Demat security (ISIN) code for the equity shares of the Company is INE813H01021. As on March 31, 2022, 97.57% of the equity shares have been dematerialised. The shares of the Company are frequently traded on both the Stock Exchanges and hence, the equity shares of the Company are liquid.

k) Outstanding GDRs/ ADRs/ Warrants/ any other convertible instruments

The Company has not issued any GDRs/ ADRs/ warrants or any convertible instruments as on date.

l) Disclosure of commodity price risk/ foreign exchange risk and hedging activities

The Company has exposure to US\$ / 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 exposures are not likely to have material financial impact on the Company.

Report On Corporate Governance (Contd.)

The following were the material commodity exposures of the Company during FY22:

Commodity	Exposure in INR (₹ in Crore)	Exposure in Quantity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Imported & domestic Coal	460	14,30,413 MT	-	-	-	-	-
Liquefied Natural Gas & domestic natural gas	2,031	4,22,03,474 MMBTU	-	-	-	-	-

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.

m) Registered Office and Plant/ Unit Locations

Registered Office	Generation
"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015 (Gujarat)	i. SUGEN, UNOSUGEN and GENSU, Off National Highway No. 8, Taluka: Kamrej, District: Surat-394155 (Gujarat) ii. AMGEN, Ahmedabad-380005 (Gujarat) iii. DGEN, Plot no Z-9, Dahej SEZ, Taluka Vagra, Dist. Bharuch – 392130 (Gujarat) iv. Renewable generation projects located at Patan, Surat, Jamnagar, Rajkot, Kutch in Gujarat, Osmanabad in Maharashtra and Gulbarga and Raichur in Karnataka.
	Distribution
	i. AEC cross roads, Sola Road, Naranpura, Ahmedabad – 380013 (Gujarat) ii. Torrent House, Station Road, Surat-395003 (Gujarat) iii. Plot No. Z/21, Dahej SEZ, Part I, Taluka Vagra, Dist. Bharuch – 392130 (Gujarat) iv. Plot 3a, C7 Road, Dholera Smart City, Behind Dholera village, Taluka: Dholera, Dist. Ahmedabad -382455 (Gujarat) v. Near Narpoli Police Station, Opposite Kashinath Patil Hospital, Building A Wing, Type 3, Ground to 3 rd Floor, Aadeshwar Tower, Old Agra Road, Kamat Ghar, Bhiwandi, Thane-421302 (Maharashtra) vi. 3 rd and 4 th Floor, "Fortune Plaza" Plot No E-4, Taj Nagri Phase-2, Sector-E, Near Hotel Courtyard Marriott, Fatehabad Road, Agra-282001 (Uttar Pradesh) vii. Shop No S1, S2, Office No 101, 201, Building- E, Ground to 2 nd Floor, Mayurs Nature Glory, Parsik Nagar, Kalwa, Thane-400605 (Maharashtra)

n) Address for Correspondence**Company Secretary**

Torrent Power Limited
"Samanvay",
600 Tapovan, Ambawadi,
Ahmedabad-380015 (Gujarat)
CIN: L31200GJ2004PLC044068
Telephone : + 91 79 26628300
Fax : +91 79 26764159
E-mail : cs@torrentpower.com
Website : www.torrentpower.com

Ballard Estate,
Mumbai- 400001 (Maharashtra)
Telephone : (022) 4080 7005

p) Credit Rating

During the year, CRISIL upgraded the long-term rating of the Company from AA/Positive to AA+/Stable and reaffirmed the short-term credit rating of A1+. India Ratings has reaffirmed short term rating at IND A1+ to the Commercial Paper Programme of the Company. CRISIL has also upgraded long term rating of the non-convertible debentures issued by Jodhpur Wind Farms Private Limited and Latur Renewable Private Limited, wholly owned subsidiaries of the Company, from AA(CE)/Positive to AA+(CE)/Stable, which has resulted in decrease in Coupon rate from 7% to 6.75% from the date of rating upgrade.

o) Debenture Trustees

IDBI Trusteeship Services Ltd.,
Asian Building, Ground Floor,
17, R. Kamani Marg,

12. OTHER DISCLOSURES**a) Related Party Transactions**

The Company has formulated Related Party Transaction Policy, which is in compliance with provisions of the Act and the Listing Regulations. The policy can be accessed on the website of the Company at the web link:
https://www.torrentpower.com/pdf/investors/RPTPolicy002_20220617151631.pdf

During the year, the Company did not enter into any transaction with related parties which were material in nature as defined in the Listing Regulations. All the related party contracts/ arrangements and transactions entered into by the Company were put forth for the prior approval of the Audit Committee and the Board, as applicable, in compliance with the said policy. The Company has not entered into any transactions, which requires approval of the Members.

Statement of related party transactions was presented to the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of contracts/ arrangements and transactions entered into by the Company with related parties are set out in the Notes to the Financial Statements forming part of this Integrated Annual report.

b) Legal Compliances

The Company has formalised a system to track, monitor and document legal compliances applicable to the Company. The Board periodically reviews compliance reports (of all the laws applicable to the Company), prepared by the management. There were no instances of material non-compliances during the year under review. No strictures were passed or penalties imposed on the Company by SEBI, Stock Exchanges or any statutory authority on any matter related to capital markets during the last three years.

c) Vigil Mechanism /Whistle Blower Policy

The Board has adopted Vigil Mechanism/ Whistle Blower Policy for the Company, under which the Company has institutionalised a mechanism for the stakeholders to disclose their concerns and grievances on unethical behaviour and improper/

illegal practices and wrongful conduct and instances of leak or suspected leak of Unpublished Price Sensitive Information ("UPSI") taking place in the Company for appropriate action. The policy was amended by the Board on May 20, 2021 and amended policy is available on the website of the Company at
<https://www.torrentpower.com/pdf/investors/WhistleBlowerPolicy.pdf>

During the year, functioning of the Vigil Mechanism was reviewed by the Audit Committee on quarterly basis. No employee intending to report under Vigil Mechanism was denied access to the Audit Committee.

d) Compliance with all the mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company.

e) Material Subsidiary Policy

The Company has formulated a Policy for determining "Material Subsidiary" and same is available on Company's website at https://www.torrentpower.com/pdf/investors/19-01-2019_2vueh_policy_materialsubsidiaries2.pdf

f) Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement

During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations. However, during the year under review, the Company has issued NCDs on private placement basis, listed on debt market segment of National Stock Exchange Limited. The Company affirms that there has been no deviation or variation in utilisation of proceeds of the listed NCDs of the Company.

g) Certificate of Practicing Company Secretary

The Company has obtained a certificate from M/s Rajesh Parekh & Co., Practicing Company Secretary, Ahmedabad stating that none of the Directors on the Board of the Company have been debarred/ disqualified from being appointed/ continuing as Directors of any company, by the SEBI and the Ministry of Corporate Affairs or any such Statutory authority.



Report On Corporate Governance (Contd.)**h) Fees paid to Statutory Auditors**

During the year, total fees, for all services (including out of pocket expenses and taxes), paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors - Price Waterhouse Chartered Accountants LLP (012754N/N500016) and to all entities in the network of which Auditor is a part are as under:

	(₹ in crore)
Audit Fees	1.64
Other Services certificates etc.	0.54
Reimbursement of expenses	0.02
Total	2.20

Ahmedabad
May 10, 2022

Jinal Mehta
Managing Director
DIN: 02685284

i) Protection of Women against Sexual Harassment at Work-Place

Pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the Company has adopted a "Policy on Protection of Women against Sexual Harassment at Work Place". Pursuant to the said Policy, the Company has formed Internal Complaints Committee with majority women members at each of the Unit/Administrative Office. During the year, no complaints were filed with the Internal Complaints Committee.

j) Compliance with Corporate Governance

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

For and on behalf of the Board

Certificate of Compliance with the Code of Business Conduct

To,
The Members,
Torrent Power Limited

Torrent Power Limited has in place a Code of Business Conduct (the "Code") for its Board of Directors, Senior Management Personnel and other employees of the Company. I report that the Board of Directors have received affirmation on compliance with the Code from the Members of the Board and Senior Management of the Company for the year under review.

Ahmedabad
May 10, 2022

For and on behalf of the Board

Jinal Mehta
Managing Director
DIN: 02685284



Independent Auditor's Report

To the Members of Torrent Power Limited

Report on the Audit of the Standalone Financial Statements

Opinion

- We have audited the accompanying standalone financial statements of Torrent Power Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key audit matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
i. Impairment assessment for Power Plant located at Dahej (Refer to note 42(1) to the standalone financial statements): The carrying amount of Property, Plant & Equipment ("PP&E") includes an amount of ₹ 1,378.90 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started its commercial operations from November 2014 ("COD") and has operated only intermittently after the COD. As a result of the above, and given the current economic environment, management has carried out an impairment assessment of DGEN in accordance with Ind AS 36 'Impairment of Assets' and with the help of an external valuer, has measured the recoverable amount based on 'value in use' which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN. Such assessment involved several key assumptions including expected demand of electricity, future prices of fuel, foreign exchange rate, expected tariff rates of electricity and discount rate, which are considered by management based on past trends and current and likely future state of the industry. Based on such assessment, the value in use arrived at by the management was lower than the carrying amount of DGEN as at March 31, 2022 and accordingly, the Company has provided for an additional impairment loss of ₹ 1,300 Crore. We considered this to be a key audit matter as the carrying value of DGEN at March 31, 2022 is significant to the Company's balance sheet and there is significant judgement and estimation involved in the discounted cash flow (DCF) model used by the management to assess the value in use of DGEN.	Our procedures in relation to management's impairment assessment of DGEN included the following: <ul style="list-style-type: none"> Assessed and tested the design and operating effectiveness of the Company's controls over impairment assessment. Perused the report issued by the external valuer engaged by the management and conducted enquiries with them to understand the assumptions considered by them. Evaluated independence, competence, capability and objectivity of the external valuer. Evaluated the reasonableness of cash flow projections used by the Company and the key assumptions underlying the same. With the involvement of auditor's experts, assessed the reasonableness of the assumptions considered in the discounted cash flow projections for determining value in use. Enquired with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same, within a reasonably foreseeable range. Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. Assessed the adequacy of disclosure in the standalone financial statements. Based on the above procedures performed, we considered management's assessment of impairment of DGEN to be reasonable.
ii. Assessment of recoverability of Deferred tax assets on unutilised tax credits (Refer to note 43 to the standalone financial statements) The Company has recognised deferred tax assets on the unutilised tax credits amounting to ₹ 1,474.20 Crore as at March 31, 2022, representing Minimum Alternate Tax (MAT) paid on the accounting profit in the earlier years in which the Company did not have normal taxable profit due to availment of tax holiday. The asset has been recognised on the basis of Company's assessment of availability of future taxable profits to offset the accumulated deferred tax assets on the unutilised tax credits. The future taxable profit projections involve several key assumptions including expected demand of electricity, future prices of fuel, expected tariff rates of electricity and foreign exchange rate, covering the period over which MAT Credit can be claimed as per the Income-tax Act, 1961. In preparing the profit projections, management has considered past trends, applicable tariff regulations/ agreements and current and likely future state of the industry. We considered this a key audit matter as the amount of deferred tax assets on unutilised tax credits is material to the standalone financial statements and significant management judgement is required in assessing the recoverability of accumulated deferred tax assets on unutilised tax credits based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Company's future business plans.	Our audit procedures in relation to management's assessment of recoverability of Deferred tax assets on unutilised tax credits included the following: <ul style="list-style-type: none"> Assessed and tested the design and operating effectiveness of the Company's controls over recognition and assessment of recoverability of deferred tax assets on unutilised tax credits. Assessed the Company's accounting policy in respect of recognizing deferred tax assets on unutilised tax credits. Enquired with senior management personnel, the justification for the key assumptions underlying the projections and assessed the reasonableness of the assumptions underlying profit projections made by management, by verifying the past trends, available tariff orders and relevant economic and industry indicators. Further, performed sensitivity analysis over the assumptions used in determining the projected taxable profits, within a reasonable range. Evaluated whether the tax credit entitlements are legally available to the Company for the forecast recoupment period, considering the provisions of Income-tax Act, 1961. Checked the arithmetic accuracy of the underlying calculations of the profit projections. Assessed the adequacy of disclosures made in the standalone financial statements with regard to deferred taxes. Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets in respect of accumulated deferred tax assets on unutilised tax credits to be reasonable.



Independent Auditor's Report (Contd.)

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Management Discussion and Analysis, Business Responsibility Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon.

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

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

We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

Independent Auditor's Report (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



Independent Auditor's Report (Contd.)

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 45(a) to the standalone financial statements;
 - The Company has made provision as at March 31, 2022, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Note 33. The Company did not have any derivative contracts as at March 31, 2022;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
 - (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 46(c) to the standalone financial statements);
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 46(c) to the standalone financial statements); and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 22109553AIRUZF8399

Place: Ahmedabad
Date: May 10, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

- We have audited the internal financial controls with reference to financial statements of Torrent Power Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls with reference to financial statements

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



Annexure A to Independent Auditor's Report (Contd.)

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements for the year ended March 31, 2022

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 22109553AIRUZF8399

Place: Ahmedabad
Date: May 10, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2022

- i. a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- b. The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. As regards underground distribution systems, we have been informed that the same are not physically verifiable.
- c. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 4 on Property, Plant and Equipment, Note 5 on Right-of-use assets and Note 7 on Investment Property to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Freehold Land	3.39	SEC Limited	No	17 years	Amalgamated due to various court orders. Appeal filed against rate valuation.
Freehold Land	2.00	AEC Limited	No	17 years	
Freehold Land	1.30	SEC Limited	No	17 years	
Freehold Land	0.11	AEC Limited	No	17 years	
Freehold Land	0.14	Torrent Power AEC Limited	No	17 years	Applications filed and under process of name change.
Freehold Land	0.03	Torrent Power SEC Limited	No	15 years	
Building	0.05	SEC Limited	No	17 years	
Leasehold Land	5.39	AEC Limited	No	17 years	
Leasehold Land	0.40	Torrent Power AEC Limited	No	17 years	
Leasehold Land	6.92	SEC Limited	No	17 years	
Leasehold Land	1.69	Torrent Power SEC Limited	No	17 years	

- d. The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- e. Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.



Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2022

- ii. a. The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- b. During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 Crore, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. (Also refer Note 29 to the standalone financial statements)
- iii. a. The Company has made investments in six companies, granted unsecured loans to eight companies and six other parties, provided security to a company and stood guarantee to a company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees or security to subsidiaries and associates are as per the table given below:

	(₹ in Crore)		
	Guarantees	Security	Loans
Aggregate amount granted/provided during the year			
Subsidiaries	700.00	98.79	461.45
Associate	-	-	7.95
Others	-	-	0.14
Balance outstanding as a balance sheet date in respect of the above case			
Subsidiaries	700.00*	98.79	419.18
Associate	-	-	7.95
Others	-	-	0.14

*As at March 31, 2022 amount aggregating to ₹ 25.48 Crore has been utilized by the subsidiaries. (Also refer note 56(d) to the standalone financial statements)

- b. In respect of the investments/guarantees/securities/loans, the terms and conditions under which such loans were granted/investments were made/guarantees provided/security provided are not prejudicial to the Company's interest. (Also refer note 56(e) to the standalone financial statements)
- c. In respect of the loan aggregating to ₹ 231.37 Crore the schedule of repayment of principal and payment of interest has been stipulated, and the party is repaying the principal amounts, as stipulated, and is also regular in payment of interest as applicable. In respect of the loans aggregating to ₹ 1,149.63 Crore, no schedule for repayment of principal and payment of interest has been stipulated by the Company. Therefore, in the absence of stipulation of repayment terms we are unable to comment on the regularity of repayment of principal and payment of interest.
- d. In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- e. There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2022

- f. Following loans were granted during the year, including to promoters/related parties under section 2(76), which are repayable on demand or where no schedule for repayment of principal and payment of interest has been stipulated by the Company.

	(₹ in Crore)		
	All Parties	Promoters	Related Parties
Aggregate of loans			
Repayable on demand	88.44	-	88.44
Agreement does not specify any terms or period of repayment	232.71	-	232.71
Percentage of loans to the total loans	68.40%	-	68.40%

(Also refer note 46 to the standalone financial statements)

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 45(a) to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.



Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2022

- b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of provident fund, employees' state insurance and cess, which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount involved (₹ in Crore)	Amount unpaid (₹ in Crore)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
Customs Act, 1962	Custom duty	37.00	18.50	2012-13	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	0.17	0.17	1989-90	Central Excise and Service Tax Appellate Tribunal
Kerala General, Sales Tax Act, 1963	Sales Tax on Works Contracts	0.20	0.20	2001-02	Sales Tax Appellate Tribunal
Andhra Pradesh General Sales Tax, Act, 1957	Sales Tax on Works Contracts	0.29	0.29	1993-94 and 1994-95	High court for the State of Telangana
Tamil Nadu General Sales Tax Act, 1959	Sales Tax on Works Contracts	0.47	0.47	1989-90 and 1990-91	Asst. Commissioner of Commercial Tax
Gujarat Value Added Tax Act, 2004	Value Added Tax	6.99	2.41	2007-08 to 2010-11	Gujarat Value Added Tax Tribunal
Gujarat Stamp Act, 1958	Stamp Duty	35.10	35.10	2009-10	Chief Controlling Revenue Authority
Maharashtra Stamp Act, 1958	Stamp Duty	1.01	0.76	2006 and 2016	High Court Bombay
Gujarat Stamp Act, 1958	Stamp Duty	0.26	0.26	2006-07	Principal Secretary, Revenue Department, Government of Gujarat
Foreign Trade (Development stamp Regulation) Act 1992	Customs duty	50.53	50.53	2014-15 and 2015-16	Addl. Director General of Foreign Trade
Finance Act, 1994	Service tax	0.49	0.49	2014-15 and 2016-17	Principal Commissioner (Appeals)
CGST Act, 2017	Goods and Services Tax	11.59	0.32	Jul 2017 to Dec 2019	Jt. Commissioner (CGST)
Income Tax Act, 1961	Income Tax	2.75	0.17	2018-19	Commissioner of Income-tax (Appeals)

Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2022

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. a. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion, and according to the information and explanations given to us, the term loans and debt instruments have been applied for the purposes for which they were obtained other than the funds which have remained un-utilized as on March 31, 2022. (Also refer Note 25 to the standalone financial statements)
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate company.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company.
- x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year which have been considered by us for any bearing on our audit and reporting.



Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2022

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. a. In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b. The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- b. The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- d. Based on the information and explanations provided by the management of the Company, the Group has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, (Also refer Note 66 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a. In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2022

- b. The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of section 135 of the Act in pursuant to ongoing projects, to a special account in compliance with the provision of sub-section (6) of section 135 of the Act. However, in respect of FY 2020-21, such transfer was made beyond a period of thirty days from the end of the financial year as permitted under the said sub-section. Details are as given below:

(₹ in Crore)

Financial year	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred special account u/s 135(6)	Amount transferred to Special Bank Account u/s 135(6), within 30 days from end of financial year (or till the date of audit report, if that is earlier)	Amount transferred to Special Bank Account u/s 135(6), after a period of 30 days from end of financial year (till the date of audit report)	Amount not transferred to Special Bank Account u/s 135(6), till the date of audit report
(a)	(b)	(c)	(d)	(e)	(f)
2020-21	33.74	7.64	-	6.06*	-
2021-22	28.60	16.91	16.91	-	-

*₹ 1.58 Crore has been spent during the period April 2021 to September 2021 and hence the same has not been transferred to Special Bank Account u/s 135(6). (Also refer Note 51 to the standalone financial statements).

- xxi. The reporting under Clause 3(xxii) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Place: Ahmedabad
Date: May 10, 2022

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 22109553AIRUF8399



Balance Sheet

as at March 31, 2022

(₹ in Crore)

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	4	14,096.46	15,384.78
Right-of-use assets	5	178.47	178.35
Capital work-in-progress	6	1,186.07	837.73
Investment property	7	13.27	0.37
Intangible assets	8	18.99	18.39
Financial assets			
Investments in subsidiaries	9	1,028.17	414.73
Other investments	10	132.82	124.20
Loans	11	349.32	1,070.24
Other financial assets	12	652.81	74.01
Non-current tax assets (net)	13	8.64	8.32
Other non-current assets	14	331.12	333.37
		17,996.14	18,444.49
Current assets			
Inventories	15	437.96	386.16
Financial assets			
Investments	16	253.27	241.63
Trade receivables	17	1,363.63	1,275.52
Cash and cash equivalents	18	161.79	95.55
Bank balances other than cash and cash equivalents	19	45.14	93.22
Loans	20	1,031.53	116.33
Other financial assets	21	2,193.63	2,053.62
Other current assets	22	121.52	71.49
		5,608.47	4,333.52
		23,604.61	22,778.01
Equity and liabilities			
Equity			
Equity share capital	23	480.62	480.62
Other equity	24	9,485.40	9,770.61
		9,966.02	10,251.23
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	25	6,119.99	6,071.12
Trade payables	26		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		150.46	116.11
Lease liabilities	48	37.27	30.96
Other financial liabilities	27	10.68	10.00
Deferred tax liabilities (net)	43	317.79	518.15
Other non-current liabilities	28	1,259.13	1,157.39
		7,895.32	7,903.73
Current liabilities			
Financial liabilities			
Borrowings	29	1,745.93	1,092.99
Trade payables	30		
Total outstanding dues of micro and small enterprises		50.27	36.51
Total outstanding dues other than micro and small enterprises		1,057.34	934.26
Lease liabilities	48	4.95	5.05
Other financial liabilities	31	1,892.49	1,669.30
Other current liabilities	32	601.36	537.29
Provisions	33	269.55	303.20
Current tax liabilities (net)	34	121.38	44.45
		5,743.27	4,623.05
		23,604.61	22,778.01

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Priyanshu Gundana

Partner
Membership No.: 109553

Ahmedabad, May 10, 2022

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022

Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	35	13,715.74	11,776.52
Other income	36	296.09	250.28
Total income		14,011.83	12,026.80
Expenses			
Electrical energy purchased		5,116.39	3,358.36
Fuel cost		3,403.40	3,610.55
Purchase of stock-in-trade		305.99	48.24
Changes in inventories of finished goods and work-in-progress	37	-	-
Employee benefits expense	38	514.07	521.76
Finance costs	39	581.56	718.96
Depreciation and amortisation expense	40	1,233.79	1,179.85
Other expenses	41	1,042.25	1,005.84
Total expenses		12,197.45	10,443.56
Profit before exceptional items and tax		1,814.38	1,583.24
Exceptional items	42	1,300.00	-
Profit before tax		514.38	1,583.24
Tax expense			
Current tax	43	367.45	284.48
Deferred tax	43	(262.78)	(26.15)
		104.67	258.33
Profit for the year		409.71	1,324.91
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	49	3.03	5.18
Tax relating to remeasurement of the defined benefit plans	43	1.06	1.79
Other comprehensive income for the year, net of tax		1.97	3.39
Total comprehensive income for the year		411.68	1,328.30
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	53	8.52	27.57

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Priyanshu Gundana

Partner
Membership No.: 109553

Ahmedabad, May 10, 2022

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022



Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities			
Profit before tax		514.38	1,583.24
Adjustments for :			
Depreciation and amortisation expense	40	1,233.79	1,179.85
Amortisation of deferred revenue	35	(89.86)	(82.20)
Provision of earlier years written back	35	(1.04)	(2.47)
Loss on sale / discarding of property, plant and equipment	41	25.73	12.03
Gain on disposal of property, plant and equipment	36	(30.04)	(3.39)
Bad debts written off (net of recovery)	41	47.00	49.81
Reversal of provision for onerous contracts	41	(27.57)	-
Provision for onerous contracts	41	0.53	1.02
Allowance for doubtful debts (net)	41	(40.90)	21.48
Exceptional items	42	1,300.00	-
Finance costs	39	581.56	718.96
Interest income	36	(144.30)	(154.29)
Dividend income	36	(14.65)	(30.75)
Rent income from investment property	36	(1.16)	(0.24)
Impairment for non-current investments	41	1.60	1.60
Gain on sale of current investments in mutual funds	36	(24.22)	(17.59)
Gain on slump sale pursuant to scheme of arrangement [Refer note 60]	36	-	(7.27)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	36	0.47	(0.56)
Net gain arising on financial assets / liabilities measured at amortised cost	36	(28.93)	(11.39)
Financial guarantee commission (amortised)	36	(5.00)	(1.22)
Net unrealised loss / (gain) on foreign currency transactions		(5.20)	10.67
Operating profit before working capital changes		3,292.19	3,267.29
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		(51.80)	150.46
Trade receivables		(94.21)	(322.45)
Other financial assets		(280.88)	(183.73)
Other assets		(31.35)	61.76
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		197.87	(41.61)
Other financial liabilities		126.78	65.76
Provisions		(3.58)	(34.16)
Other liabilities		55.26	(39.36)
Cash generated from operations		3,210.28	2,923.96
Taxes paid (net)		(229.48)	(253.54)
Net cash flow generated from operating activities		2,980.80	2,670.42
Cash flow from investing activities			
Payments for property, plant and equipment & intangible assets		(1,540.64)	(1,280.70)
Proceeds from sale of property, plant and equipment & intangible assets		47.24	7.23
Consideration received on slump sale [Refer note 60]		-	256.95
Non-current Investment in subsidiaries		(606.26)	(0.15)
Advance against equity investment		(555.00)	-
Purchase of non-current investments		(1.91)	(1.86)
Loans to related parties		(469.40)	(253.67)
Repayment of loans from related parties		276.64	221.33

Statement of Cash Flows (Contd.)

for the year ended March 31, 2022

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
(Investments) / redemption in bank deposits (net) (original maturity more than three months)	51.16	47.70
(Investments) / redemption in inter corporate deposits	113.39	(100.24)
Interest received	144.62	198.61
(Purchase of) / proceeds from current investments (net)	12.11	278.72
Dividend received from non-current investments	14.65	30.75
Rent income from investment property	1.16	0.24
Net cash generated from / (used in) investing activities	(2,512.24)	(595.09)
Cash flow from financing activities		
Proceeds from long-term borrowings	1,100.00	300.00
Proceeds from short-term borrowings	702.74	700.00
Repayment of long-term borrowings	(860.34)	(808.12)
Prepayment of long-term borrowings	(235.49)	(628.58)
Repayment of short-term borrowings	-	(700.00)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	200.41	116.04
Dividend paid	(696.89)	(264.34)
Principal elements of lease payments	(9.38)	(7.10)
Finance costs paid	(599.55)	(762.94)
Net cash generated from / (used in) financing activities	(402.32)	(2,058.86)
Net (decrease) / increase in cash and cash equivalents	66.24	16.47
Cash and cash equivalents as at beginning of the year	95.55	79.42
Cash and cash equivalents transferred pursuant to slump sale [Refer note 60]	-	(0.34)
Cash and cash equivalents as at end of the year	161.79	95.55

Footnotes:

- Cash and cash equivalents as at end of the year:

Balances with banks		
Balance in current accounts	160.55	93.19
Cheques on hand	0.78	0.58
Cash on hand	0.46	1.78
	161.79	95.55
- The statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Priyanshu Gundana
Partner
Membership No.: 109553

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022

Ahmedabad, May 10, 2022



Statement of Changes in Equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL [Refer note 23]

(₹ in Crore)

Balance as at April 01, 2020	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2021	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2022	480.62

B. OTHER EQUITY [Refer note 24]

(₹ in Crore)

	Reserves and surplus						Total
	Securities premium	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	
Balance as at April 01, 2020	0.03	258.10	11.59	78.07	3,583.89	4,774.97	8,706.65
Profit for the year	-	-	-	-	-	1,324.91	1,324.91
Other comprehensive income for the year, net of tax	-	-	-	-	-	3.39	3.39
Total comprehensive income for the year	-	-	-	-	-	1,328.30	1,328.30
Transfer to debenture redemption reserve	-	(70.84)	-	-	-	70.84	-
Transfer to contingency reserve	-	-	1.87	-	-	(1.87)	-
Transaction with owners in their capacity as owners:							
Dividend (including interim dividend) paid	-	-	-	-	-	(264.34)	(264.34)
Balance as at March 31, 2021	0.03	187.26	13.46	78.07	3,583.89	5,907.90	9,770.61
Profit for the year	-	-	-	-	-	409.71	409.71
Other comprehensive income for the year, net of tax	-	-	-	-	-	1.97	1.97
Total comprehensive income for the year	-	-	-	-	-	411.68	411.68
Transfer to debenture redemption reserve	-	(78.96)	-	-	-	78.96	-
Transfer to contingency reserve	-	-	1.91	-	-	(1.91)	-
Transaction with owners in their capacity as owners:							
Dividend (including interim dividend) paid	-	-	-	-	-	(696.89)	(696.89)
Balance as at March 31, 2022	0.03	108.30	15.37	78.07	3,583.89	5,699.74	9,485.40

Footnote:

1. Retained earning includes ₹ -29.73 Crore (March 31, 2021 ₹ -31.70 Crore) related to re-measurement of defined benefit plans.

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 10, 2022

Lalit Malik
Chief Financial Officer

Samir Mehta
Chairperson
DIN:00061903

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

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 Electricity.

Note 1B: New standards or interpretations adopted by the Company

The Company has applied the following amendment to Ind AS for the first time for its annual reporting period commencing April 01, 2021:

- Ind AS 116, extension of COVID-19 related concessions
- Ind AS 107, Ind AS 109 and Ind AS 116, Interest rate benchmark reform

The above other amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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 April 01, 2022:

Ind AS 16, "Property, Plant and Equipment", proceeds before intended use of property, plant and equipment

The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets", onerous contracts – cost of fulfilling a contract

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Ind AS 103, "Business combinations", References to the conceptual framework

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

Ind AS 109, "Financial Instruments", Fees included in the 10% test for derecognition of financial liabilities

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Ind AS 101, "First-time adoption", subsidiary as a first-time adopter

Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

Note 1D: Reclassifications consequent to amendments to Schedule III:

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 01, 2021.

Consequent to above, the Company has changed the classification/presentation as per below in the current year:

- Current maturities of long-term borrowings have now been included in the "Current borrowings" line item as compared to previous disclosure under the line item 'other financial liabilities'.
- Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item as compared to previous disclosure under the line item 'loans'.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 1D: Reclassifications consequent to amendments to Schedule III (Contd.)

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised as below:

(₹ in Crore)

Balance sheet (extract)	March 31, 2021 (previously reported)	Increase/ (Decrease)	March 31, 2021 (restated)
Loans (non-current)	1,087.04	(16.80)	1,070.24
Other financial assets (non-current)	57.21	16.80	74.01
Loans (current)	145.40	(29.07)	116.33
Other financial assets (current)	2,024.55	29.07	2,053.62
Borrowings (current)	-	1,092.99	1,092.99
Other financial liabilities (current)	2,762.29	(1,092.99)	1,669.30

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;

- 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. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. 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; and
- acquisition date fair value of any previous equity interest in the acquired entity

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 2: Significant accounting policies (Contd.)

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.

Acquisition of an asset or a group of assets

In case of acquisition of an asset or a group of assets that does not constitute a business, the Company identifies and recognises individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets under Ind AS 38, Intangible Assets) and liabilities assumed. The Purchase Consideration shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill or gain on bargain purchase.

Goodwill

Goodwill on acquisitions of subsidiaries 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 a business include the carrying amount of goodwill relating to such business.

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 pur-



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 2: Significant accounting policies (Contd.)

chase, 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:

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 April 01, 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 property, plant and equipment which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line 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 property, plant and equipment 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 property, plant and equipment 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%	3.34%	3.34%
Railway siding	1.80% to 5.28%	-	-
Leasehold improvement	-	11.65% to 17.65%	-
Plant and machinery	1.80% to 7.00%	5.28%	3.60%
Electrical fittings and apparatus	5.28% to 19.00%	6.33%	6.33%
Furniture and fixtures	5.28% to 15.00%	6.33%	6.33%
Vehicles	9.50%	9.50%	9.50%
Office equipment	3.60% to 19.00%	5.28% to 15.00%	6.33% to 15.00%

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

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 2: Significant accounting policies (Contd.)

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, if any. 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 is 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 assets:

Property, plant and equipment 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.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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.



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 2: Significant accounting policies (Contd.)

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 for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued 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 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. Revenue from power supply exclude taxes and duties.

These adjustments / accruals are carried forward as 'Unbilled revenue' under "Other current financial assets" in Note 21, which would be adjusted through future billing based on tariff determination by the regulator in accordance with the electricity regulations.

- ii) Trading of RLNG are recognised, net of returns and rebates, on transfer of control of ownership to the buyer. Sales exclude Goods and Services Tax.
- iii) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.
- iv) 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 (₹) 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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 2: Significant accounting policies (Contd.)

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

Foreign exchange differences arising on foreign currency borrowings 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.

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 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



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 2: Significant accounting policies (Contd.)

applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. . The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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).

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 2: Significant accounting policies (Contd.)

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 (other than financial assets at fair value through profit or loss) are added to 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



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 2: Significant accounting policies (Contd.)

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. Net gains / (losses) 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.

The Company applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on days past due. The Company recognises expected loss rates in case of unbilled revenue after considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.

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 on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

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 are measured at amortized cost.

ii) Initial measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

iii) Subsequent measurement

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

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 2: Significant accounting policies (Contd.)

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.

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.

v) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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:

Company as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight-line basis.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 2: Significant accounting policies (Contd.)

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

2.21 Exceptional Items:

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "Exceptional items."

2.22 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 true up adjustment claims which are disputed and for which the company is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities. [Refer note 35 & 44]

3.2 Property, plant and equipment:

i) Service concession arrangements

The Company has assessed applicability of Appendix D of Ind AS115 "Service Concession Arrangements" with respect to its Property, plant and equipment. In assessing the applicability, the Company has exercised judgment in relation to the provisions of the Electricity Act, 2003, conditions provided under transmission and distribution license and / or agreements. Further, the Company has ability to pledged the assets pursuant to which it has control and ability to direct the use of assets. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable.

ii) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment. [Refer note 42(1)]

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 3: Critical Accounting Judgements And Key Sources Of Estimation Uncertainty (Contd.)

3.3 Impairment of investments in subsidiaries

At the end of each reporting period, the Company reviews the carrying amounts of its investments in subsidiaries 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 42(2)]

Impairment of loans

The Company applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for loans granted by the Company to its subsidiaries.

3.4 Taxes:

Significant 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, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Deferred tax assets are recognised for unused tax 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 for unused tax credits that can be recognised, based upon the likely timing and the level of future taxable profits [Refer note 43(d)]

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 judgement is involved in classification under 'remote', 'possible' or 'probable' which is carried out based on expert advice, past judgements, experiences etc. [Refer note 45(a)]

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 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. Information about the various estimates and assumptions made in determining present value of defined benefit obligation are disclosed in note 49.2



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 4: Property, Plant and Equipment

As at March 31, 2022

Particulars	Gross carrying amount				Accumulated depreciation and impairment loss				Net carrying amount
	As at April 01, 2021	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2022	As at April 01, 2021	For the year		As at March 31, 2022
							Depreciation	Impairment	
Freehold land	422.62	-	4.85	(12.90)	404.87	-	-	-	404.87
Buildings	1,668.68	112.79	6.41	1.00	1,776.06	298.18	59.83	-	1,419.33
Lease hold improvement	-	0.58	-	3.47	4.05	-	0.67	-	3.38
Railway siding	1.86	-	-	-	1.86	0.30	0.05	-	1.51
Plant and machinery	20,429.17	1,117.42	58.85	2.27	21,490.01	7,035.82	1,126.75	1,300.00	12,055.00
Electrical fittings and apparatus	51.02	6.39	0.13	(2.76)	54.52	17.91	2.99	-	33.70
Furniture and fixtures	56.59	7.63	0.53	-	63.69	17.14	3.79	-	43.09
Vehicles	28.14	5.06	3.32	0.13	30.01	10.84	2.84	-	18.69
Office equipment	163.84	22.88	1.33	3.06	188.45	56.95	15.51	-	116.89
Total	22,821.92	1,272.75	75.42	(5.73)	24,013.52	7,437.14	1,212.43	1,300.00	14,096.46

As at March 31, 2021

Particulars	Gross carrying amount				Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2020	Transfer due to scheme of arrangement [Refer note 60]	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2021	As at April 01, 2020	For the year		
								Depreciation	Impairment	
Freehold land	422.99	-	-	-	(0.37)	422.62	-	-	-	422.62
Buildings	1,545.97	(17.10)	118.01	0.09	21.89	1,668.68	241.50	55.15	-	1,370.50
Railway siding	1.86	-	-	-	-	1.86	0.25	-	-	1.56
Plant and machinery	19,681.87	(63.61)	844.41	27.03	(6.47)	20,429.17	6,000.80	(33.54)	1,080.68	13,393.35
Electrical fittings and apparatus	43.32	(0.93)	8.59	0.28	0.32	51.02	15.27	(0.40)	3.16	33.11
Furniture and fixtures	48.53	(0.58)	8.76	0.12	-	56.59	14.08	(0.16)	3.30	39.45
Vehicles	27.28	(0.26)	2.40	1.28	-	28.14	9.27	(0.13)	2.53	17.30
Office equipment	142.36	(1.43)	23.35	0.69	0.25	163.84	45.08	(0.64)	12.96	106.89
Total	21,974.18	(83.91)	1,005.52	29.49	15.62	22,821.92	6,326.25	(33.32)	1,157.83	15,384.78

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 4: Property, Plant and Equipment (Contd.)

Footnotes:

1. The above property, plant and equipment have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].

2. Capital commitment:

Refer note 45(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 ₹ 7.17 Crore (Previous year - ₹ 15.99 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs”.

4. Adjustments during the year include change in nature of freehold land from Property, plant and equipment to Investment property of ₹ 12.90 Crore (Previous year - ₹ 0.37 Crore).

5. The weighted average rate for capitalisation of borrowing cost relating to general borrowing is in the range of 7.27% p.a. to 7.30% p.a. (Previous year 7.81% p.a. to 7.95% p.a.).

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

7. Refer note 42(1) for impairment loss in respect of DGEN power plant.

8. The closing balance of accumulated depreciation and impairment consist impairment loss of ₹ 2,314.07 Crore (March 31, 2021 - ₹ 1,014.07 Crore).

9. The Company has not revalued its property, plant and equipment during the current or previous year.

10. Refer note 62 for title deeds of immovable property not held in the name of the Company.

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

Particulars	Proportion of holding	As at March 31, 2022	As at March 31, 2021
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	3.04	3.04

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 5: Right-of-use Assets

As at March 31, 2022						
Particulars	Gross carrying amount			Accumulated depreciation		Net carrying amount
	As at April 01, 2021	Additions during the year	Deductions during the year	As at April 01, 2021	For the year	As at March 31, 2022
Land	171.94	1.34	-	173.28	13.79	207.4
Buildings	27.70	10.77	2.43	36.04	7.84	10.36
Plant and machinery	0.38	-	-	0.38	0.10	0.15
Office equipment	0.14	-	-	0.14	0.08	0.12
Total	200.16	12.11	2.43	209.84	21.81	178.47

As at March 31, 2021						
Particulars	Gross carrying amount			Accumulated depreciation		Net carrying amount
	As at April 01, 2020	Additions during the year	Deductions during the year	As at April 01, 2020	For the year	As at March 31, 2021
Land	170.11	1.83	-	171.94	6.85	13.79
Buildings	27.70	-	-	27.70	3.45	7.84
Plant and machinery	0.38	-	-	0.38	0.05	0.10
Office equipment	0.14	-	-	0.14	0.04	0.08
Total	198.33	1.83	-	200.16	10.39	21.81

- Footnotes:
- The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].
 - Refer note 48 for disclosure relating to right-of-use assets.
 - Refer note 62 for title deeds of right-of-use assets not held in the name of the Company.
 - The Company has not revalued its right-of-use assets during the current or previous year.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 6: Capital Work-in-progress

As at March 31, 2022					
Particulars	As at April 01, 2021	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2022
Capital work-in-progress	837.73	1,528.70	1,179.93	(0.43)	1,186.07
Total	837.73	1,528.70	1,179.93	(0.43)	1,186.07

As at March 31, 2021					
Particulars	As at April 01, 2020	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2021
Capital work-in-progress	567.40	1,239.03	968.70	-	837.73
Total	567.40	1,239.03	968.70	-	837.73

- Footnotes:
- The above capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].
 - Capital work-in-progress include borrowing costs of ₹ 30.94 Crore (March 31, 2021 - ₹ 12.37 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs”.
 - Adjustment during the year includes ₹ 0.43 Crore write off.
 - Refer note 61 for ageing schedule of the capital work-in-progress.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 7: Investment Property

As at March 31, 2022 (₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2021	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2022	As at April 01, 2021	For the year	Deductions during the year	As at March 31, 2022	As at March 31, 2022
Freehold land	0.37	-	-	12.90	13.27	-	-	-	-	13.27
Total	0.37	-	-	12.90	13.27	-	-	-	-	13.27

As at March 31, 2021 (₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2020	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Freehold land	-	-	-	0.37	0.37	-	-	-	-	0.37
Total	-	-	-	0.37	0.37	-	-	-	-	0.37

Footnotes:

- The Company had leased the part of freehold land with effect from January 15, 2021 as disclosed above to TCL Cables Private Limited for the lease term of 10 years.
- Adjustments during the year include change in nature of freehold land to Investment property from Property, plant and equipment of ₹ 12.90 Crore (Previous year - ₹ 0.37 Crore).
- Details of the Company's investment property and information about the fair value hierarchy as at March 31, 2022 are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of investment property (₹ in Crore)	179.39	110.55
Fair value hierarchy	Level 2 [Refer note 57]	Level 2 [Refer note 57]

The fair value of the Company's investment property as at March 31, 2022 has been arrived based on a valuation report by external independent valuer. Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

- The company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop such investment properties or for repairs, maintenance and enhancements thereof.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 7: Investment Property (Contd.)

- Amount recognised in statement of profit and loss for investment property : (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Rental income derived from investment property [Refer note 36]	1.16	0.24
Direct operating expenses arising from investment property that generated rental income	-	-
Direct operating expenses arising from investment property that did not generate rental income	-	-

- Minimum undiscounted lease payments receivable (excluding tax) on leases of investment property are as follows: (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Within 1 year	1.16	1.16
After one year but not more than five years	5.01	4.89
More than 5 years	5.45	6.73
	11.62	12.78



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forming part of the standalone financial statements for the year ended March 31, 2022.

Particulars		Gross carrying amount			Accumulated amortisation			Net carrying amount	
		As at April 01, 2021	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 01, 2021	For the year	Deductions during the year	As at March 31, 2022
Computer software		55.69	10.64	0.15	66.18	37.30	10.02	0.13	47.19
Total		55.69	10.64	0.15	66.18	37.30	10.02	0.13	47.19

As at March 31, 2021

As at March 31, 2021										
Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount	
	As at April 01, 2020	Transfer due to scheme of arrangement [Refer note 60]	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	Transfer due to scheme of arrangement [Refer note 60]	For the year		Deductions during the year
Computer software	42.31	(0.83)	14.21	–	55.69	27.33	(0.73)	10.70	–	37.30
Total	42.31	(0.83)	14.21	–	55.69	27.33	(0.73)	10.70	–	37.30

Footnotes:

1. The above computer software has been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].
2. The Company has not revalued its intangible assets during the current or previous year.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 9: Investments in Subsidiaries

	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments (unquoted) (at cost)		
Torrent Power Grid Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 6,66,00,000, March 31, 2021: 6,66,00,000) [2,70,00,000 (March 31, 2021 - 2,70,00,000) equity shares pledged as security in respect of the term loan availed by Torrent Power Grid Limited]	66.60	66.60
Torrent Pipavav Generation Limited [Refer note 42(2)] Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 4,75,00,000, March 31, 2021: 4,75,00,000) Less: Impairment in value of investment	47.50 (17.55)	47.50 (15.95)
Torrent Solargen Limited [Refer footnote 1] Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 8,00,50,000, March 31, 2021: 8,00,50,000)	88.86	80.07
Jodhpur Wind Farms Private Limited [Refer footnote 2] Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 11,10,00,000, March 31, 2021: 11,10,00,000)	117.68	117.68
Latur Renewable Private Limited [Refer footnote 2] Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 11,00,00,000, March 31, 2021: 11,00,00,000)	116.68	116.68
TCL Cables Private Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 4,20,00,000 , March 31, 2021: 20,00,000)	42.00	2.00
Torrent Solar Power Private Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 50,000, March 31, 2021: 50,000)	0.05	0.05
Torrent Saurya Urja 2 Private Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 50,000, March 31, 2021: 50,000)	0.05	0.05
Torrent Saurya Urja 3 Private Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 50,000, March 31, 2021: 50,000)	0.05	0.05
Torrent Saurya Urja 4 Private Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 50,000, March 31, 2021: Nil)	0.05	-
Torrent Saurya Urja 5 Private Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 50,000, March 31, 2021: Nil)	0.05	-
Visual Percept Solar Projects Private Limited [Refer footnote 3] Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 1,74,50,000, March 31, 2021: Nil)	162.62	-
Surya Vidyut Limited [Refer footnote 4] Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022:, 25,19,05,800 March 31, 2021: Nil)	304.73	-
LREHL Renewables India SPV 1 Private Limited [Refer footnote 5] Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 1,37,25,573, March 31, 2021: Nil) [1,37,25,572 equity shares as at 31.03.2022 pledged as security in respect of the term loan availed by LREHL Renewables India SPV1 Private Limited.]	46.96	-
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited [Refer footnote 1 of Note 12] Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: Nil, March 31, 2021: Nil)	-	-
	976.33	414.73

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 9: Investments in Subsidiaries (Contd.)

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Investment in compulsorily convertible debentures (unquoted) (at cost)		
LREHL Renewables India SPV 1 Private Limited [Refer footnote 5] CCDs of ₹ 10 each fully paid up (No. of debentures - March 31, 2022: 5,18,36,156, March 31, 2021: Nil) [5,18,36,156 Compulsorily Convertible Debentures (CCDs) as at March 31, 2022 pledged as security in respect of the term loan availed by LREHL Renewables India SPV1 Private Limited.]	51.84	-
	51.84	-
	1,028.17	414.73
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	1,028.17	414.73
	1,028.17	414.73
Aggregate amount of impairment in value of investments	17.55	15.95
Aggregate amount of market value of quoted investments	-	-

Footnotes:

- During the year, Company has given corporate guarantees in favour of Lender of subsidiary company and has recognised fair value of corporate guarantee as equity investment in Torrent Solargen Limited.
- During the previous year, Company has given financial guarantees in favour of the debenture trustee for NCD issued by subsidiary companies and has recognised fair value of financial guarantee as equity investment in both Jodhpur Wind Farms Private Limited and Latur Renewable Private Limited.
- On February 10, 2022, the Company has entered into a Share Purchase Agreement (SPA) with Blue Daimond Properties Private Limited and Balarampur Chini Mills Limited, for acquisition of 100% of Shares of Visual Percept Solar Projects Private Limited (VPSPPPL), which operates a 25 MW solar power plant, situated in the state of Gujarat. On completion of the conditions precedent to SPA, VPSPPPL has become wholly owned subsidiary of the Company w.e.f. February 15, 2022.
- On September 20, 2021, the Company has entered into a Share Purchase Agreement (SPA) with CESC Limited, Haldia Energy Limited and other Nominal Shareholders for the acquisition of 100% of the share capital of Surya Vidyut Limited (SVL), which operates a 156 MW wind power plants, situated in the states of Gujarat, Maharashtra and Madhya Pradesh. On completion of the conditions precedent to SPA, SVL has become wholly owned subsidiary of the Company w.e.f. March 11, 2022.
- On July 30, 2021, the Company has entered into a Securities Purchase Agreement (SPA) with Lightsource India Limited and Lightsource Renewable Energy (India) Limited for the acquisition of 100% of the share capital and all securities of LREHL Renewables India SPV 1 Private Limited (LREHL), which operates a 50 MW solar power plant, situated in the state of Maharashtra. On completion of the conditions precedent to SPA, LREHL has become wholly owned subsidiary of the Company w.e.f. March 25, 2022.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 10: Non-current other Investments

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
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 (No. of debentures - March 31, 2022: 9,070, March 31, 2021: 9,070)	116.89	110.18
	116.89	110.18
Investment in equity instruments (unquoted) (at fair value through profit or loss)		
AEC Cements & Constructions Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 9,61,500, March 31, 2021: 9,61,500) (As at March 31, 2022 & March 31, 2021 Gross investment - ₹ 0.61 Crore, Impairment in value of investment - ₹ 0.61 Crore)	-	-
Tidong Hydro Power Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 24,500, March 31, 2021: 24,500) (As at March 31, 2022 & March 31, 2021 Gross investment - ₹ 0.02 Crore, Impairment in value of investment - ₹ 0.02 Crore)	-	-
UNM Foundation (Formerly known as Tornascent Care Institute) @ # Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 50,000, March 31, 2021: 50,000)	0.05	0.05
	0.05	0.05
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	1.93
7.57% GOI Bond - 2033	1.92	1.92
7.73% GOI Bond - 2034	1.86	1.86
9.20% GOI Bond - 2030	1.91	-
	15.88	13.97
	132.82	124.20
Aggregate amount of quoted investments	15.88	13.97
Aggregate amount of unquoted investments	116.94	110.23
	132.82	124.20
Aggregate amount of impairment in value of investments	0.63	0.63
Aggregate amount of market value of quoted investments	16.30	14.85

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

The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date"). The name "Tornascent Care Institute" changed to "UNM Foundation" w.e.f. July 20, 2021.

\$ 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 24 - Contingency reserve]



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 11: Non-Current Loans

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Loans to related parties (including interest accrued) [Refer note 56(d)]	349.32	1,070.24
	349.32	1,070.24

Note 12: Other Non-Current Financial Assets

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Security deposits	16.64	16.80
Inter-corporate deposits#	80.00	53.54
Advance against equity investment [Refer footnote 1]	555.00	-
Bank fixed deposits	1.02	3.59
Other advances	0.15	0.08
	652.81	74.01

a lien has been created in favour of lenders

Footnotes:

- The Hon'ble Administrator of the Union Territory of Dadra and Nagar Haveli and Daman and Diu (the "Holding Entity") has issued a Letter of Intent ('LOI') dated February 07, 2022 to the Company as a successful bidder, pursuant to its Bid, to purchase 51 % shares in Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (the "Distribution company"), (a company incorporated for holding assets of the Electricity Department, Daman and Diu and DNH Power Distribution Corporation Limited (DNH PDCL) related to electricity distribution business), which shall be responsible for distribution and retail supply of electricity and shall hold distribution license in the Union Territory of Dadra and Nagar Haveli and Daman and Diu.

On March 15, 2022, the Company entered into a Share Purchase Agreement (SPA) and Shareholders Agreement (SHA) with the Holding Entity and the Distribution company for purchase of 51% shares of the Distribution company from the Holding Entity.

Basis the Share Purchase Agreement read with The Dadra and Nagar Haveli and Daman and Diu Electricity (Reorganisation and Reforms) Transfer Scheme, 2022 (the "transfer scheme"), the effective date of transfer has been notified by the UT Administrator, Union Territory of Dadra and Nagar Haveli and Daman and Diu as April 1, 2022 for the purpose of implementing the transfer scheme.

As per the transfer scheme, the electricity distribution and retail supply undertakings of the Electricity Department and DNH PDCL including the assets, proceedings and liabilities shall stand transferred to and vested in the distribution company, thereby acquiring control of the electricity distribution business, with effect from the notified transfer date i.e., April 1, 2022. The decisions over the relevant activities of the electricity distribution business shall continue to be taken by the Electricity Department and DNH PDCL until March 31, 2022.

Accordingly, the amount of purchase consideration transferred for acquiring the shares of the distribution company has been shown as "Advance against equity investment" as at March 31, 2022 in the standalone financial statements which shall be reclassified to "investment in subsidiary" on the date of acquisition i.e April 1, 2022.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 13: Non-Current Tax Assets

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Advance income tax (net)	8.64	8.32
	8.64	8.32

Note 14: Other Non-Current Assets

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Capital advances	120.06	103.63
Advances for goods and services	133.59	148.85
Balances with government authorities	58.70	59.12
Prepaid expenses	18.77	21.77
	331.12	333.37

Note 15: Inventories

(valued at lower of cost and net realizable value)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Stores and spares	268.71	226.17
Fuel	166.48	157.80
Loose tools	2.77	2.19
	437.96	386.16

Footnotes:

- The cost of stores and spares inventories recognised as an expense includes ₹ 1.36 Crore (Previous year - ₹ 3.73 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.
- The above carrying amount of inventories has been mortgaged and hypothecated to secure borrowings of the Company. [Refer note 25]
- The above carrying amount includes goods in transit as under:

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Stores and spares	-	0.57
Fuel	8.93	2.49
	8.93	3.06



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 16: Current Investments

(Investments carried at fair value through profit or loss)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Investment in mutual funds (unquoted)	253.27	241.63
	253.27	241.63
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	253.27	241.63
	253.27	241.63
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-

Note 17: Trade Receivables

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured - Considered good #	575.68	557.27
Unsecured - Considered good	787.95	718.25
- Credit impaired	208.17	249.07
	1,571.80	1,524.59
Less: Allowance for bad and doubtful debts	208.17	249.07
	1,363.63	1,275.52

Company holds security deposits in respect of electricity receivables.

Footnotes:

- Refer note 57 for credit risk related disclosures.
- Refer note 25 for charge on current assets including trade receivables.
- Refer note 63 for ageing schedule of trade receivables.

Note 18: Cash and Cash Equivalents

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Balances with banks		
Balance in current accounts	160.55	93.19
Cheques on hand	0.78	0.58
Cash on hand	0.46	1.78
	161.79	95.55

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 19: Bank Balances Other Than Cash and Cash Equivalents

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Unpaid dividend accounts	10.52	10.01
Unpaid fractional coupon accounts	0.35	0.35
Balance in fixed deposit accounts (maturity of more than three months but less than twelve months)	34.27	82.86
	45.14	93.22

Note 20: Current Loans

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Loans to related parties (including interest accrued) [Refer note 56(d)]	1,031.53	116.33
	1,031.53	116.33

Note 21: Other Current Financial Assets

Unsecured (considered good unless stated otherwise)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Security deposits	55.40	29.07
Inter-corporate deposits #	186.84	326.70
Interest accrued on non-current investments	0.24	0.24
Interest accrued on deposits	6.68	7.78
Unbilled revenue (including revenue gap / surplus) [Refer note 44(a)(2)]	1,914.64	1,673.80
	2,163.80	2,037.59
Other advances / receivables		
Considered good	29.83	16.03
Considered credit impaired	6.06	6.06
	35.89	22.09
Less : Allowance for doubtful advances	6.06	6.06
	29.83	16.03
	2,193.63	2,053.62

includes ₹ 86.84 Crore (March 31, 2021 - ₹ 123.20 Crore) on which a lien has been created in favour of lenders

Note 22: Other Current Assets

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Advances for goods and services	85.02	40.30
Balances with government authorities	0.73	0.72
Prepaid expenses	35.77	30.47
	121.52	71.49



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 23: Equity Share Capital

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2021) 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 March 31, 2021) equity shares of ₹10 each	480.62	480.62
	480.62	480.62

Footnotes:

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

	No. of shares As at March 31, 2022	No. of shares As at March 31, 2021
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 March 31, 2021) of ₹10 each fully paid up are held by the Parent Company - Torrent Investments Private Limited (Formerly known as 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 March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Torrent Investments Private Limited (Formerly known as 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%	4,68,71,621	9.75%
Axis Mutual Fund Trustee Limited	4,08,34,428	8.50%	3,75,81,431	7.82%

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 23: Equity Share Capital (Contd.)

5. Details of shareholding of Promoters in the Company :

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of total shares	% changes during the year	No. of shares	% of total shares	% changes during the year
Torrent Investments Private Limited (Formerly known as Torrent Private Limited)	25,74,22,311	53.56%	-	25,74,22,311	53.56%	-
Sudhir Mehta	6,882	0.00%	-	6,882	0.00%	-
Samir Mehta	6,125	0.00%	-	6,125	0.00%	-
Jinal Mehta	8,000	0.00%	-	8,000	0.00%	-

6. Distributions made:

Interim dividend for FY 2021-22 of ₹ 9.00 per equity share (Previous year - ₹ 5.50 per equity share) aggregating to ₹ 432.56 Crore (Previous year - ₹ 264.34 Crore) was paid in March, 2022. The Board of Directors has not considered any further dividends for FY 2021-22. Accordingly, payment of interim dividend will be considered as final dividend for FY 2021-22.



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 24: Other Equity

	As at March 31, 2022	As at March 31, 2021
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	108.30	187.26
Contingency reserve	15.37	13.46
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	5,699.74	5,907.90
	9,485.40	9,770.61

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 was required to create a Debenture Redemption Reserve (DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not required to create DRR. Accordingly, the Company has not created DRR during the year and DRR created till previous years will be transferred to retained earnings on redemption of debentures.

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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 25: Non-current Borrowings

	As at March 31, 2022	As at March 31, 2021
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures &		
10.35% Series 1	-	183.37
10.35% Series 2A, 2B & 2C	-	100.00
8.95% Series 3A, 3B & 3C	80.00	165.00
7.65% Series 5	-	100.00
7.30% Series 6	300.00	300.00
6.50% 6.90%, 7.25% Series 7A, 7B & 7C	248.05	-
	628.05	848.37
Term loans @		
From banks	5,302.84	4,940.11
	5,302.84	4,940.11
	5,930.89	5,788.48
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A, 4B & 4C	179.93	269.65
	179.93	269.65
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	9.17	12.99
	9.17	12.99
	189.10	282.64
	6,119.99	6,071.12

@ After considering unamortised expense of ₹ 18.91 Crore as at March 31, 2022 and ₹ 20.37 Crore as at March 31, 2021.

& After considering unamortised expense of ₹ 1.95 Crore as at March 31, 2022 and ₹ Nil Crore as at March 31, 2021.

After considering unamortised expense of ₹ 0.07 Crore as at March 31, 2022 and ₹ 0.35 Crore as at March 31, 2021.

Current maturities		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.37	183.32
10.35% Series 2A, 2B & 2C	100.00	100.00
8.95% Series 3A, 3B & 3C	85.00	80.00
7.65% Series 5	100.00	-
	468.37	363.32
Term loans \$		
From banks	481.12	725.85
	481.12	725.85
Unsecured loans - at amortised cost		
Non convertible debentures^		
10.25% Series 4A, 4B & 4C	89.88	-
	89.88	-
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	3.82	3.82
	1,043.19	1,092.99
Amount disclosed under the head 'Current borrowings' [Refer note 29]	(1,043.19)	(1,092.99)
	-	-

\$ After considering unamortised expense of ₹ 4.04 Crore as at March 31, 2022 and ₹ 3.09 Crore as at March 31, 2021.

^ After considering unamortised expense of ₹ 0.12 Crore as at March 31, 2022 and ₹ Nil Crore as at March 31, 2021.



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 25: 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 ₹ 5,806.91 Crore and non convertible debentures of ₹ 1,098.37 Crore along with lenders of cash credits and non-fund based credit facilities. (except assets detailed in (i), (ii) & (iii) below which are not provided as security to NCD holders / term loan lender as mentioned therein)

(i) Assets not given as security to non convertible debenture holders of Series no. 5

- immovable assets, movable fixed assets and debt service reserve accounts pertaining to the Renewable Projects;
- leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch.

(ii) Assets not given as security to non convertible debenture holders of Series no. 6 & 7

- immovable and movable assets of Renewable Projects;
- debt service reserve accounts maintained for the benefit of lenders of term loans;
- investments / deposits made out of Non-Convertible Debenture Reserve;
- leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch;
- non-agricultural plot of land at village Kamatghar, Taluka Bhiwandi, District Thane bearing survey no. 119, Hissa no. 2/3 along with building thereon;
- immovable property located at no. 2, Dharam Marg, Chanakya Puri, New Delhi.

(iii) Assets not given as security to lender of ₹ 250.00 Crore term loan availed in March 2022

- immovable assets of Renewable Projects;
- leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch.

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
2022-23	488.98	558.37
2023-24	360.10	470.00
2024-25	477.56	175.00
2025-26	643.60	80.00
2026-27	755.81	85.00
2027-28	626.23	-
2028-29	625.30	-
2029-30	676.67	-
2030-31	547.70	-
2031-32	367.35	-
2032-33	250.60	-

3. Undrawn term loans from banks, based on approved facilities, were ₹ Nil as at March 31, 2022.

4. Proceeds from term loans and debt instruments raised during the current and previous year have been utilized for the purposes for which it was obtained. Out of the said debt instruments amount aggregating ₹ 30.60 Crore have remained un-utilized as on March 31, 2022.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 26: Non-current Trade Payables

(₹ in Crore)		
	As at March 31, 2022	As at March 31, 2021
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	150.46	116.11
	150.46	116.11

Footnote:

- Refer note 64 for ageing schedule of non-current trade payables.

Note 27: Other Non-current Financial Liabilities

(₹ in Crore)		
	As at March 31, 2022	As at March 31, 2021
Payables for purchase of property, plant and equipment	-	0.04
Sundry payables	0.32	1.13
Financial guarantee obligation	10.36	8.83
	10.68	10.00

Note 28: Other Non-current Liabilities

(₹ in Crore)		
	As at March 31, 2022	As at March 31, 2021
Deferred revenue		
Contribution received from consumers [Refer note 44(b)]	1,189.80	1,085.69
Capital grant from government [Refer note 59(b)]	14.03	16.39
Sundry payables	55.30	55.31
	1,259.13	1,157.39



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 29: Current Borrowings

	As at March 31, 2022	As at March 31, 2021
Secured loans		-
Working Capital from banks	350.00	-
Overdraft from banks	2.74	-
	352.74	
Unsecured loans	350.00	-
Commercial paper	350.00	-
Current maturities of long-term debt [Refer note 25]	1,043.19	1,092.99
	1,745.93	1,092.99

Footnotes:

- 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.
- Undrawn cash credit from banks, based on approved facilities, were ₹ 450.00 Crore as at March 31, 2022.
- During the year, the Company has used the loans for the purpose for which it was obtained.
- The Company has borrowings from banks and financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed are in agreement with the books of accounts.

Net debt reconciliation

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	161.79	95.55
Current investments	253.27	241.63
Current borrowings (excluding current maturities of long-term debt)	(702.74)	-
Non-current borrowings (including current maturities of long-term debt and interest accrued but not due)	(7,257.41)	(7,251.52)
Lease liabilities	(42.22)	(36.01)
	(7,587.31)	(6,950.35)

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 29: Current Borrowings (Contd.)

	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Lease liabilities	
Net balance as at April 01, 2020	79.42	502.20	-	(8,428.51)	(37.96)	(7,884.85)
Cash flows	16.13 #	(278.72)	-	1,140.52	7.10	885.03
New lease	-	-	-	-	(1.83)	(1.83)
Interest expense	-	-	(9.82)	(650.53)	(3.32)	(663.67)
Interest paid	-	-	9.82	687.00	-	696.82
Gain on sale of current investments	-	17.59	-	-	-	17.59
Fair value adjustment	-	0.56	-	-	-	0.56
Net balance as at March 31, 2021	95.55	241.63	-	(7,251.52)	(36.01)	(6,950.35)
Cash flows	66.24	(12.11)	(702.74)	(0.35)	9.38	(639.58)
New lease	-	-	-	-	(12.11)	(12.11)
Interest expense	-	-	(2.26)	(533.83)	(3.48)	(539.57)
Interest paid	-	-	2.26	528.29	-	530.55
Gain on sale of current investments	-	24.22	-	-	-	24.22
Fair value adjustment	-	(0.47)	-	-	-	(0.47)
Net balance as at March 31, 2022	161.79	253.27	(702.74)	(7,257.41)	(42.22)	(7,587.31)

Cash and cash equivalents increased by ₹ 16.47 Crore less ₹ 0.34 Crore transferred to TCL Cables Private limited pursuant to slump sale.

Note 30: Current Trade Payables

	As at March 31, 2022	As at March 31, 2021
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises [Refer note 47]	50.27	36.51
Total outstanding dues other than micro and small enterprises	1,057.34	934.26
	1,107.61	970.77

Footnote:

- Refer note 64 for ageing schedule of current trade payables.



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 31: Other Current Financial Liabilities

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on loans and security deposits	69.14	63.60
Investor education and protection fund #		
Unpaid / Unclaimed dividend	10.52	10.01
Unclaimed fractional coupons	0.35	0.35
Book overdraft	1.30	5.23
Security deposits from consumers @	1,328.02	1,221.06
Other deposits	3.29	3.39
Payables for purchase of property, plant and equipment^	321.15	232.71
Financial guarantee obligation	5.57	3.32
Sundry payables (including for employees related payables)	153.15	129.63
	1,892.49	1,669.30

There is no amount due and outstanding to be credited to investor education and protection fund as at March 31, 2022.

@ Security deposits from consumers in the Company's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience.

^ including dues to micro and small enterprises for ₹ 12.53 Crore (March 31, 2021 - ₹ 7.85 Crore) [Refer note 47]

Note 32: Other Current Liabilities

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Credit balances of consumers [Refer note 44(d)]	99.48	84.47
Service line deposits from consumers [Refer note 44(c)]	207.13	189.85
Deferred revenue		
Contribution received from consumers [Refer note 44(b)]	91.74	82.85
Capital grant from government [Refer note 59(b)]	2.37	2.46
Statutory dues	199.99	170.63
Sundry payables #	0.65	7.03
	601.36	537.29

including interest dues to micro and small enterprises for ₹ 0.02 Crore [Refer note 47]

Notes

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Note 33: Current Provisions

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for gratuity [Refer note 49.2(d)]	12.23	11.46
Provision for compensated absences \$	121.56	128.94
	133.79	140.40
Other provisions		
Provision for indirect taxes	-	-
Provision for onerous contracts [Refer note 58]	135.76	162.80
	135.76	162.80
	269.55	303.20
\$ Provision for compensated absences is disclosed under current provision as the entity does not have an unconditional right to defer settlement for at least twelve months however these are generally not repayable within a period of twelve months based on historical experience.		
Movement in provision for indirect taxes :		
Opening balance as on April 01	-	0.10
Transfer pursuant to scheme of arrangement [Refer note 60]	-	(0.10)
Additional provision recognised	-	-
Closing balance as on March 31	-	-
Movement in provision for onerous contracts:		
Opening balance as on April 01	162.80	161.78
Additional provision recognised	0.53	1.02
Reversal of provision	(27.57)	-
Closing balance as on March 31	135.76	162.80

Note 34: Current Tax Liabilities

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Provision for taxation (net of tax paid)	121.38	44.45
	121.38	44.45



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 35: Revenue from Operations

	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	12,989.01	11,527.36
Revenue from trading of RLNG	547.94	112.48
	13,536.95	11,639.84
Less: Discount for prompt payment of bills	19.62	17.57
	13,517.33	11,622.27
Other operating income		
Provisions of earlier years written back	1.04	2.47
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 44(b)(2)] #	87.41	79.48
Capital grant from government [Refer note 59(b)]	2.45	2.72
Income from Generation Based Incentive	24.45	22.53
Insurance claim receipt	0.11	0.34
Miscellaneous income	82.95	46.71
	198.41	154.25
	13,715.74	11,776.52

Amortisation of deferred revenue are recognised within the scope of Ind AS 115.

Footnotes:

1. Disclosure given above presents disaggregated revenue from contracts with customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.
2. Timing of revenue recognition (from contract with customers) : Revenue from power supply is recognised over a period of time.
3. Revenue from operations for the previous year ended March 31, 2021 includes ₹ 250.62 Crore on account of favourable orders received from the Appellate Tribunal for Electricity in respect of disputed Revenue Gap related to carrying costs of earlier years.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 36: Other Income

	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest income from financial assets at amortised cost		
Deposits	16.53	26.93
Consumers	36.49	36.40
Contingency reserve investments	1.15	1.01
Loans to related parties [Refer note 56(b)]	89.33	89.41
Others	0.80	0.54
	144.30	154.29
Dividend income from non-current investments carried at cost	14.65	30.75
Rent income from investment property [Refer note 7]	1.16	0.24
Gain on disposal of property, plant and equipment	30.04	3.39
Gain on sale of current investments in mutual funds	24.22	17.59
Net gain arising on financial assets / liabilities measured at amortised cost	28.93	11.39
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	(0.47)	0.56
Financial guarantee commission (amortised)	5.00	1.22
Net gain on foreign currency transactions and translations	5.32	0.04
Gain on slump sale pursuant to scheme of arrangement [Refer note 60]	-	7.27
Miscellaneous income	42.94	23.54
	296.09	250.28

Note 37 : Changes in Inventories of Finished Goods and Work-In-Progress

	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Inventory of finished goods		
Opening stock	-	23.13
Less: Closing stock	-	-
Less: Transfer pursuant to scheme of arrangement [Refer note 60]	-	23.13
	-	-
Inventory of work-in-progress		
Opening stock	-	7.37
Less: Closing stock	-	-
Less: Transfer pursuant to scheme of arrangement [Refer note 60]	-	7.37
	-	-
Less: Allocated to capital works	-	-
	-	-



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 38: Employee Benefits Expense

	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	617.34	589.24
Contribution to provident and other funds [Refer note 49.1]	42.94	40.71
Employees welfare expenses	29.13	25.36
Compensated absences	13.77	18.80
Gratuity [Refer note 49.2(e)(3)]	18.28	19.45
	721.46	693.56
Less: Allocated to capital works, repairs and other relevant revenue accounts #	207.39	171.80
	514.07	521.76

includes allocated to capital works of ₹ 109.36 Crore (previous year ₹ 76.53 Crore)

Note 39: Finance Costs

	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense for financial liabilities classified as amortised cost		
Term loans	411.60	498.98
Non convertible debentures	122.23	151.55
Working capital loans	2.26	9.82
Security deposits from consumers	51.81	53.14
Lease liabilities	3.48	3.32
Others	2.79	1.93
Other borrowing costs	9.46	8.00
Amortisation of borrowing costs	3.67	5.63
Unwinding of discount	-	3.40
	607.30	735.77
Less: Allocated to capital works	25.74	16.81
	581.56	718.96

Note 40: Depreciation and Amortisation Expense

	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense on property, plant and equipment	1,212.43	1,157.83
Depreciation expense on right-of-use assets	11.44	11.42
Amortisation expense on intangible assets	10.02	10.70
	1,233.89	1,179.95
Less: Transfer from others	0.10	0.10
	1,233.79	1,179.85

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 41: Other Expenses

	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	233.72	193.50
Rent and hire charges	17.47	14.85
Repairs to		
Buildings	13.12	7.84
Plant and machinery	417.29	351.04
Others	21.69	17.73
	452.10	376.61
Insurance	43.06	33.37
Rates and taxes	11.28	10.56
Vehicle running expenses	40.26	36.87
Electricity expenses	20.87	19.21
Security expenses	47.83	40.78
Water charges	22.59	18.35
Power transmission and scheduling charges	11.44	31.55
Corporate social responsibility expenses [Refer note 51]	28.60	33.74
Loss on sale / discarding of property, plant and equipment	25.73	12.03
Commission to non-executive directors [Refer note 56(b)]	2.97	8.42
Directors sitting fees [Refer note 56(b)]	0.83	0.66
Auditors remuneration [Refer note 50]	1.69	1.85
Legal, professional and consultancy fees	39.95	31.45
Donations [Refer note 52]	58.30	36.55
Net loss on foreign currency transactions	0.12	10.71
Allowance / impairment for non-current investments	1.60	1.60
Bad debts written off (net of recovery)	47.00	49.81
Reversal of provision for onerous contracts [Refer note 58]	(27.57)	-
Provision for onerous contracts [Refer note 58]	0.53	1.02
Allowance for doubtful debts (net)	(40.90)	21.48
Miscellaneous expenses	91.34	81.54
	1,130.81	1,066.51
Less: Allocated to capital works, repairs and other relevant revenue accounts^	88.56	60.67
	1,042.25	1,005.84

^ includes allocated to capital works of ₹ Nil Crore (previous year ₹ 0.53 Crore)



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 42: Impairment Assessment

1. DGEN Power Plant

Net carrying value of Property, Plant & Equipment ("PPE") as at March 31, 2022 includes ₹ 1,378.90 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, Gujarat ("DGEN"). DGEN started commercial operations with effect from November 2014 and thereafter has operated only intermittently / partially, including during the year ended March 31, 2022, due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power selling arrangement.

In view of the above and given the current economic environment, during the current year, the Company has carried out an impairment assessment of DGEN as at March 31, 2022 by considering the recoverable amount based on value-in-use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets'. Value-in-use is determined considering a discount rate of 14.5% (March 31, 2021 – 13%) and cash flow projections over a period of 18 years (March 31, 2021 - 19 years), being the balance useful life of DGEN in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 on the basis that the Company expects to supply power in the future, inter alia, under long term power selling agreements. Based on the assessment, recoverable value of PPE by using value-in-use is ₹ 1,378.90 Crore which is lower than the carrying amount of PPE of ₹ 2,678.90 Crore and accordingly additional impairment loss of ₹ 1,300.00 Crore has been provided, which has been disclosed as an Exceptional item in the Statement of Profit and Loss.

Assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry. Management reviews such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any.

2. Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Limited ("GPCL"), had made payments in nature of compensation for acquisition of private land as per the court orders in Amreli, Gujarat for the purpose of developing a coal-based power plant of 1,000+ MW. Due to non-availability of fuel linkage, Government of Gujarat ("GoG") vide its letter dated December 06, 2017, communicated that the said project may not be developed and accordingly, the joint venture is intended to be dissolved. Further, as per the said letter, the cost of land would be reimbursed after the disposal of land. With reference to this, in the month of March 2019, GPCL has written a letter to Collector, Amreli stating that the land is surrendered to the Government of Gujarat and requested Energy and Petroleum Department, GoG to take further action in the matter. It is learnt that the Government of Gujarat is exploring the possibility of usage of Land for industrial purpose. The management has made an impairment assessment of the amount recoverable from Government of Gujarat and concluded that there is no impairment in the carrying amount of the land. The timing of the recoverability of the amounts invested in land would depend upon the availability of the buyer. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial statements of TPGl for the year ended March 31, 2022 have been prepared on a non - going concern basis. The recovery of carrying amount of equity and loan ₹ 93.29 Crore (March 31, 2021 ₹ 92.53 Crore) is also dependent on the availability of buyer for above mentioned land. The Company has invested equity and loan aggregating to ₹ 110.84 Crore (March 31, 2021 ₹ 108.48 Crore) in TPGl and impairment in value of investment is of ₹ 17.55 Crore as at March 31, 2022 (March 31, 2021 ₹ 15.95 Crore).

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 43: Income Tax Expense

A. Income tax expense recognised in statement of profit and loss

	Year ended March 31, 2022	Year ended March 31, 2021
(₹ in Crore)		
Current tax		
Current tax on profits for the year	367.45	284.47
Adjustment for current tax of prior periods	-	0.01
	367.45	284.48
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	12.27	(119.50)
(Decrease) / increase in deferred tax liabilities	(275.05)	93.35
	(262.78)	(26.15)
Income tax expense	104.67	258.33

B. Reconciliation of income tax expense

	Year ended March 31, 2022	Year ended March 31, 2021
(₹ in Crore)		
Profit before tax	514.38	1,583.24
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.944%)	179.74	553.25
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	28.52	15.89
Income not taxable under Income Tax Act	-	(2.54)
Tax incentives / deductions	(207.31)	(331.64)
Impairment loss of DGEN unit	82.64	-
Other adjustments including relating to accumulated MAT credit	21.08	23.36
Total	104.67	258.32
Adjustment for current tax of prior periods	-	0.01
Total expense as per statement of profit and loss	104.67	258.33

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

	Year ended March 31, 2022	Year ended March 31, 2021
(₹ in Crore)		
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	3.03	5.18
Income tax expense / (income) recognised in other comprehensive income	1.06	1.79



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 43: Income Tax Expense (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 March 31, 2022	As at March 31, 2021
Deferred tax assets	1,603.65	1,678.34
Deferred tax liabilities	(1,921.44)	(2,196.49)
	(317.79)	(518.15)

2. Movement of deferred tax assets / (liabilities)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2022

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,196.49)	275.05	-	-	(1,921.44)
Provision for compensated absences	42.95	(2.55)	-	-	40.40
Provision for onerous contracts	56.89	(9.45)	-	-	47.44
Allowance for doubtful debts	46.21	(13.56)	-	-	32.65
MAT credit entitlement	1,530.00	5.56	(61.36)	-	1,474.20
Others	2.29	7.73	-	(1.06)	8.96
	(518.15)	262.78	(61.36)	(1.06)	(317.79)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2021

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,103.14)	(93.35)	-	-	(2,196.49)
Provision for compensated absences	41.59	1.36	-	-	42.95
Provision for onerous contracts	56.53	0.36	-	-	56.89
Allowance for doubtful debts	33.29	12.92	-	-	46.21
MAT credit entitlement	1,430.77	99.23	-	-	1,530.00
Others	(1.55)	5.63	-	(1.79)	2.29
	(542.51)	26.15	-	(1.79)	(518.15)

3. Unrecognised deferred tax assets

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Accumulated MAT credit entitlement	-	-
	-	-

Management has made an assessment of the amount of taxable income that would be available in future to offset the Accumulated MAT credit entitlement 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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 44: Revenue from Contracts with Customers

A. Unbilled revenue

- Revenue from contracts with customers include unbilled revenue towards FPPPA claims and other true up adjustments which is recognised considering applicable tariff regulations / tariff orders, past trends of approval and management's probability estimate.

The Company has not recognized those true up adjustment claims which are subject of dispute and for which the Company is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities.

2. Movement in unbilled revenue

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	1,651.83	1,502.95
Add: Income accrued during the year as per tariff regulations / orders	2,616.45	2,185.51
Less: Amount billed during the year to the consumers as per tariff orders	(2,364.75)	(2,036.63)
Closing balance	1,903.53	1,651.83
Disclosed under		
Unbilled revenue [Refer note 21]	1,914.64	1,673.80
Sundry payables [Refer note 27 & note 31]	(11.11)	(21.97)
	1,903.53	1,651.83

B. 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 over its useful life.

2. Movement of contribution received from consumers

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
	1,168.54	1,131.98
Add: Contribution received during the year	200.41	116.04
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 35]	(87.41)	(79.48)
Closing balance	1,281.54	1,168.54
Non-current portion [Refer note 28]	1,189.80	1,058.69
Current portion [Refer note 32]	91.74	82.85
	1,281.54	1,168.54

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 44: Revenue from Contracts with Customers (Contd.)

C. Service line deposit from consumers

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	189.85	194.82
Add: Received during the year (net of refund)	217.69	111.07
Less: Transferred to contribution received from consumers	(200.41)	(116.04)
Closing balance [Refer note 32]	207.13	189.85

Footnote:

- Service line deposits are collected against the cost of capital work to be carried out for new connection or load extension on application by consumers. On the completion of the work, such contribution is transferred to deferred revenue under the head "other current / non-current liabilities".

D. Credit balance of consumers

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	84.47	81.68
Add / (less) : Adjustment to current billing (net)	15.01	2.79
Closing balance [Refer note 32]	99.48	84.47

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 45: Contingent Liabilities, Contingent Assets and Capital Commitments

A. Contingent liabilities

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Disputed income tax matters	26.46	29.27
Disputed sales tax matters	0.96	0.96
Disputed service tax matters	0.49	0.49
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	0.18	0.18
Disputed stamp duty matters	36.37	0.35
Disputed value added tax matters	2.94	2.94
Claims against the Company not acknowledged as debt [Refer footnote 3]	163.70	148.06

The Company has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from 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. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Company is not material and accordingly, no provision has been made in the financial statements.

Footnotes:

- Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the company will likely be upheld in the appellate process and accordingly no provision has been made in the standalone financial statements for such demands.
- 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.
- Break up of claims against the Company not acknowledged as debt as under:

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Claim of regulatory surcharge including interest in franchise distribution business	77.27	68.59
Penalty order issued by Directorate General of Foreign Trade (DGFT) in distribution business	50.53	50.53
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	18.31	15.35
Compensation payable for short lifting for material	8.46	8.46
Others	9.13	5.13
Closing balance [Refer note 32]	163.70	148.06



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 45: Contingent Liabilities, Contingent Assets and Capital Commitments (Contd.)

B. Contingent assets

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Claim for coal grade slippage	6.35	9.39
Claim of compensation for short lifting of material	8.46	8.46
	14.81	17.85

C. Capital and other commitments

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	642.28	455.19
ii) Other commitments		
(a) Guarantees given to lenders of subsidiary company \$	700.00	-
(b) Guarantees given in favour of the debenture trustee for NCD issued by subsidiary companies including interest thereon	616.62	615.59

\$ Utilised as at March 31, 2022 was ₹ 25.48 Crore (March 31, 2021 - Nil).

Footnotes:

The guarantees given to lenders of subsidiaries are unlikely to be called, as subsidiaries are in a position to service the loans and interest, covered by such guarantees.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 46: The Company has given Loans to its Subsidiary and Associate Companies as Under:

A. 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 March 31, 2022	Year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
Subsidiary Companies				
Torrent Pipavav Generation Limited	63.34	60.98	63.34	60.98
Torrent Solargen Limited	851.05	827.28	851.05	750.83
Jodhpur Wind Farms Private Limited	20.37	72.76	-	-
Latur Renewable Private Limited	20.43	65.17	-	-
TCL Cables Private Limited	270.95	219.05	231.22	219.05
Torrent Solar Power Private Limited	61.29	-	61.29	-
Torrent Saurya Urja 2 Private Limited	32.18	-	32.18	-
			1,239.08	1,030.86
Associate Company				
Wind Two Renergy Private Limited	155.71	157.95	141.77	155.71
			141.77	155.71
			1,380.85	1,186.57

Footnotes:

- The Company has not given any loans or advances in the nature of loan to any firms / companies, in which Directors are interested.
- The above loans were given to the subsidiaries and associate 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.

B. Details of Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

- repayable on demand; or
- without specifying any terms or period of repayment

(₹ in Crore)

	As at March 31, 2022		As at March 31, 2021	
	Amount of Loan or advance in nature of loan outstanding	Percentage to total loans and advances in the nature of loans	Amount of Loan or advance in nature of loan outstanding	Percentage to total loans and advances in the nature of loans
Related Parties	1,149.63	83.26%	967.51	81.54%
	1,149.63		967.51	



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 46: The Company has given Loans to its Subsidiary and Associate Companies as Under: (Contd.)

C. Except as detailed below, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(₹ in Crore)

Date of loan given to Intermediary	Amount of loan given	Name of Intermediary	Details of Intermediary	Date of fund further loaned by Intermediary to the Ultimate beneficiary	Amount further loaned by Intermediary to the Ultimate beneficiary	Name of Ultimate beneficiary	Details of Ultimate beneficiary
March 29, 2022	6.10	Torrent Solargen Limited	India - Subsidiary (U40102GJ2008PLC055000)	March 29, 2022	6.10	Surya Vidyut Limited	India - Subsidiary (U40108WB2010PLC150712)

above has been received back on April 02, 2022

In respect of the aforesaid loan, the Company has complied with the relevant provisions of the Companies Act, 2013. Further, the said transaction is not violative of the Prevention of Money-laundering Act, 2002.

During the year ended March 31, 2022 and March 31, 2021, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

Note 47: 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 March 31, 2022	As at March 31, 2021
a) Principal amount remaining unpaid [Refer notes 30 and 32]	62.80	44.31
b) Interest due thereon	-	-
c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
i) Principal amounts paid to the suppliers beyond the appointed day during the year	2.23	4.77
ii) Interest paid under section 16 of the MSMED Act, to the suppliers, beyond the appointed day during the year	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)	0.02	0.05
e) The amount of interest accrued and remaining unpaid [b+d]	0.02	0.05
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.	-	-

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 48: Leases

This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets

(₹ in Crore)

	Notes	As at March 31, 2022	As at March 31, 2021
Land	5	152.54	158.15
Buildings	5	25.68	19.86
Plant and machinery	5	0.23	0.28
Office equipment	5	0.02	0.06
		178.47	178.35

Lease liabilities

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Current	4.95	5.05
Non-current	37.27	30.96
	42.22	36.01

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

(₹ in Crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation charge of right-of-use assets	40	11.44	11.42
Interest expense (included in finance costs)	39	3.48	3.32
Expense relating to short-term leases (included in other expenses)	41	1.98	1.55
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	41	0.59	0.17
		17.49	16.46

(iii) Maturities of lease liabilities

As at March 31, 2022:

(₹ in Crore)

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	7.23
Between 1 year and 5 years	29.61	-
5 years and above	24.41	-
	54.02	7.23

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 48: Leases (Contd.)

(iii) Maturities of lease liabilities

As at March 31, 2021:

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	6.77
Between 1 year and 5 years	17.73	-
5 years and above	29.50	-
	47.23	6.77

(iv) The total cash outflow for leases for the year was ₹ 9.38 Crore (March 31, 2021 ₹ 7.10 Crore).

(v) Lease asset of Shil, Mumbra and Kalwa (franchise area)

Torrent Power Limited ("TPL") has entered into a Distribution Franchise Agreement ("Agreement") dated February 11, 2019 with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") whereby as per the Agreement TPL would distribute the electricity in the area of Shil, Mumbra and Kalwa in Thane District in Maharashtra ("Franchise area") for 20 years (effective from March 01, 2020).

As per the Agreement TPL would purchase electricity from MSEDCL at the rate which would be derived through mechanism as mentioned in the Agreement which is linked to the number of units purchased and would distribute electricity to the Consumers at the tariff which has been approved by Maharashtra Electricity Regulation Commission (MERC).

Further as per the Agreement TPL has right to use existing assets of MSEDCL in the Franchise area provided it shall perform all the obligations and accepts all liabilities of MSEDCL on behalf of distribution licensee in Franchise area and MSEDCL shall not charge any rent for the use of such assets.

Considering the facts of the arrangement, TPL has the right to obtain substantially all of the economic benefits from use of MSEDCL assets of the Franchise area and the right to direct the use of the said assets for 20 years and accordingly it would meet the definition of Lease as per Ind AS 116. Further, for distribution of electricity, TPL would purchase power from MSEDCL for which payment would be made as per the franchise agreement which is linked to the number of units purchased. Accordingly the payments by TPL to MSEDCL is variable in nature and there are no fixed payments in the form of minimum purchase commitments, take or pay or any sort of fixed charges is required to be made.

Considering the entire payment made by TPL for this arrangement is variable in nature and there would be no lease liability required to be recognised with a corresponding right of use assets on initial recognition in accordance with Ind AS 116 and considering non-availability of relevant observable information for lease payments, management estimates and cost benefit analysis, total consideration payable to MSEDCL towards purchase of electricity has been shown as 'Electrical energy purchased' in the Financial Statements.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 49: Employee benefits plan

49.1 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, superannuation funds and to employees state insurance scheme aggregating to ₹ 42.94 Crore (Previous year - ₹ 40.71 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 38].

49.2 Defined benefit plans

a. Gratuity

The Company operates through various gratuity trust, a 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.

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 March 31, 2022. 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.



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 49: Employee benefits plan (Contd.)

c. Significant assumptions

The principal assumptions used for the purpose of the actuarial valuation were as follows.

	As at March 31, 2022	As at March 31, 2021
Discount rate (p.a.)	7.17%	7.08%
Salary escalation rate (p.a.)	8.50%	8.50%

d. The amount included in the balance sheet arising from the Company's obligation in respect of its wdefined benefit plans is as follows:

Balances of defined benefit plan

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	275.91	280.38
Fair value of plan assets	263.68	268.92
Net (asset) / liability [Refer note 33]	12.23	11.46

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 March 31, 2022	As at March 31, 2021
1. Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	280.38	289.07
Transfer pursuant to scheme of arrangement [Refer note 60]	-	(7.64)
Current service cost	17.48	15.71
Interest cost	19.85	19.50
Actuarial (gains) / losses from changes in demographic assumptions	0.11	-
Actuarial (gains) / losses arising changes in financial assumptions	(2.26)	(3.61)
Actuarial (gains) / losses from experience adjustments	(2.37)	(1.31)
Liability transferred in	2.39	0.26
Liability transferred out	(2.17)	(1.39)
Benefits paid directly by employer	(2.39)	(1.57)
Benefits paid	(35.11)	(28.64)
Obligation at the end of the year	275.91	280.38

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 49: Employee benefits plan (Contd.)

(₹ in Crore)

	Funded plan- Gratuity	
	As at March 31, 2022	As at March 31, 2021
2. Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	268.92	234.47
Transfer pursuant to scheme of arrangement [Refer note 60]	-	(7.01)
Interest income	19.05	15.76
Return on plan assets (excluding interest income)	(1.49)	0.26
Contributions received	12.31	54.08
Benefits paid	(35.11)	(28.64)
Plan assets at the end of the year, at fair value	263.68	268.92
3. Gratuity cost recognized in the statement of profit and loss		
Current service cost	17.48	15.71
Interest cost, net	0.80	3.74
Net gratuity cost recognized in the statement of profit and loss [Refer note 38]	18.28	19.45
4. Gratuity cost recognized in the other comprehensive income (OCI)		
Return on plan assets (excluding interest income)	1.49	(0.26)
Actuarial (gains) / losses	(4.52)	(4.92)
Net (income) / expense for the period recognized in OCI	(3.03)	(5.18)

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.

Change in assumptions

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(11.88)	(11.40)
50 basis points decrease in discount rate	12.95	12.42
50 basis points increase in salary escalation rate	12.72	12.19
50 basis points decrease in salary escalation rate	(11.79)	(11.30)

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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 49: Employee benefits plan (Contd.)

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 19 years (Previous year - 19 years).
- i.** Expected contribution to the plan for the next annual reporting period is ₹ 12.23 Crore (Previous year - ₹ 11.46 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 March 31, 2022	As at March 31, 2021
1st following year	32.51	35.78
2nd following year	16.77	19.60
3rd following year	28.74	29.44
4th following year	26.75	27.94
5th following year	17.48	25.88
sum of years 6th to 10th	93.46	87.66

49.3 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 33 and 38 for the leave encashment provision / change in the balance sheet and statement of profit and loss.

Note 50: Auditors Remuneration (Including Taxes)

(₹ in Crore)		
	Year ended March 31, 2022	Year ended March 31, 2021
As audit fees	1.21	1.30
For other services	0.46	0.52
For reimbursement of expenses	0.02	0.03
	1.69	1.85

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 51: Corporate Social Responsibility (CSR) Expenditure

(₹ in Crore)		
	As at March 31, 2022	As at March 31, 2021
a. Amount required to be spent by the company during the year	28.60	26.99
b. Amount of expenditure incurred	28.60	33.74
c. Shortfall at the end of the year	-	-
d. Total of previous years shortfall	-	-
e. Reason for shortfall	Not Applicable	Not Applicable
f. Nature of CSR activities-	1) Pediatric health care activity. 2) Development and maintenance of public parks. 3) Education for urban slum children.	1) Pediatric health care activity. 2) Development and maintenance of public parks. 3) Education for urban slum children.
g. Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure (i) UNM Foundation (formerly known as Tornascent Care Institute) [Refer Footnote 1]	28.48	33.56
	28.48	33.56

Footnote:

1. Unspent amount as at March 31, 2022 is ₹ 16.91 Crore (March 31, 2021 ₹ 6.06 Crore (net of utilisation till september 30, 2021)) has been transferred to special bank account u/s 135 (6) of the Companies Act, 2013.

Note 52: Donations Include Political Contributions as under

(₹ in Crore)		
	Year ended March 31, 2022	Year ended March 31, 2021
Electoral Bonds	27.50	-
Prudent Electoral Trust	3.50	10.00
	31.00	10.00

Note 53: Earnings Per Share

	Year ended March 31, 2022	Year ended March 31, 2021
Basic earnings per share (₹)	8.52	27.57
Diluted earnings per share (₹)	8.52	27.57

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 March 31, 2022	Year ended March 31, 2021
Profit for the year used in calculation of basic earning per share (₹ in Crore)	409.71	1,324.91
Weighted average number of equity shares	48,06,16,784	48,06,16,784

The company does not have any dilute potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 54: Operating Segments

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. Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

The Company's operations are wholly confined within India and as such there is no reportable geographical information.

Note 55: Certified Emission Reduction (CERs)

	Year ended March 31, 2022	Year ended March 31, 2021
No. of CERs inventory	-	3,91,411
No. of CERs under certification	71,71,099	52,04,387

Inventories of CERs are valued at cost or market price whichever is lower.

Note 56: Related Party Disclosures

A. Names of related parties and description of relationship:

1.	Parent Company	Torrent Investments Private Limited (formerly known as Torrent Private Limited)
2.	Subsidiaries	Torrent Power Grid Limited, Torrent Pipavav Generation Limited, Torrent Solargen Limited, Jodhpur Wind Farms Private Limited, Latur Renewable Private Limited, TCL Cables Private Limited, Torrent Solar Power Private Limited (w.e.f. July 28, 2020), Torrent Saurya Urja 2 Private Limited (w.e.f. February 05, 2021), Torrent Saurya Urja 3 Private Limited (w.e.f. February 17, 2021), Torrent Saurya Urja 4 Private Limited (w.e.f. July 20, 2021), Torrent Saurya Urja 5 Private Limited (w.e.f. July 16, 2021), Visual Percept Solar Projects Private Limited (w.e.f. February 15, 2022), Surya Vidyut Limited (w.e.f. March 11, 2022), Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (w.e.f. March 15, 2022) and LREHL Renewables India SPV 1 Private Limited (w.e.f. March 25, 2022)
3.	Associates	Wind Two Renergy Private Limited
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 (KMP)	Samir Mehta Jinal Mehta
6.	Non-executive directors	Sudhir Mehta Pankaj Patel Samir Barua Keki Mistry Usha Sangwan (w.e.f. May 21, 2021) Radhika Haribhakti (w.e.f. August 07, 2021) Mamta Verma (w.e.f. August 07, 2021) Bhavna Doshi (upto September 30, 2021) Dharmishta Raval (upto September 30, 2021) Sunaina Tomar (upto June 15, 2021)
7.	Relatives of key management personnel*	Varun Mehta
8.	Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company*	UNM Foundation (formerly known as Tornascent Care Institute)#, Torrent Pharmaceuticals Limited, Torrent Power Services Private Limited, Torrent Gas Pune Limited (formerly known as Mahesh Gas Limited), Torrent Gas Private Limited, Torrent Fincorp Private Limited, Torrent Sports Ventures Private Limited, Torrent Diagnostics Private Limited, Gujarat Lease Financing Limited

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

The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date"). The name "Tornascent Care Institute" changed to "UNM Foundation" w.e.f. July 20, 2021.

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forming part of the standalone financial statements for the year ended March 31, 2022

	₹ in Crore)											
	Subsidiaries	Associates	Employee benefits plans	Key management personnel / non-executive directors	Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	Total						
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Nature of transactions												
Dividend income	14.65	30.75	-	-	-	-	14.65	30.75	-	-	14.65	30.75
Torrent Power Grid Ltd.	14.65	11.99	-	-	-	-	14.65	11.99	-	-	14.65	11.99
Latur Renewable Pvt. Ltd.	-	12.10	-	-	-	-	-	12.10	-	-	-	12.10
Jodhpur Wind Farms Pvt. Ltd.	-	6.66	-	-	-	-	-	6.66	-	-	-	6.66
Interest income	78.24	76.39	11.09	13.02	-	-	89.33	89.41	-	-	89.33	89.41
Torrent Solargen Ltd.	59.31	67.85	-	-	-	-	59.31	67.85	-	-	59.31	67.85
Latur Renewable Pvt. Ltd.	*	2.49	-	-	-	-	*	2.49	-	-	*	2.49
Jodhpur Wind Farms Pvt. Ltd.	*	2.43	-	-	-	-	*	2.43	-	-	*	2.43
TCL Cables Pvt. Ltd.	17.49	3.62	-	-	-	-	17.49	3.62	-	-	17.49	3.62
Torrent Solar Power Pvt. Ltd.	0.77	-	-	-	-	-	0.77	-	-	-	0.77	-
Torrent Saurya Urja 2 Pvt. Ltd.	0.56	-	-	-	-	-	0.56	-	-	-	0.56	-
LREHL Renewables India SPV 1 Pvt. Ltd.	0.11	-	-	-	-	-	0.11	-	-	-	0.11	-
Wind Two Renergy Pvt. Ltd.	-	-	11.09	13.02	-	-	-	13.02	-	-	11.09	13.02
Dividend paid	-	-	-	-	-	-	373.26	141.58	-	-	373.26	141.58
Torrent Investments Pvt. Ltd.	-	-	-	-	-	-	373.26	141.58	-	-	373.26	141.58

Note 56: Related Party Disclosures (Contd.)

B. Related party transactions



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

B. Related party transactions	(₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Services provided (rent income including tax)	1.37	0.29	-	-	-	-	-	-	0.88	0.41
Torrent Power Grid Ltd.	*	0.01	-	-	-	-	-	-	-	*
Torrent Pipavav Generation Ltd.	*	0.01	-	-	-	-	-	-	-	*
Torrent Solargen Ltd.	*	0.01	-	-	-	-	-	-	-	*
Latur Renewable Pvt. Ltd.	*	0.01	-	-	-	-	-	-	-	*
Jodhpur Wind Farms Pvt. Ltd.	*	0.01	-	-	-	-	-	-	-	*
Torrent Solar Power Pvt. Ltd.	*	*	-	-	-	-	-	-	-	*
TCL Cables Pvt. Ltd.	1.37	0.24	-	-	-	-	-	-	-	1.37
Torrent Saurya Urja 2 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	*
Torrent Saurya Urja 3 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	*
Torrent Saurya Urja 4 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	*
Torrent Saurya Urja 5 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	*
UNM Foundation	-	-	-	-	-	-	-	-	0.01	0.01

Notes

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B. Related party transactions	(₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Torrent Investments Pvt. Ltd.	-	-	-	-	-	-	-	-	*	*
Torrent Power Services Pvt. Ltd.	-	-	-	-	-	-	-	-	*	0.01
Torrent Gas Pvt. Ltd.	-	-	-	-	-	-	-	-	0.87	0.39
Torrent Fincorp Pvt. Ltd.	-	-	-	-	-	-	-	-	*	*
Torrent Sports Ventures Pvt. Ltd.	-	-	-	-	-	-	-	-	*	-
Torrent Diagnostics Pvt. Ltd.	-	-	-	-	-	-	-	-	*	-
Services received / remuneration paid	1.63	-	-	-	-	-	-	-	2.25	1.60
TCL Cables Pvt. Ltd.	1.63	-	-	-	-	-	-	-	-	-
Varun Mehta	-	-	-	-	-	-	-	-	2.25	1.60
Purchase of cables	178.83	95.38	-	-	-	-	-	-	-	178.83
TCL Cables Pvt. Ltd.	178.83	95.38	-	-	-	-	-	-	-	178.83
Purchase of materials	-	-	-	-	-	-	-	-	0.63	-
Torrent Gas Pvt. Ltd.	-	-	-	-	-	-	-	-	0.63	-
Shared expenditure charged to	1.56	1.73	0.31	0.28	-	-	-	-	0.02	0.06
Torrent Pipavav Generation Ltd.	0.42	0.39	-	-	-	-	-	-	-	-
Torrent Solargen Ltd.	0.61	0.67	-	-	-	-	-	-	-	-
Torrent Power Grid Ltd.	0.06	0.09	-	-	-	-	-	-	-	-
Latur Renewable Pvt. Ltd.	0.16	0.20	-	-	-	-	-	-	-	-

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

B. Related party transactions	₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Jodhpur Wind Farms Pvt. Ltd.	0.31	0.38	-	-	-	-	-	-	0.31	0.38
Wind Two Renergy Pvt. Ltd.	-	-	0.31	0.28	-	-	-	-	0.31	0.28
Torrent Gas Pune Ltd.	-	-	-	-	-	-	-	0.06	-	0.06
Torrent Gas Pvt. Ltd.	-	-	-	-	-	-	-	*	-	*
Gujarat Lease Financing Ltd.	-	-	-	-	-	-	0.02	-	0.02	-
Expenses incurred on behalf of	2.16	-	-	-	-	-	-	-	2.16	-
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Ltd.	2.16	-	-	-	-	-	-	-	2.16	-
Impairment in value of investment	1.60	1.60	-	-	-	-	-	-	1.60	1.60
Torrent Pipavav Generation Ltd.	1.60	1.60	-	-	-	-	-	-	1.60	1.60
Transfer of gratuity/leave liability to / (from)	0.08	0.89	-	-	-	-	(0.13)	0.59	(0.05)	1.48
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	(0.29)	0.51	(0.29)	0.51

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

B. Related party transactions	₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Torrent Power Grid Ltd.	-	0.16	-	-	-	-	-	-	-	0.16
TCL Cables Pvt. Ltd.	0.08	0.73	-	-	-	-	-	-	0.08	0.73
UNM Foundation	-	-	-	-	-	-	*	-	*	-
Torrent Gas Pune Ltd.	-	-	-	-	-	-	-	(0.22)	-	(0.22)
Torrent Gas Pvt. Ltd.	-	-	-	-	-	-	0.16	0.30	0.16	0.30
Managerial remuneration@	-	-	-	-	-	-	24.14	22.69	24.14	22.69
Samir Mehta	-	-	-	-	-	-	10.00	10.00	10.00	10.00
Jinal Mehta	-	-	-	-	-	-	14.14	12.69	14.14	12.69
Commission to non-executive directors^	-	-	-	-	-	-	1.82	6.41	1.82	6.41
Sudhir Mehta	-	-	-	-	-	-	-	5.00	-	5.00
Samir Barua	-	-	-	-	-	-	0.37	0.32	-	0.32
Keki Mistry	-	-	-	-	-	-	0.30	0.24	-	0.24
Pankaj Patel	-	-	-	-	-	-	0.27	0.21	-	0.21
Bhavna Doshi	-	-	-	-	-	-	0.21	0.32	-	0.32
Dharmishta Raval	-	-	-	-	-	-	0.22	0.27	-	0.27
Sunaina Tomar#	-	-	-	-	-	-	0.05	0.05	-	0.05
Usha Sangwan	-	-	-	-	-	-	0.21	-	-	0.21

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

B. Related party transactions	₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Radhika Haribhakti	-	-	-	-	-	-	0.14	-	-	0.14
Mamta Verma#	-	-	-	-	-	-	0.05	-	-	0.05
Sitting fees to non-executive directors^	-	-	-	-	-	-	0.70	0.56	-	0.70
Samir Barua	-	-	-	-	-	-	0.16	0.14	-	0.16
Keki Mistry	-	-	-	-	-	-	0.11	0.09	-	0.11
Pankaj Patel	-	-	-	-	-	-	0.09	0.07	-	0.09
Bhavna Doshi	-	-	-	-	-	-	0.08	0.14	-	0.08
Dharmishta Raval	-	-	-	-	-	-	0.09	0.11	-	0.09
Sunaina Tomar#	-	-	-	-	-	-	0.01	0.01	-	0.01
Usha Sangwan	-	-	-	-	-	-	0.09	-	-	0.09
Radhika Haribhakti	-	-	-	-	-	-	0.06	-	-	0.06
Mamta Verma#	-	-	-	-	-	-	0.01	-	-	0.01
Donation	-	-	-	-	-	-	-	-	11.36	1.51
UNM Foundation	-	-	-	-	-	-	-	-	11.36	1.51

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

B. Related party transactions	₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Contribution towards CSR	-	-	-	-	-	-	-	-	28.48	33.56
UNM Foundation	-	-	-	-	-	-	-	-	28.48	33.56
Contribution to employee benefit plans (net)	-	-	-	-	22.15	63.05	-	-	-	63.05
TPL (Ahmedabad) Gratuity Trust	-	-	-	-	9.16	47.69	-	-	-	47.69
TPL (Ahmedabad) Superannuation Fund	-	-	-	-	7.54	6.87	-	-	-	6.87
TPL (Surat) Gratuity Trust	-	-	-	-	2.66	4.51	-	-	-	4.51
TPL (Surat) Superannuation Fund	-	-	-	-	1.51	1.29	-	-	-	1.29
TPL (SUGEN) Gratuity Trust	-	-	-	-	0.44	1.60	-	-	-	1.60
TPL (SUGEN) Superannuation Fund	-	-	-	-	0.52	0.49	-	-	-	0.49
TPL (DGEN) Gratuity Trust	-	-	-	-	0.05	0.28	-	-	-	0.28
TPL (DGEN) Superannuation Fund	-	-	-	-	0.27	0.32	-	-	-	0.32
Equity contribution	40.10	0.15	-	-	-	-	-	-	-	0.15
TCL Cables Pvt. Ltd.	40.00	-	-	-	-	-	-	-	-	-
Torrent Solar Power Pvt. Ltd.	-	0.05	-	-	-	-	-	-	-	0.05
Torrent Saurya Urja 2 Pvt. Ltd.	-	0.05	-	-	-	-	-	-	-	0.05
Torrent Saurya Urja 3 Pvt. Ltd.	-	0.05	-	-	-	-	-	-	-	0.05



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 56: Related Party Disclosures (Contd.)

B. Related party transactions

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Torrent Surya Urja 4 Pvt. Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Torrent Surya Urja 5 Pvt. Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Payment against bank guarantee	5.00	-	-	-	-	-	-	-	-	-	5.00	-
Torrent Solargen Ltd.	5.00	-	-	-	-	-	-	-	-	-	5.00	-
Refund by bank against bank guarantee	4.50	-	-	-	-	-	-	-	-	-	4.50	-
Torrent Solargen Ltd.	4.50	-	-	-	-	-	-	-	-	-	4.50	-
Loans given	461.45	234.97	7.95	18.70	-	-	-	-	-	-	469.40	253.67
Torrent Pipavav Generation Ltd.\$\$	2.36	1.75	-	-	-	-	-	-	-	-	2.36	1.75
Torrent Solargen Ltd.	177.77	8.25	-	-	-	-	-	-	-	-	177.77	8.25
Latur Renewable Pvt. Ltd.	20.43	2.00	-	-	-	-	-	-	-	-	20.43	2.00
Jodhpur Wind Farms Pvt. Ltd.	20.37	0.50	-	-	-	-	-	-	-	-	20.37	0.50
TCL Cables Pvt. Ltd.	148.25	222.47	-	-	-	-	-	-	-	-	148.25	222.47

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forming part of the standalone financial statements for the year ended March 31, 2022

Note 56: Related Party Disclosures (Contd.)

B. Related party transactions

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Torrent Solar Power Pvt. Ltd.	60.60	-	-	-	-	-	-	-	-	-	60.60	-
Torrent Surya Urja 2 Pvt. Ltd.	31.67	-	-	-	-	-	-	-	-	-	31.67	-
Wind Two Renergy Pvt. Ltd.	-	-	7.95	18.70	-	-	-	-	-	-	7.95	18.70
Receipt on repayment of loans	255.34	202.33	21.30	19.00	-	-	-	-	-	-	276.64	221.33
Torrent Solargen Ltd.	78.04	85.65	-	-	-	-	-	-	-	-	78.04	85.65
Latur Renewable Pvt. Ltd.	20.43	55.40	-	-	-	-	-	-	-	-	20.43	55.40
Jodhpur Wind Farms Pvt. Ltd.	20.37	54.51	-	-	-	-	-	-	-	-	20.37	54.51
TCL Cables Pvt. Ltd.	136.50	6.77	-	-	-	-	-	-	-	-	136.50	6.77
Wind Two Renergy Pvt. Ltd.	-	-	21.30	19.00	-	-	-	-	-	-	21.30	19.00
Deposits received	0.10	-	-	-	-	-	-	-	-	-	0.10	-
TCL Cables Pvt. Ltd.	0.10	-	-	-	-	-	-	-	-	-	0.10	-
Torrent Solar Power Pvt. Ltd.	-	*	-	-	-	-	-	-	-	-	-	*
Torrent Surya Urja 2 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Surya Urja 3 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Surya Urja 4 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Surya Urja 5 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Investments Pvt. Ltd.	-	-	-	-	-	-	-	-	-	*	-	*
Torrent Fincorp Pvt. Ltd.	-	-	-	-	-	-	-	-	-	*	-	*



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 56: Related Party Disclosures (Contd.)

B. Related party transactions

	₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Torrent Sports Ventures Pvt. Ltd.	-	-	-	-	-	-	-	-	*	-
Torrent Diagnostics Pvt. Ltd.	-	-	-	-	-	-	-	-	*	-
Deposit Refunded	*	-	-	-	-	-	-	-	*	-
Torrent Power Grid Ltd.	*	-	-	-	-	-	-	-	-	-
Torrent Pipavav Generation Ltd.	*	-	-	-	-	-	-	-	-	-
Torrent Solargen Ltd.	*	-	-	-	-	-	-	-	-	-
Jodhpur Wind Farms Pvt. Ltd.	*	-	-	-	-	-	-	-	-	-
Latur Renewable Pvt. Ltd.	*	-	-	-	-	-	-	-	-	-
Torrent Solar Power Pvt. Ltd.	*	-	-	-	-	-	-	-	-	-
UNM Foundation	-	-	-	-	-	-	-	-	*	-
Torrent Investment Pvt. Ltd.	-	-	-	-	-	-	-	-	*	-
Torrent Power Services Pvt. Ltd.	-	-	-	-	-	-	-	-	*	-
Torrent Gas Pvt. Ltd.	-	-	-	-	-	-	-	-	*	-

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 56: Related Party Disclosures (Contd.)

B. Related party transactions

	₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Torrent Fincorp Pvt. Ltd.	-	-	-	-	-	-	-	-	*	-
Consideration received pursuant to scheme of arrangement	-	256.95	-	-	-	-	-	-	-	256.95
TCL Cables Pvt. Ltd.	-	256.95	-	-	-	-	-	-	-	256.95
Utilisation of non-fund based limit of the Company by	449.54	32.87	-	-	-	-	-	-	449.54	32.87
Torrent Solargen Ltd.	47.57	-	-	-	-	-	-	-	47.57	-
Jodhpur Wind Farms Pvt. Ltd.	0.81	0.70	-	-	-	-	-	-	0.81	0.70
Latur Renewable Pvt. Ltd.	0.81	0.70	-	-	-	-	-	-	0.81	0.70
Torrent Solar Power Pvt. Ltd.	-	9.44	-	-	-	-	-	-	-	9.44
TCL Cables Pvt. Ltd.	24.20	22.03	-	-	-	-	-	-	24.20	22.03
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Ltd.	376.15	-	-	-	-	-	-	-	376.15	-
Guarantees given in favour of the debenture trustee for NCD	-	600.00	-	-	-	-	-	-	-	600.00
Jodhpur Wind Farms Pvt. Ltd.	-	300.00	-	-	-	-	-	-	-	300.00
Latur Renewable Pvt. Ltd.	-	300.00	-	-	-	-	-	-	-	300.00

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 56: Related Party Disclosures (Contd.)

B. Related party transactions	(₹ in Crore)					
	Subsidiaries	Associates	Employee benefits plans	Key management personnel / non-executive directors	Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	Total
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Guarantees given to lenders of subsidiaries	700.00	-	-	-	-	700.00
Torrent Solargen Ltd.	700.00	-	-	-	-	700.00

@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.
Sitting fees and Commission of Sunaina Tomar and Mamta Verma (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.
^ excluding Goods and Services Tax.
\$\$ Interest free loan has been provided.

The Company is a public utility, being engaged in distribution of electricity. Transactions entered with the above mentioned related party does not include sale of electricity since the tariff charged to the customers are determined by an independent rate-setting authority.

C. Key management personnel compensation

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	24.14	22.69
	24.14	22.69

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 56: Related Party Disclosures (Contd.)

D. Related party balances										(₹ in Crore)		
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21		
Balances at the end of the year												
Current liabilities	49.09	34.41	-	-	-	-	14.32	18.91	0.16	0.81	63.57	54.13
Torrent Power Grid Ltd.	-	0.16	-	-	-	-	-	-	-	-	-	0.16
Torrent Solargen Ltd.	-	*	-	-	-	-	-	-	-	-	-	*
Torrent Pipavav Generation Ltd.	-	*	-	-	-	-	-	-	-	-	-	*
Latur Renewable Pvt. Ltd.	-	*	-	-	-	-	-	-	-	-	-	*
Jodhpur Wind Farms Pvt. Ltd.	-	*	-	-	-	-	-	-	-	-	-	*
TCL Cables Pvt. Ltd.	49.09	34.25	-	-	-	-	-	-	-	-	49.09	34.25
Torrent Solar Power Pvt. Ltd.	-	*	-	-	-	-	-	-	-	-	-	*
Torrent Saurya Urja 2 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Saurya Urja 3 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Saurya Urja 4 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Saurya Urja 5 Pvt. Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
UNM Foundation	-	-	-	-	-	-	-	-	*	*	*	*
Torrent Investments Pvt. Ltd.	-	-	-	-	-	-	-	-	-	*	-	*
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	-	0.51	-	0.51
Torrent Power Services Pvt. Ltd.	-	-	-	-	-	-	-	-	-	*	-	*

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 56: Related Party Disclosures (Contd.)

D. Related party balances	(₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21
Torrent Gas Pvt. Ltd.	-	-	-	-	-	-	-	0.16	0.30	0.30
Torrent Fincorp Pvt. Ltd.	-	-	-	-	-	-	-	-	-	*
Torrent Sports Ventures Pvt. Ltd.	-	-	-	-	-	-	-	*	-	*
Torrent Diagnostics Pvt. Ltd.	-	-	-	-	-	-	-	*	-	*
Sudhir Mehta	-	-	-	-	-	-	-	5.00	-	5.00
Samir Mehta	-	-	-	-	-	-	10.00	10.00	-	10.00
Jinal Mehta	-	-	-	-	-	-	2.50	2.50	-	2.50
Samir Barua	-	-	-	-	-	-	0.37	0.32	-	0.32
Keki Mistry	-	-	-	-	-	-	0.30	0.24	-	0.24
Pankaj Patel	-	-	-	-	-	-	0.27	0.21	-	0.21
Bhavna Doshi	-	-	-	-	-	-	0.21	0.32	-	0.32
Dharmishta Raval	-	-	-	-	-	-	0.22	0.27	-	0.27
Sunaina Tomar#	-	-	-	-	-	-	0.05	0.05	-	0.05
Usha Sangwan	-	-	-	-	-	-	0.21	-	-	0.21

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 56: Related Party Disclosures (Contd.)

D. Related party balances	(₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21
Radhika Haribhakti	-	-	-	-	-	-	0.14	-	-	0.14
Mamta Verma#	-	-	-	-	-	-	0.05	-	-	0.05
Investment in equity	971.73	417.32	-	-	-	-	-	0.05	0.05	417.37
Torrent Power Grid Ltd.	66.60	66.60	-	-	-	-	-	-	-	66.60
Torrent Pipavav Generation Ltd.	47.50	47.50	-	-	-	-	-	-	-	47.50
Torrent Solargen Ltd.	80.07	80.07	-	-	-	-	-	-	-	80.07
Latur Renewable Pvt. Ltd.	110.00	110.00	-	-	-	-	-	-	-	110.00
Jodhpur Wind Farms Pvt. Ltd.	111.00	111.00	-	-	-	-	-	-	-	111.00
TCL Cables Pvt. Ltd.	42.00	2.00	-	-	-	-	-	-	-	2.00
Torrent Solar Power Pvt. Ltd.	0.05	0.05	-	-	-	-	-	-	-	0.05
Torrent Saurya Urja 2 Pvt. Ltd.	0.05	0.05	-	-	-	-	-	-	-	0.05
Torrent Saurya Urja 3 Pvt. Ltd.	0.05	0.05	-	-	-	-	-	-	-	0.05
Torrent Saurya Urja 4 Pvt Ltd.	0.05	-	-	-	-	-	-	-	-	-
Torrent Saurya Urja 5 Pvt Ltd.	0.05	-	-	-	-	-	-	-	-	-
Visual Percept Solar Proejects Pvt. Ltd.	162.62	-	-	-	-	-	-	-	-	162.62
Surya Vidyut Ltd.	304.73	-	-	-	-	-	-	-	-	304.73

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forming part of the standalone financial statements for the year ended March 31, 2022

Note 56: Related Party Disclosures (Contd.)

D. Related party balances	(₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21
LREHL Renewables India SPV 1 Pvt. Ltd.	46.96	-	-	-	-	-	-	-	46.96	-
UNM Foundation	-	-	-	-	-	-	0.05	0.05	0.05	0.05
Investment in compulsorily convertible debentures (including interest accrued)	51.93	-	-	-	-	-	-	-	51.93	-
LREHL Renewables India SPV 1 Pvt. Ltd.	51.93	-	-	-	-	-	-	-	51.93	-
Impairment in value of investment	17.55	15.95	-	-	-	-	-	-	17.55	15.95
Torrent Pipavav Generation Ltd.	17.55	15.95	-	-	-	-	-	-	17.55	15.95
Investment in non-convertible debentures (including amortised premium)	-	-	116.89	110.18	-	-	-	-	116.89	110.18
Wind Two Renergy Pvt. Ltd.	-	-	116.89	110.18	-	-	-	-	116.89	110.18

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forming part of the standalone financial statements for the year ended March 31, 2022

Note 56: Related Party Disclosures (Contd.)

D. Related party balances	(₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21
Loans (including interest) (non-current)	227.45	914.53	121.87	155.71	-	-	-	-	349.32	1,070.24
Torrent Solargen Ltd.	-	698.83	-	-	-	-	-	-	-	698.83
TCL Cables Pvt. Ltd.	227.45	215.70	-	-	-	-	-	-	227.45	215.70
Wind Two Renergy Pvt. Ltd.	-	-	121.87	155.71	-	-	-	-	121.87	155.71
Loans (including interest) (current)	1,011.63	116.33	19.90	-	-	-	-	-	1,031.53	116.33
Torrent Pipavav Generation Ltd. ^	63.34	60.98	-	-	-	-	-	-	63.34	60.98
Torrent Solargen Ltd.	851.05	52.00	-	-	-	-	-	-	851.05	52.00
TCL Cables Pvt. Ltd.	3.77	3.35	-	-	-	-	-	-	3.77	3.35
Torrent Solar Power Pvt. Ltd.	61.29	-	-	-	-	-	-	-	61.29	-
Torrent Saurya Urja 2 Pvt. Ltd.	32.18	-	-	-	-	-	-	-	32.18	-
Wind Two Renergy Pvt. Ltd.	-	-	19.90	-	-	-	-	-	19.90	-
Trade and other receivables	2.34	0.34	0.07	0.07	-	-	0.03	0.29	2.70	0.45
UNM Foundation	-	-	-	-	-	-	-	-	-	0.01
Torrent Solargen Ltd.	0.07	0.20	-	-	-	-	-	-	0.07	0.20
Latur Renewable Pvt. Ltd.	0.04	0.04	-	-	-	-	-	-	0.04	0.04
Jodhpur Wind Farms Pvt. Ltd.	0.07	0.10	-	-	-	-	-	-	0.07	0.10

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D. Related party balances	(₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Ltd.	2.16	-	-	-	-	-	-	-	2.16	-
Wind Two Renergy Pvt. Ltd.	-	-	0.07	0.07	-	-	-	-	-	0.07
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	0.29	-	-
Utilisation of non-fund based limit of the Company by	462.74	92.17	-	-	-	-	-	-	462.74	92.17
Torrent Solargen Ltd.	24.88	28.50	-	-	-	-	-	-	24.88	28.50
Jodhpur Wind Farms Pvt. Ltd.	1.07	0.96	-	-	-	-	-	-	1.07	0.96
Latur Renewable Pvt. Ltd.	1.07	0.96	-	-	-	-	-	-	1.07	0.96
Torrent Solar Power Pvt. Ltd.	9.44	9.44	-	-	-	-	-	-	9.44	9.44
TCL Cables Pvt. Ltd.	50.13	52.31	-	-	-	-	-	-	50.13	52.31
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Ltd.	376.15	-	-	-	-	-	-	-	376.15	-

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forming part of the standalone financial statements for the year ended March 31, 2022

D. Related party balances	(₹ in Crore)									
	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	
	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21
Guarantees given in favour of the debenture trustee for NCD including interest thereon	616.62	615.59	-	-	-	-	-	-	616.62	615.59
Jodhpur Wind Farms Pvt. Ltd.	308.54	308.00	-	-	-	-	-	-	308.54	308.00
Latur Renewable Pvt. Ltd.	308.08	307.59	-	-	-	-	-	-	308.08	307.59
Guarantees given to lenders of subsidiaries	700.00	-	-	-	-	-	-	-	700.00	-
Torrent Solargen Ltd. \$	700.00	-	-	-	-	-	-	-	700.00	-

Sitting fees and Commission of Sunaina Tomar and Mamta Verma (nominee of the Government of Gujarat) is payable to the Government of Gujarat.

^ Interest free loan has been provided.

\$ Utilised as at March 31, 2022 was ₹ 25,48 Crore (March 31, 2021 - Nil).

The Company is a public utility, being engaged in distribution of electricity. Transactions entered with the above mentioned related party does not include sale of electricity since the tariff charged to the customers are determined by an independent rate-setting authority.



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

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.

Footnote:

1. Loans granted to related parties carries interest rate of 7.75% p.a. (Previous year 8.50% p.a.).

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 57: Financial Instruments and Risk Management

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 23,24) and debt (borrowings as detailed in note 25).

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.

	As at March 31, 2022	As at March 31, 2021
Debt	7,830.37	7,803.51
Total equity	10,264.82	10,750.99
Debt to equity ratio	0.76	0.73

Footnotes:

- Debt is defined as all long term debt outstanding (including unamortised expense) + contingent liability pertaining to corporate / financial guarantee given (to the extent utilised) + short term debt outstanding in lieu of long term debt.
- 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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 57: Financial Instruments and Risk Management (Contd.)

B. Categories of financial instruments

(₹ in Crore)

	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	161.79	161.79	95.55	95.55
Bank balance other than cash and cash equivalents	45.14	45.14	93.22	93.22
Investment in bonds and debentures	132.77	132.77	124.15	124.15
Trade receivables	1,363.63	1,363.63	1,275.52	1,275.52
Loans	1,380.85	1,380.85	1,186.57	1,186.57
Other financial assets	2,846.44	2,846.44	2,127.63	2,127.63
	5,930.62	5,930.62	4,902.64	4,902.64
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	253.27	253.27	241.63	241.63
Investment in equity instruments	0.05	0.05	0.05	0.05
	253.32	253.32	241.68	241.68
Financial liabilities				
Measured at amortised cost				
Borrowings	7,865.92	7,902.19	7,164.11	7,238.84
Trade payables	1,258.07	1,258.07	1,086.88	1,086.88
Other financial liabilities	1,903.17	1,903.17	1,679.30	1,679.30
	11,027.16	11,063.43	9,930.29	10,005.02

Footnotes:

- The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.
- Non current loan and Inter corporate Deposits carries the interest rates that are variable in nature and hence carrying value is considered as same as fair value.

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: Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes quoted equity instruments, investments in mutual funds that have quoted price.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 57: Financial Instruments and Risk Management (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 March 31, 2022	As at March 31, 2021		
Investment in mutual fund units	253.27	241.63	Level 1	Quoted bid prices in an active market
	253.27	241.63		

(2) Financial liabilities at amortised cost

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2022	As at March 31, 2021		
Fixed rate borrowings (Non-convertible debentures)	1,404.64	1,556.42	Level 2	Inputs other than quoted prices that are observable based on yields provided by FIMMDA
	1,404.64	1,556.42		

D. Financial risk management objectives

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



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Note 57: Financial Instruments and Risk Management (Contd.)

Unhedged foreign currency exposures:

(₹ in Crore)			
Nature of transactions	Currency	As at March 31, 2022	As at March 31, 2021
Financial liabilities			
Trade payable	EURO	138.80	235.94
Capital payable	EURO	0.06	0.06

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 March 31, 2022	As at March 31, 2021
Fixed rate borrowings [^]	1,731.36	1,498.50
Floating rate borrowings [^]	6,159.65	5,689.42
	7,891.01	7,187.92

[^] Transactions cost reduced from the borrowing is excluded.

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 March 31, 2022	Year ended March 31, 2021
Impact on profit before tax - increase in 50 basis points	(30.80)	(28.45)
Impact on profit before tax - decrease in 50 basis points	30.80	28.45

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forming part of the standalone financial statements for the year ended March 31, 2022

Note 57: Financial Instruments and Risk Management (Contd.)

Credit risk

Trade receivables:

- Exposures to credit risk
The Company is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.
- 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 March 31, 2022 and March 31, 2021. 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.
- Other credit enhancements
The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.
- 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 March 31, 2022

(₹ in Crore)		
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,282.57	43.83
More than 6 months but less than or equal to 1 year	73.17	29.76
More than one year	216.06	134.58
	1,571.80	208.17

As at March 31, 2021

(₹ in Crore)		
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,243.21	80.20
More than 6 months but less than or equal to 1 year	99.55	62.79
More than one year	181.83	106.08
	1,524.59	249.07

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Note 57: Financial Instruments and Risk Management (Contd.)

5. Movement in the expected credit loss allowance

	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	249.07	234.24
Transfer pursuant to scheme of arrangement [Refer note 60]	-	(6.65)
Movement in expected credit loss allowance on trade receivable, net [Refer note 41]	(40.90)	21.48
Closing balance [Refer note 17]	208.17	249.07

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets:

The Company is having balances in cash and cash equivalents, term deposits with banks, Inter corporate deposits, Loans to related parties, 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. Loans receivable from related parties have negligible credit risk and hence no risk of default is perceived on them.

Liquidity risk

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

Maturities of financial liabilities:

The Company's remaining contractual maturity for its financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

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Note 57: Financial Instruments and Risk Management (Contd.)

As at March 31, 2022

	(₹ in Crore)			
	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	4,413.31	3,696.01	8,109.32
Trade payables	-	96.39	102.20	198.59
Lease liabilities	-	29.61	24.41	54.02
Other financial liabilities	-	10.68	-	10.68
	-	4,549.99	3,822.62	8,372.61
Current financial liabilities				
Borrowings (including interest on borrowings)^	2,248.37	-	-	2,248.37
Trade payables	1,107.61	-	-	1,107.61
Lease liabilities	7.23	-	-	7.23
Other financial liabilities	1,892.49	-	-	1,892.49
	5,255.70	-	-	5,255.70
Total financial liabilities	5,255.70	4,549.99	3,822.62	13,628.31

As at March 31, 2021

	(₹ in Crore)			
	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	4,313.34	3,960.75	8,274.09
Trade payables	-	111.23	31.54	142.77
Lease liabilities	-	17.73	29.50	47.23
Other financial liabilities	-	10.00	-	10.00
	-	4,452.30	4,021.79	8,474.09
Current financial liabilities				
Borrowings (including interest on borrowings)^	1,609.37	-	-	1,609.37
Trade payables	970.77	-	-	970.77
Lease liabilities	6.77	-	-	6.77
Other financial liabilities	1,669.30	-	-	1,669.30
	4,256.21	-	-	4,256.21
Total financial liabilities	4,256.21	4,452.30	4,021.79	12,730.30

^ Transactions cost reduced from the borrowing is excluded.



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forming part of the standalone financial statements for the year ended March 31, 2022

Note 58: Provision for Onerous Contracts

The Company has a provision of ₹ 135.76 Crore (March 31, 2021 - ₹ 162.80 Crore) in respect of certain onerous contracts towards potential damages and other project related costs, arising from expected delays or failure to set up certain wind power generation capacities, awarded to the Company in a prior period under a competitive bidding process. During the current year, ₹ 27.57 Crore provision has been reversed due to discharge of Bank Guarantee and ₹ 0.53 Crore provision has been created. The expected outflow will be determined at the time of final resolution of the matter.

Note 59: Government Grant

A. 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.

B. Movement of government grant

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	18.85	21.57
Add: Grants during the year	-	-
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 35]	(2.45)	(2.72)
Closing balance	16.40	18.85
Non-current portion [Refer note 28]	14.03	16.39
Current portion [Refer note 32]	2.37	2.46
	16.40	18.85

Note 60: Scheme of Arrangement

During the previous year, The National Company Law Tribunal (NCLT) vide its Order dated December 17, 2020, has sanctioned the Scheme of Arrangement (the Scheme) for transfer and vesting of Cable Business Undertaking (CBU) of the Company, on a going concern basis by way of slump sale, to TCL Cables Private Limited a wholly owned subsidiary of the Company, under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The certified copy of the said order has been filed with Registrar of Companies on January 15, 2021 (Effective Date) and the Scheme is legally effective from April 01, 2020 (Appointed Date). Accordingly, the effect of the Scheme has been given in the financial statements for the year ended March 31, 2021 with effect from the Appointed Date instead of Effective date, the date on which the control is transferred by Company, as required under Ind AS 110. Further as per Guidance note issued by Institute of Chartered Accountants of India (ICAI), where a law requires a different treatment, accounting standards are considered to be overruled to that extent.

The CBU had a book value (net of related liabilities) of ₹ 249.68 Crore (Refer point (b) below) which has been transferred under the Scheme for a lump sum consideration of ₹ 256.95 Crore based on the report of independent valuer, adjusted for working capital adjustments as per the Scheme. The surplus of consideration over book value of ₹ 7.27 Crore has been included in Other Income for the financial year ended March 31, 2021.

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 60: Scheme of Arrangement (Contd.)

A. Gain on account of Scheme of Arrangement:

	(₹ in Crore)
Cash consideration received (net of cost to sell)	256.95
Net assets transferred (b)	249.68
Gain on account of Scheme of Arrangement	7.27

B. Summary of net assets of Cable Business Undertaking as at the Appointed Date, in terms of Scheme of Arrangement:

	(₹ in Crore)
	As at April 1, 2020
Non-current assets	
Property, plant and equipment	50.59
Intangible assets	0.10
Financial assets	
Loans	1.06
Other financial assets	0.03
Other non-current assets	3.60
Current assets	
Inventories	61.27
Financial assets	
Trade receivables	156.22
Cash and cash equivalents	0.34
Bank balances other than cash and cash equivalents	1.88
Loans	1.11
Other financial assets	0.17
Other current assets	4.07
Total assets (A)	280.44
Non-current liabilities	
Financial liabilities	
Provisions	2.18
Current liabilities	
Financial liabilities	
Trade payables	
Total outstanding dues of micro and small enterprises	0.91
Total outstanding dues other than micro and small enterprises	17.17
Other financial liabilities	5.10
Other current liabilities	4.40
Provisions	1.00
Total liabilities (B)	30.76
Book value (net of related liabilities) (A-B)	249.68



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 61: Ageing Schedule for Capital Work-in-Progress (CWIP)

As at March 31, 2022

(₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	653.65	378.13	98.64	44.62	1,175.04
Projects temporarily suspended	0.10	1.06	1.19	8.68	11.03
	653.75	379.19	99.83	53.30	1,186.07

As at March 31, 2021

(₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	634.03	140.24	41.36	11.20	826.83
Projects temporarily suspended	1.02	1.15	8.64	0.09	10.90
	635.05	141.39	50.00	11.29	837.73

Note 62: Title Deeds of Immovable Property not held in the Name of the Company

As at March 31, 2022

(₹ in Crore)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Period held - range	Reason for not being held in the name of the company
Property, plant and equipment	Freehold Land	3.39	SEC Limited	No	17 years	Amalgamated due to various court orders. Appeal filed against rate valuation.
Property, plant and equipment	Freehold Land	2.00	AEC Limited	No	17 years	
Property, plant and equipment	Freehold Land	1.30	SEC Limited	No	17 years	Amalgamated due to various court orders. Applications filed and under process of name change.
Property, plant and equipment	Freehold Land	0.11	AEC Limited	No	17 years	
Property, plant and equipment	Freehold Land	0.14	Torrent Power AEC Limited	No	17 years	
Property, plant and equipment	Freehold Land	0.03	Torrent Power SEC Limited	No	15 years	
Property, plant and equipment	Buildings	0.05	SEC Limited	No	17 years	
Right-of-use assets	Leasehold Land	5.39	AEC Limited	No	17 years	
Right-of-use assets	Leasehold Land	0.40	Torrent Power AEC Limited	No	17 years	
Right-of-use assets	Leasehold Land	6.92	SEC Limited	No	17 years	
Right-of-use assets	Leasehold Land	1.69	Torrent Power SEC Limited	No	17 years	

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

NOTE 62: Title Deeds of Immovable Property not held in the Name of the Company (Contd.)

As at March 31, 2021

(₹ in Crore)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Period held - range	Reason for not being held in the name of the company
Property, plant and equipment	Freehold Land	3.39	SEC Limited	No	16 years	Amalgamated due to various court orders. Appeal filed against rate valuation.
Property, plant and equipment	Freehold Land	2.00	AEC Limited	No	16 years	
Property, plant and equipment	Freehold Land	1.35	SEC Limited	No	16 years	Amalgamated due to various court orders. Applications filed and under process of name change.
Property, plant and equipment	Freehold Land	23.85	AEC Limited	No	16 years	
Property, plant and equipment	Freehold Land	0.14	Torrent Power AEC Limited	No	16 years	
Property, plant and equipment	Freehold Land	0.03	Torrent Power SEC Limited	No	14 years	
Property, plant and equipment	Buildings	0.05	SEC Limited	No	16 years	
Right-of-use assets	Leasehold Land	6.92	SEC Limited	No	16 years	
Right-of-use assets	Leasehold Land	5.39	AEC Limited	No	16 years	
Right-of-use assets	Leasehold Land	0.40	Torrent Power AEC Limited	No	16 years	
Right-of-use assets	Leasehold Land	1.69	Torrent Power SEC Limited	No	16 years	

Note 63: Ageing Schedule for Trade Receivables

Current trade receivables:

As at March 31, 2022

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
Considered good	1,011.58	226.59	43.41	44.82	16.82	18.33	1,361.55
Credit impaired	0.57	40.37	26.55	41.97	9.76	29.16	148.38
Disputed Trade receivables							
Considered good	0.57	-	-	0.16	0.10	1.25	2.08
Credit impaired	1.13	1.76	3.21	5.73	7.31	40.65	59.79
	1,013.85	268.72	73.17	92.68	33.99	89.39	1,571.80



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 63: Ageing Schedule for Trade Receivables (Contd.)

As at March 31, 2021

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
Considered good	890.80	271.71	36.76	45.92	13.16	14.96	1,273.31
Credit impaired	0.53	75.64	59.64	18.45	9.38	28.73	192.37
Disputed Trade receivables							
Considered good	0.50	-	-	0.23	0.58	0.90	2.21
Credit impaired	1.16	2.87	3.15	7.33	11.92	30.27	56.70
	892.99	350.22	99.55	71.93	35.04	74.86	1,524.59

Note 64: Ageing Schedule for Trade Payables

A. Non-current trade payables:

As at March 31, 2022

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	150.46	-	-	-	-	-	150.46
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
	150.46	-	-	-	-	-	150.46

As at March 31, 2021

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	116.11	-	-	-	-	-	116.11
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
	116.11	-	-	-	-	-	116.11

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 64: Ageing schedule for trade payables (contd.)

B. Current trade payables:

As at March 31, 2022

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	1.10	49.09	0.08	-	-	-	50.27
Others	450.74	418.98	92.57	5.80	0.21	9.49	977.79
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	0.02	1.57	5.34	72.62	79.55
	451.84	468.07	92.67	7.37	5.55	82.11	1,107.61

As at March 31, 2021

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	0.34	35.98	0.19	-	-	-	36.51
Others	388.47	372.73	73.96	10.18	0.67	8.61	854.62
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	1.60	5.41	8.28	64.35	79.64
	388.81	408.71	75.75	15.59	8.95	72.96	970.77

Note 65: Title Deeds of Immovable Property not Held in the Name of the Company

(₹ in Crore)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on 31.03.2022	Balance outstanding as on 31.03.2021	Relationship with the Struck off company
Unicon Fincap Private Limited	Investor	*	*	Shareholder
Vaishak Shares Limited	Investor	*	*	Shareholder
Dreams Broking Private Ltd.	Investor	*	*	Shareholder
Pandit Trading & Securities Ltd.	Investor	*	*	Shareholder
Jetees Securities (P) Ltd.	Investor	*	*	Shareholder
Solanki Solar Energy Pvt. Ltd.	Payables	*	*	Vendor
Krish N Kelly Facility Services	Payables	*	*	Vendor



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 66: Financial Ratios

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance (%)	Remarks for variation more than 25%
a. Current ratio (in times)	Current assets	Current liabilities – Security deposits from consumers – Service line deposits from consumers – Deferred revenue	1.36	1.39	(1.63%)	Not Applicable
b. Debt-Equity ratio (in times)	All long term debt outstanding (including unamortised expense) + contingent liability pertaining to corporate / financial guarantee given (to the extent utilised) + short term debt outstanding in lieu of long term debt	Equity share capital + Preference share capital + all reserves (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – Intangible assets – Intangible assets under development	0.76	0.73	5.10%	Not Applicable
c. Debt service coverage ratio (in times)	Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt	Principal repayment of debt (excluding voluntary prepayments if any) + Interest on debt + Lease payment	1.96	1.78	10.26%	Not Applicable
d. Return on equity (ROE) (in %)	Profit for the year	Average Shareholder's Equity i.e. (Share Capital + Reserves and surplus + Deferred Tax liability (net) - Deferred Tax assets (net))	3.89%	12.93%	(69.89%)	Due to DGEN impairment refer note 42 (1)
e. Inventory turnover ratio (in times)	Revenue from operations	Average inventories	33.29	23.93	39.07%	This ratio improved due to increase in revenue from operation during the year
f. Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	10.39	9.59	8.39%	Not Applicable
g. Trade payables turnover ratio (in times)	Fuel Cost + Electrical energy purchased + Purchase of stock-in-trade + Consumption of stores and spares	Average trade payables	7.73	6.48	19.15%	Not Applicable
h. Net capital turnover ratio (in times)	Revenue from operations	(Current assets- (Current Liabilities- Security deposits from consumers - Service line deposits from consumers- Deferred revenue))	9.18	9.76	(5.96%)	Not Applicable
i. Net profit ratio (in %)	Profit after tax	Revenue from operations	2.99%	11.25%	(73.45%)	Due to DGEN impairment refer note 42 (1)

Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 66: Financial Ratios (Contd.)

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance (%)	Remarks for variation more than 25%
j. Return on capital employed (ROCE) (in %)	Profit before exceptional items and tax + Finance costs	Share Capital + Reserves and surplus + Deferred Tax liability (net) - Deferred Tax assets (net) + All long term debt outstanding (including unamortised expense) + contingent liability pertaining to corporate / financial guarantee given	13.06%	12.47%	4.72%	Not Applicable
k. Return on investment (in %)	Profit before exceptional items and tax + Finance costs	Average total assets	10.33%	10.08%	2.45%	Not Applicable

Note 67: Social Security Code

The Indian Parliament has approved the Code on Social Security, 2020 ("Code") which may likely impact the obligations of the Company for contribution to employees' provident fund and gratuity. The effective date from which the Code is applicable and the rules to be framed under the Code are yet to be notified. In view of this, impact if any, of the change will be assessed and accounted in the period in which the Code and the rules thereunder are notified.

Note 68: Registration of Charges

- The Company has filed Form CHG-4 dated May 26, 2021 for satisfaction of charge with Registrar of Companies - Gujarat, pursuant to repayment of loan for Mahidad project which was required to be filed on October 29, 2019 i.e., delay of approximately 19 months. The reason for the delay was on account of late receipt of No Dues Certificate (NDC) due to restrictions and disruption of operations during COVID – 19 pandemic.
- The Company has filed Form CHG-1 dated November 25, 2021 for creation of Charge with Registrar of Companies pursuant to fixed deposit overdraft facility which was required to be filed on November 20, 2021 i.e delay of 5 days. The reason for delay was on account of delay in receipt of fixed deposit overdraft letter from bank.
- The Company has filed Form CHG-1 dated November 26, 2021 for creation of Charge with Registrar of Companies pursuant to fixed deposit overdraft facility which was required to be filed on November 20, 2021 i.e delay of 6 days. The reason for delay was on account of delay in receipt of fixed deposit receipts from bank.

Other than those mentioned above, there are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.

Note 69: Events Occurring after the Balance Sheet Date

Subsequent to year end, on April 23, 2022, the Company has entered into a Share Purchase Agreement (SPA) with SkyPower Southeast Asia III Investments Limited, SkyPower Southeast Asia Holdings 2 Limited (the Sellers) for the acquisition of 100% of the share capital of Sunshakti Solar Power Projects Private Limited, which operates 50 MW solar power plant, situated in the state of Telangana. Enterprise value estimated for this acquisition is approx ₹ 417 Crore subject to closing price adjustments. The acquisition is subject to customary conditions for transaction closure. This is non adjusting event after the balance sheet date.



Notes

forming part of the standalone financial statements for the year ended March 31, 2022

Note 70: Additional Regulatory Information Required by Schedule III

- The Company is in compliance with number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended March 31, 2022 and March 31, 2021.
- The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2022 and March 31, 2021.
- No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2022 and March 31, 2021.
- The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2022 and March 31, 2021.
- During the year ended March 31, 2022 and March 31, 2021, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 71: Approval of Financial Statements

The financial statements were approved for issue by the board of directors on May 10, 2022.

Signature to Note 1 to 71

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553
Ahmedabad, May 10, 2022

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary
Ahmedabad, May 10, 2022

Independent Auditor's Report

To the Members of Torrent Power Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

- We have audited the accompanying consolidated financial statements of Torrent Power Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate company (refer Note 41 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate company as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its associate company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
i. Impairment assessment for Power Plant located at Dahej (Refer to note 43(1) to the consolidated financial statements):	
<p>The carrying amount of Property, Plant & Equipment ("PP&E") includes an amount of ₹ 1,378.90 crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started its commercial operations from November 2014 ("COD") and has operated only intermittently after the COD.</p> <p>As a result of the above, and given the current economic environment, management has carried out an impairment assessment of DGEN in accordance with Ind AS 36 'Impairment of Assets' and with the help of an external valuer, has measured the recoverable amount based on 'value in use' which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN. Such assessment involved several key assumptions including expected demand of electricity, future prices of fuel, foreign exchange rate, expected tariff rates of electricity and discount rate, which are considered by management based on past trends and current and likely future state of the industry.</p> <p>Based on such assessment, the value in use arrived at by the management was lower than the carrying amount of DGEN as at March 31, 2022 and accordingly, the Holding Company has provided for an additional impairment loss of ₹ 1,300 crore.</p> <p>We considered this to be a key audit matter as the carrying value of DGEN at March 31, 2022 is significant to the Holding Company's balance sheet and there is significant judgement and estimation involved in the discounted cash flow (DCF) model used by the management to assess the value in use of DGEN.</p>	<p>Our procedures in relation to management's impairment assessment of DGEN included the following:</p> <ul style="list-style-type: none"> Assessed and tested the design and operating effectiveness of the Holding Company's controls over impairment assessment. Perused the report issued by the external valuer engaged by the management and conducted enquiries with them to understand the assumptions considered by them. Evaluated independence, competence, capability and objectivity of the external valuer. Evaluated the reasonableness of cash flow projections used by the Holding Company and the key assumptions underlying the same. With the involvement of auditor's experts, assessed the reasonableness of the assumptions considered in the discounted cash flow projections for determining value in use. Enquired with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same, within a reasonably foreseeable range. Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. Assessed the adequacy of disclosure in the consolidated financial statements. <p>Based on the above procedures performed, we considered management's assessment of impairment of DGEN to be reasonable.</p>
ii. Assessment of recoverability of Deferred tax assets on unutilised tax credits (Refer to note 44 to the consolidated financial statements)	
<p>The Holding Company has recognised deferred tax assets on the unutilised tax credits amounting to ₹ 1,474.20 Crore as at March 31, 2022, representing Minimum Alternate Tax (MAT) paid on the accounting profit in the earlier years in which the Holding Company did not have normal taxable profit due to availment of tax holiday. The asset has been recognised on the basis of Holding Company's assessment of availability of future taxable profits to offset the accumulated deferred tax assets on the unutilised tax credits.</p> <p>The future taxable profit projections involve several key assumptions including expected demand of electricity, future prices of fuel, expected tariff rates of electricity and foreign exchange rate, covering the period over which MAT Credit can be claimed as per the Income-tax Act, 1961. In preparing the profit projections, management has considered past trends, applicable tariff regulations/ agreements and current and likely future state of the industry.</p>	<p>Our audit procedures in relation to management's assessment of recoverability of Deferred tax assets on unutilised tax credits included the following:</p> <ul style="list-style-type: none"> Assessed and tested the design and operating effectiveness of the Holding Company's controls over recognition and assessment of recoverability of deferred tax assets on unutilised tax credits. Assessed the Holding Company's accounting policy in respect of recognizing deferred tax assets on unutilised tax credits. Enquired with senior management personnel, the justification for the key assumptions underlying the projections and assessed the reasonableness of the assumptions underlying profit projections made by management, by verifying the past trends, available tariff orders and relevant economic and industry indicators. Further, performed sensitivity analysis over the assumptions used in determining the projected taxable profits, within a reasonable range.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>We considered this a key audit matter as the amount of deferred tax assets on unutilised tax credits is material to the consolidated financial statements and significant management judgement is required in assessing the recoverability of accumulated deferred tax assets on unutilised tax credits based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Holding Company's future business plans.</p>	<ul style="list-style-type: none"> Evaluated whether the tax credit entitlements are legally available to the Holding Company for the forecast recoupment period, considering the provisions of Income-tax Act, 1961. Checked the arithmetic accuracy of the underlying calculations of the profit projections. Assessed the adequacy of disclosures made in the consolidated financial statements with regard to deferred taxes. <p>Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets in respect of accumulated deferred tax assets on unutilised tax credits to be reasonable.</p>
iii. Appropriateness of classification of Solar and Wind power projects acquired during the year and related purchase price allocation (Refer Note 42 to the consolidated financial statements)	
<p>During the year, the Group acquired two operating solar and one wind power projects, through Share Purchase Agreements (SPAs) entered into by it.</p> <p>The Group has assessed that these acquisitions do not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisitions', considering the factors like the purchase consideration pertained to the fair value of the Solar and Wind assets, the only key activity for this acquisition is the maintenance of the Solar and Wind assets and there are no other substantive processes required for the generation of output.</p> <p>The management also engaged external valuers for identification of the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed, in each of the acquisitions and allocation of the purchase price based on the fair values of the assets and liabilities.</p> <p>We considered this as a key audit matter, as the above assessment and allocation of the purchase consideration involves significant assumptions and management judgement in:</p> <ul style="list-style-type: none"> determination of whether the said acquisitions meet the definition of "Business"; identification of the identifiable assets acquired and liabilities assumed; and measurement of their fair values using appropriate valuation methods, for allocation of the purchase price to the identifiable assets and liabilities assumed. 	<p>Our audit procedures in relation to appropriate classification of the acquisitions and the purchase price allocation included the following:</p> <ul style="list-style-type: none"> Assessed and tested the design and operating effectiveness of the Group's controls over acquisitions and purchase price allocation. Read the share purchase agreements to understand the key terms and conditions of the acquisitions. Evaluated the management's assessment for determining whether the acquisitions represent an 'asset acquisition' or a 'business combination'. Perused the report issued by the external valuers engaged by the management and conducted enquiries with them to understand the assumptions considered by them. Evaluated independence, competence, capability, and objectivity of the external valuers. Assessed the appropriateness of identification of individual assets acquired and liabilities assumed. With the involvement of auditor's experts, assessed the reasonableness of the assumptions underlying measurement of fair values of identified assets and liabilities. Enquired with senior management personnel, the justification for the key assumptions used in determining the fair values of assets and liabilities as at the acquisition date. Assessed the adequacy of disclosures made in the consolidated financial statements in accordance with the requirements of relevant Indian accounting standards. <p>Based on the above procedures performed, we considered the management's assessment of the classification and allocation of the purchase price to be reasonable.</p>



Independent Auditor's Report (Contd.)

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, Management Discussion and Analysis, Business Responsibility Report, Report on Corporate Governance, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate company are responsible for assessing the ability of the Group and of its associate company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for overseeing the financial reporting process of the Group and of its associate company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Independent Auditor's Report (Contd.)

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditor's Report (Contd.)

Other Matters

14. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit/ loss and other comprehensive income) of ₹ Nil for the year ended March 31, 2022 as considered in the consolidated financial statements, in respect of one associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate company, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.
16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies, its associate company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

Independent Auditor's Report (Contd.)

- The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate company – Refer Note 46(a) to the consolidated financial statements.
 - The Group and its associate company has made provision as at March 31, 2022, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Note 31. The Group and its associate company did not have any derivative contracts as at March 31, 2022;
 - There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and its associate company during the year.
 - The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such associate company respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries and associate company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and associate company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such associate company respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and associate company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and associate company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the associate company whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - The dividend declared and paid during the year by the Holding Company and its subsidiary company, is in compliance with Section 123 of the Act.
17. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Place: Ahmedabad
Date: May 10, 2022

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 22109553AIRVEC7630



Annexure A to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Torrent Power Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, are responsible for establishing and maintaining internal financial controls based on internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure A to Independent Auditor's Report (Contd.)

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2022

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one associate company, is based on the corresponding report of the auditor of such company. Our opinion is not modified in respect of this matter.

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

Place: Ahmedabad
Date: May 10, 2022

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 22109553AIRVEC7630



Consolidated Balance Sheet

as at March 31, 2022

(₹ in Crore)

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	4	16,759.39	17,129.25
Right-of-use assets	5	214.60	178.35
Capital work-in-progress	6	1,297.27	837.73
Intangible assets	7	123.29	18.44
Financial assets			
Investment	8	132.82	124.20
Loans	9	121.87	155.70
Other financial assets	10	101.55	75.83
Deferred tax assets (net)	44	35.12	24.50
Non-current tax assets (net)	11	10.56	12.83
Other non-current assets	12	1,000.47	337.48
		19,796.94	18,894.31
Current assets			
Inventories	13	537.57	450.35
Financial assets			
Investments	14	273.70	341.58
Trade receivables	15	1,602.70	1,420.29
Cash and cash equivalents	16	289.41	107.28
Bank balances other than cash and cash equivalents above	17	62.93	95.14
Loans	18	19.90	-
Other financial assets	19	2,298.81	2,153.41
Other current assets	20	140.74	76.36
		5,225.76	4,644.41
		25,022.70	23,538.72
Equity and liabilities			
Equity			
Equity share capital	21	480.62	480.62
Other equity	22	9,462.56	9,703.62
		9,943.18	10,184.24
Non-controlling interests		35.93	36.36
		9,979.11	10,220.60
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	7,099.15	6,672.18
Trade payables	24	-	-
Total outstanding dues of micro and small enterprises		150.46	116.11
Total outstanding dues other than micro and small enterprises		39.10	30.96
Lease liabilities	47	0.33	1.17
Other financial liabilities	25	345.21	527.51
Deferred tax liabilities (net)	44	1,261.67	1,160.34
Other non-current liabilities	26	8,895.92	8,508.27
Current liabilities			
Financial liabilities			
Borrowings	27	1,999.27	1,108.37
Trade payables	28	54.02	38.17
Total outstanding dues of micro and small enterprises		1,057.11	936.62
Total outstanding dues other than micro and small enterprises		5.11	5.05
Lease liabilities	47	2,021.51	1,799.77
Other financial liabilities	29	613.56	542.02
Other current liabilities	30	274.55	335.30
Provisions	31	122.54	44.55
Current tax liabilities (net)	32	6,147.67	4,809.85
		25,022.70	23,538.72

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number : 012754N/N500016**Samir Mehta**
Chairperson
DIN:00061903**Priyanshu Gundana**Partner
Membership No.: 109553**Lalit Malik**
Chief Financial Officer

Ahmedabad, May 10, 2022

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Crore)

	Notes	As at March 31, 2022	As at March 31, 2021
Income			
Revenue from operations	33	14,257.61	12,172.66
Other income	34	235.04	141.81
Total income		14,492.65	12,314.47
Expenses			
Electrical energy purchased		5,116.39	3,358.36
Fuel cost		3,403.40	3,610.55
Cost of materials consumed	35	262.64	104.21
Purchase of stock-in-trade		305.99	48.24
Changes in inventories of finished goods and work-in-progress	36	(11.11)	8.86
Employee benefits expense	37	533.54	538.94
Finance costs	38	628.21	775.73
Depreciation and amortisation expense	39	1,333.86	1,279.55
Other expenses	40	1,055.76	1,038.26
Total expenses		12,628.68	10,762.70
Profit before exceptional items and tax		1,863.97	1,551.77
Exceptional items	43	1,300.00	-
Profit before tax		563.97	1,551.77
Tax expense			
Current tax	44	372.48	287.85
Deferred tax	44	(267.21)	(31.95)
		105.27	255.90
Profit for the year		458.70	1,295.87
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	48	2.89	6.13
Tax relating to remeasurement of the defined benefit plans	44	1.04	2.02
Other comprehensive income for the year, net of tax		1.85	4.11
Total comprehensive income for the year		460.55	1,299.98
Profit for the year attributable to:			
Owners of the Company		453.98	1,290.93
Non-controlling interests		4.72	4.94
		458.70	1,295.87
Other comprehensive income for the year attributable to:			
Owners of the Company		1.85	4.11
Non-controlling interests		-	-
		1.85	4.11
Total comprehensive income for the year attributable to:			
Owners of the Company		455.83	1,295.04
Non-controlling interests		4.72	4.94
		460.55	1,299.98
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	51	9.45	26.86

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number : 012754N/N500016**Samir Mehta**
Chairperson
DIN:00061903**Priyanshu Gundana**Partner
Membership No.: 109553

Ahmedabad, May 10, 2022

Lalit Malik
Chief Financial Officer**Rahul Shah**
Company Secretary

Ahmedabad, May 10, 2022



Consolidated Statement of Cash Flows

for the year ended March 31, 2022

		(₹ in Crore)	
	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities			
Profit before tax		563.97	1,551.77
Adjustments for :			
Depreciation and amortisation expense	39	1,333.86	1,279.55
Amortisation of deferred revenue	33	(90.27)	(82.62)
Provision of earlier years written back	33	(1.04)	(2.47)
Loss on sale / discarding of property, plant and equipment	40	23.66	12.03
Gain on disposal of property, plant and equipment	34	(30.05)	(3.56)
Bad debts written off (net of recovery)	40	46.83	54.55
Reversal of provision for onerous contracts	40	(55.07)	-
Provision for onerous contracts	40	0.53	1.02
Allowance for doubtful debts (net)	40	(32.71)	14.62
Exceptional items	43	1,300.00	-
Finance costs	38	628.21	775.73
Interest income	34	(66.62)	(79.66)
Gain on sale of current investments in mutual funds	34	(27.84)	(19.35)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	34	2.20	(2.75)
Net gain arising on financial assets / liabilities measured at amortised cost	34	(28.93)	(11.39)
Net unrealised loss / (gain) on foreign currency transactions		(5.34)	10.49
Operating profit before working capital changes		3,561.39	3,497.96
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		(85.44)	147.89
Trade receivables		(119.78)	(209.71)
Other financial assets		(287.41)	(184.17)
Other assets		(43.68)	65.89
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		196.61	(66.11)
Other financial liabilities		118.13	71.55
Provisions		(3.92)	(32.46)
Other liabilities		62.33	(47.50)
Cash generated from operations		3,398.23	3,243.34
Taxes paid (net)		(231.05)	(255.78)
Net cash flow generated from operating activities		3,167.18	2,987.56
Cash flow from investing activities			
Payments for property, plant and equipment & intangible assets		(1,809.14)	(1,295.97)
Proceeds from sale of property, plant and equipment & intangible assets		49.44	7.42
Acquisition of subsidiaries net of cash and cash equivalents [Refer note 42]		(515.23)	-
Advance against equity investment		(555.00)	-
Purchase of non-current investments		(1.91)	(1.86)
Loans to related parties		(7.95)	(18.70)
Repayment of loans from related parties		21.30	19.00
(Investments) / redemption in bank deposits (net) (original maturity more than three months)		50.63	91.90
(Investments) / redemption in inter corporate deposits		113.40	(100.24)
Interest received		69.31	99.88
(Purchase of) / proceeds from current investments (net)		102.03	288.11
Net cash generated from / (used in) investing activities		(2,483.12)	(910.46)

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2022

	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from financing activities		
Proceeds from long-term borrowings	1,125.22	900.00
Proceeds from short-term borrowings	693.22	700.00
Repayment of long-term borrowings	(885.59)	(860.75)
Prepayment of long-term borrowings	(235.49)	(1,124.84)
Repayment of short-term borrowings	-	(703.28)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	200.41	116.04
Dividend paid	(702.04)	(268.55)
Principal elements of lease payments	(44.35)	(7.10)
Finance costs paid	(649.49)	(808.68)
Net cash generated from / (used) in financing activities	(501.93)	(2,060.98)
Net (decrease) / increase in cash and cash equivalents	182.13	16.12
Cash and cash equivalents as at beginning of the year	107.28	91.16
Cash and cash equivalents as at end of the year	289.41	107.28

Footnotes:

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

Balances with banks		
Balance in current accounts	288.10	104.92
Balance in fixed deposit accounts (original maturity for less than three months)	0.05	-
Cheques on hand	0.79	0.58
Cash on hand	0.47	1.78
	289.41	107.28

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

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number : 012754N / N500016**Samir Mehta**
Chairperson
DIN:00061903**Priyanshu Gundana**
Partner
Membership No.: 109553**Lalit Malik**
Chief Financial Officer**Rahul Shah**
Company Secretary

Ahmedabad, May 10, 2022

Ahmedabad, May 10, 2022



Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

	(₹ in Crore)
A. Equity share capital [Refer note 21]	
Balance as at April 01, 2020	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2021	480.62
Changes in equity share capital during the year	-
Balance as at March 31, 2022	480.62

Consolidated Statement of Changes in Equity (Contd.)

for the year ended March 31, 2022

	Reserves and surplus							Total
	Securities premium	Debt redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	Other equity attributable to equity holders of the Company	Non-controlling interests
Balance as at April 01, 2020	0.03	258.10	11.59	78.07	3,583.89	4,741.24	8,672.92	35.63
Profit for the year	-	-	-	-	-	1,290.93	1,290.93	4.94
Other comprehensive income for the year, net of tax	-	-	-	-	-	4.11	4.11	-
Total comprehensive income for the year	-	-	-	-	-	1,295.04	1,295.04	4.94
Transfer to debt redemption reserve	-	(70.84)	-	-	-	70.84	-	-
Transfer to contingency reserve	-	-	1.87	-	-	(1.87)	-	-
Transaction with owners in their capacity as owners:								
Dividend (including interim dividend) paid	-	-	-	-	-	(264.34)	(264.34)	(4.21)
Balance as at March 31, 2021	0.03	187.26	13.46	78.07	3,583.89	5,840.91	9,703.62	36.36
Profit for the year	-	-	-	-	-	453.98	453.98	4.72
Other comprehensive income for the year, net of tax	-	-	-	-	-	1.85	1.85	-
Total comprehensive income for the year	-	-	-	-	-	455.83	455.83	4.72
Transfer to debt redemption reserve	-	(47.66)	-	-	-	47.66	-	-
Transfer to contingency reserve	-	-	1.91	-	-	(1.91)	-	-
Transaction with owners in their capacity as owners:								
Dividend (including interim dividend) paid	-	-	-	-	-	(696.89)	(696.89)	(5.15)
Balance as at March 31, 2022	0.03	139.60	15.37	78.07	3,583.89	5,645.60	9,462.56	35.93

Footnotes:
1. Retained earning includes ₹ 29.91 Crore (March 31, 2021 ₹ 31.76 Crore) related to re-measurement of defined benefit plans.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553
Ahmedabad, May 10, 2022

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:0061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary
Ahmedabad, May 10, 2022

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 1A: General Information

These financial statements comprise financial statements of Torrent Power Limited (“the Company”) and its subsidiaries (hereinafter referred to as “the Group”) and associate for the year ended March 31, 2022.

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 Group is engaged in the business of generation, transmission and distribution of Electricity and of manufacture and sale of Cable. Information on the Group’s structure is provided in note 41.

Note 1B: New Standards or Interpretations Adopted by the Group

The Group has applied the following amendment to Ind AS for the first time for its annual reporting period commencing April 01, 2021:

- i. Ind AS 116, extension of COVID-19 related concessions
- ii. Ind AS 107, Ind AS 109 and Ind AS 116, Interest rate benchmark reform

The above other amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 1C: New Standards or Interpretations Issued but not yet Effective

The Group will apply the following standard for the first time for its annual reporting period commencing April 01, 2022:

Ind AS 16, “Property, Plant and Equipment”, proceeds before intended use of property, plant and equipment

The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

Ind AS 37, “Provisions, Contingent Liabilities and Contingent Assets”, onerous contracts – cost of fulfilling a contract

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Ind AS 103, “Business combinations”, References to the conceptual framework

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

Ind AS 109, “Financial Instruments”, Fees included in the 10% test for derecognition of financial liabilities

The amendment clarifies which fees an entity includes when it applies the ‘10%’ test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

Ind AS 101, “First-time adoption”, subsidiary as a first-time adopter

Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 1D: Reclassifications Consequent to Amendments to Schedule III:

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 01 2021.

Consequent to above, the Group has changed the classification / presentation as per below in the current year:

- Current maturities of long-term borrowings have now been included in the “Current borrowings” line item as compared to previous disclosure under the line item ‘other financial liabilities’.
- Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in ‘other financial assets’ line item as compared to previous disclosure under the line item ‘loans’.

The Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised as below:

	(₹ in Crore)		
Balance sheet (extract)	March 31, 2021 (previously reported)	Increase/ (Decrease)	March 31, 2021 (restated)
Loans (non-current)	174.31	(18.61)	155.70
Other financial assets (non-current)	57.22	18.61	75.83
Loans (current)	30.61	(30.61)	-
Other financial assets (current)	2,122.80	30.61	2,153.41
Borrowings (current)	-	1,108.37	1,108.37
Other financial liabilities (current)	2,908.14	(1,108.37)	1,799.77

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 Group 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;

- 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.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

2.2 Principles of consolidation:

Subsidiaries

The consolidated financial statements comprise the financial statements of Torrent Power Limited and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS 12 “Income Taxes” applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the Group’s accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on March 31.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss and consolidated statement of changes in equity respectively.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations”. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group’s share of losses of an associate or a joint venture exceeds the Group’s interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

2.3 Business combinations and Goodwill:

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. 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 Group in exchange for control of the acquiree.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

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 Group 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 consolidated statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries 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 a business include the carrying amount of goodwill relating to such business.

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



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

Acquisition of an asset or a group of assets

In case of acquisition of an asset or a group of assets that does not constitute a business, the Group identifies and recognises individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets under Ind AS 38, Intangible Assets) and liabilities assumed. The Purchase Consideration shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill or gain on bargain purchase.

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 Group 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 Group 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 Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the consolidated 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:

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 consolidated 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 April 01, 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 group 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 property, plant and equipment which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line 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 property, plant and equipment 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 property, plant and equipment of non-regulated business. The effect of any such change in estimate in this regard is accounted for on a prospective basis.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

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%	3.34%	1.58% to 31.67%
Railway siding	1.80% to 5.28%	-	-
Leasehold improvement	-	11.65% to 17.65%	-
Plant and machinery	1.80% to 9.31%	5.28%	3.60% to 12.66%
Electrical fittings and apparatus	5.28% to 19.00%	6.33%	6.33% to 9.50%
Furniture and fixtures	5.28% to 15.00%	6.33%	6.33% to 9.50%
Vehicles	9.50%	9.50%	9.50% to 11.88%
Office equipment	3.60% to 19.00%	5.28% to 15.00%	6.33% to 19.00%

@ 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 Group, 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 group 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

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over its estimated useful life. The range of estimated useful lives of the intangible assets are as follows:

- Computer software – 3 years
- Customer Contracts – 15 to 21 years

The estimated useful lives and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate is 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 assets:

Property, plant and equipment 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.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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 consolidated 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 includes 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 consolidated 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 for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued 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, net of discounts and other similar allowances.

- (i) Revenue from power supply and transmission charges 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. Revenue from power supply exclude taxes and duties.

These adjustments / accruals are carried forward as 'Unbilled revenue' under "Other current financial assets" in Note 19, 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 Services Tax.
- (iii) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

- (iv) 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. Similarly contribution by third party towards construction of overhead transmission lines are recognized 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 consolidated financial statements are prepared in Indian rupee (₹) which is functional as well as presentation currency of the Group.

Transactions and balances

In preparing the financial statements of each individual Group entity 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 arising on foreign currency borrowings are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group'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.

2.14 Employee benefits:

Defined contribution plan

Contributions 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 Group has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the consolidated 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 consolidated 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 consolidated 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 recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group'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.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

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 consolidated 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 consolidated 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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 consolidated 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 Group 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.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

2.16 Earnings per share:

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

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

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

2.17 Provisions, contingent liabilities and contingent assets:

Provision

A provision is recognized when the Group 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 Group 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 (other than financial assets at fair value through profit or loss) are added to 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.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

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 consolidated statement of profit and loss within other gains / (losses) in the period in which it arises. Net gains / (losses) from these financial assets is included in other income.

iv) Impairment of financial assets

The Group 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 Group follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

The Group applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on days past due. The Group recognises expected loss rates in case of unbilled revenue after considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.

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 Group's consolidated balance sheet) when:

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

When the entity has transferred an asset, the Group 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.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

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 Group has not retained control over the financial asset. Where the Group 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 on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

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

i) Classification

All the Group's financial liabilities are measured at amortized cost.

ii) Initial measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

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.

iv) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group 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:

The Group as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight-line basis.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

2.21 Exceptional Items:

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "Exceptional items."

2.22 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 Group 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 Group has not recognized those true up adjustment claims which are disputed and for which the group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities. [Refer note 33 & 45]

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 3: Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Contd.)

3.2 Property, plant and equipment:

i) Service concession arrangements

The Group has assessed applicability of Appendix D of Ind AS 115 "Service Concession Arrangements" with respect to its Property, plant and equipment. In assessing the applicability, the Group has exercised judgment in relation to the provisions of the Electricity Act, 2003, conditions provided under transmission and distribution license and / or agreements. Further, the Company has ability to pledged the assets pursuant to which it has control and ability to direct the use of assets. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable.

ii) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment. [Refer note 43(1)]

iii) Fair value measurement of assets acquired

Significant management judgement is involved in determining whether assets acquired in a particular transaction constitute a 'business' in accordance with the principles laid down in Ind AS 103 – Business Combinations. Identification of the assets acquired and liabilities assumed; and measurement of their fair values using appropriate valuation methods to be adopted involves, key assumptions like the discount rate and expected demand. [Refer note 42]

3.3 Taxes:

Significant 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, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Deferred tax assets are recognised for unused tax 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 for unused tax credits that can be recognised, based upon the likely timing and the level of future taxable profits. [Refer note 44(d)]

3.4 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. 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 judgement is involved in classification under 'remote', 'possible' or 'probable' which is carried out based on expert advice, past judgements, experiences etc. [Refer note 46(a)]

3.5 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. 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. Information about the various estimates and assumptions made in determining present value of defined benefit obligation are disclosed in note 48.2.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 4: Property, Plant and Equipment

As at March 31, 2022

Particulars	Gross carrying amount			Accumulated depreciation and impairment loss					Net carrying amount			
	As at April 01, 2021	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2022	As at April 01, 2021	For the year Depreciation	Impairment	Deductions during the year	As at March 31, 2022	As at March 31, 2022
Freehold land	441.74	46.31	30.98	4.85	-	514.18	-	-	-	-	-	514.18
Buildings	1,687.09	13.29	112.80	6.41	1.00	1,807.77	297.93	61.20	-	1.28	357.85	1,449.92
Lease hold improvement	-	-	0.58	-	3.47	4.05	-	0.67	-	-	0.67	3.38
Railway siding	1.86	-	-	-	-	1.86	0.30	0.05	-	-	0.35	1.51
Plant and machinery	22,458.33	918.32	1,115.10	58.97	1.66	24,434.44	7,360.29	1,226.45	1,300.00	27.61	9,859.13	14,575.31
Electrical fittings and apparatus	51.96	-	6.45	0.13	(2.76)	55.52	18.36	3.04	-	0.08	21.32	34.20
Furniture and fixtures	57.22	0.01	7.76	0.53	-	64.46	17.37	3.85	-	0.33	20.89	43.57
Vehicles	28.87	0.03	5.27	3.44	0.13	30.86	11.06	2.91	-	2.46	11.51	19.35
Office equipment	165.32	0.04	23.60	1.33	3.06	190.69	57.83	15.79	-	0.90	72.72	117.97
Total	24,892.39	978.00	1,302.54	75.66	6.56	27,103.83	7,763.14	1,313.96	1,300.00	32.66	10,344.44	16,759.39

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 4: Property, Plant and Equipment (Contd.)

As at March 31, 2021

Particulars	Gross carrying amount			Accumulated depreciation and impairment loss				Net carry- ing amount			
	As at April 01, 2020	Additions during the year	Deduc- tions during the year	Adjust- ments	As at March 31, 2021	As at April 01, 2020	For the year Deprecia- tion		Impair- ment	Deduc- tions during the year	As at March 31, 2021
Freehold land	441.74	-	-	-	441.74	-	-	-	-	-	441.74
Buildings	1,545.97	118.33	0.09	22.88	1,687.09	241.51	56.44	-	0.02	297.93	1,389.16
Railway siding	1.86	-	-	-	1.86	0.25	0.05	-	-	0.30	1.56
Plant and machinery	21,631.97	860.13	27.30	(6.47)	22,458.33	6,191.44	1,181.22	-	12.37	7,360.29	15,098.04
Electrical fittings and apparatus	43.32	8.60	0.28	0.32	51.96	15.27	3.21	-	0.12	18.36	33.60
Furniture and fixtures	48.53	8.77	0.12	0.04	57.22	14.08	3.37	-	0.08	17.37	39.85
Vehicles	27.55	2.60	1.28	-	28.87	9.30	2.59	-	0.83	11.06	17.81
Office equipment	142.37	23.39	0.69	0.25	165.32	45.09	13.19	-	0.45	57.83	107.49
Total	23,883.31	1,021.82	29.76	17.02	24,892.39	6,516.94	1,260.07	-	13.87	7,763.14	17,129.25

(₹ in Crore)

Footnotes:

1. The above property, plant and equipment have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].
2. Capital commitment:
Refer note 46 (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 ₹ 7.17 Crore (Previous year - ₹ 15.99 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs” and ₹ 0.61 Crore pertaining to reversal of security deposit (Previous year - ₹ 1.03 Crore pertaining to reversal of Goods and Services Tax Credit).
4. The weighted average rate for capitalisation of borrowing cost relating to general borrowing is in the range of 7.27% p.a. to 7.30% p.a. (Previous year 7.81% p.a. to 7.95% p.a.).
5. Additions to plant and machinery includes capitalisation of directly attributable costs incurred by the Group under various headings.
6. Refer note 43(1) for impairment loss in respect of DGEN power plant
7. The closing balance of accumulated depreciation and impairment consist impairment loss of ₹ 2,314.07 Crore (March 31, 2021 - ₹ 1,014.07 Crore).
8. The Group have not revalued its property, plant and equipment during the current or previous year.
9. Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a fellow subsidiary are as under:

Particulars	Proportion of holding		As at March 31, 2021
	As at March 31, 2022	As at March 31, 2021	
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	3.04	3.04



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 5: Right-Of-Use Assets

As at March 31, 2022

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount
	As at April 01, 2021	Additions on acquisition	Additions during the year	Deductions during the year	As at April 01, 2021	For the year	As at March 31, 2022
Land	171.94	1.98	36.21	-	13.79	7.67	214.6
Buildings	27.70	-	10.77	2.43	7.84	4.40	10.36
Plant and machinery	0.38	-	-	-	0.10	0.05	0.15
Office equipment	0.14	-	-	-	0.08	0.04	0.12
Total	200.16	1.98	46.98	2.43	21.81	12.16	32.09
							214.60

As at March 31, 2021

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount
	As at April 01, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	Deductions during the year	As at March 31, 2021
Land	170.11	1.83	-	171.94	6.85	-	13.79
Buildings	27.70	-	-	27.70	3.45	-	7.84
Plant and machinery	0.38	-	-	0.38	0.05	-	0.10
Office equipment	0.14	-	-	0.14	0.04	-	0.08
Total	198.33	1.83	-	200.16	10.39	11.42	21.81
							178.35

- Footnotes:
- The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].
 - Refer note 47 for disclosure relating to right-of-use asset.
 - The Group have not revalued its right-of-use assets during the current or previous year.

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forming part of the consolidated financial statements for the year ended March 31, 2022

Note 6: Capital Work-In-Progress

As at March 31, 2022

Particulars	As at April 01, 2021		Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2022
Capital work-in-progress	837.73		1,639.16	1,181.30	1.68	1,297.27
Total	837.73		1,639.16	1,181.30	1.68	1,297.27

As at March 31, 2021

Particulars	As at April 01, 2020		Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2021
Capital work-in-progress	567.40		1,239.03	968.70	-	837.73
Total	567.40		1,239.03	968.70	-	837.73

- Footnotes:
- The above Capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].
 - Capital work-in-progress include borrowing costs of ₹ 35.81 Crore (March 31, 2021 - ₹ 12.37 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs”.
 - Adjustment during the year includes ₹ 0.43 Crore write off and ₹ 2.11 Crore for reversal of impairment provision.
 - Refer note 58 for ageing schedule for capital work-in-progress.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 7: Intangible Assets

As at March 31, 2022

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	As at April 01, 2021	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 01, 2021	For the year	Deductions during the year	As at March 31, 2022	As at March 31, 2022
Computer software	56.52	0.02	10.65	0.97	66.22	38.08	10.04	0.92	47.20	19.02
Customer contract	-	104.85	-	-	104.85	-	0.58	-	0.58	104.27
Total	56.52	104.87	10.65	0.97	171.07	38.08	10.62	0.92	47.78	123.29

As at March 31, 2021

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	As at April 01, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021	
Computer software	42.31	14.21	-	56.52	27.33	10.75	-	38.08	18.44	
Total	42.31	14.21	-	56.52	27.33	10.75	-	38.08	18.44	

Footnotes:

- The above computer software has been mortgaged and hypothecated to secure borrowings of the Company and certain subsidiaries [Refer note 23].
- The Group have not revalued its intangible assets during the current or previous year.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 8: Non-Current Investments

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
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 (No. of debentures - March 31, 2022: 9,070, March 31, 2021: 9,070)	116.89	110.18
	116.89	110.18
Investment in equity instruments (unquoted) (at fair value through profit or loss)		
AEC Cements & Constructions Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 9,61,500, March 31, 2021: 9,61,500) (As at March 31, 2022 & March 31, 2021 Gross investment - ₹ 0.61 Cr, Impairment in value of investment - ₹ 0.61 Cr)	-	-
Tidong Hydro Power Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 24,500, March 31, 2021: 24,500) (As at March 31, 2022 & March 31, 2021 Gross investment - ₹ 0.02 Cr, Impairment in value of investment - ₹ 0.02 Cr)	-	-
UNM Foundation (Formerly known as Tornascent Care Institute) @ # Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 50,000, March 31, 2021: 50,000)	0.05	0.05
	0.05	0.05
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	1.93
7.57% GOI Bond - 2033	1.92	1.92
7.73% GOI Bond - 2034	1.86	1.86
9.20% GOI Bond - 2030	1.91	-
	15.88	13.97
	132.82	124.2
Aggregate amount of quoted investments	15.88	13.97
Aggregate amount of unquoted investments	116.94	110.23
	132.82	124.20
Aggregate amount of provision for impairment in value of investments	0.63	0.63
Aggregate amount of market value of quoted investments	16.30	14.85

- @ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 company, i.e UNM Foundation (Formerly known as Tornascent Care Institute), under the Companies Act, 2013 for the purpose of carrying out charitable activities.
- # The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date"). The name "Tornascent Care Institute" changed to "UNM Foundation" w.e.f. July 20, 2021.
- \$ 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 22 - Contingency reserve]



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 9: Non-Current Loans

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Loans to related parties (including interest accrued) [Refer note 54(d)]	121.87	155.70
	121.87	155.70

Note 10: Other Non-Current Financial Assets

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Security deposits	20.36	18.61
Inter-corporate deposits #	80.00	53.54
Bank fixed deposits	1.02	3.59
Other advances	0.17	0.09
	101.55	75.83

a lien has been created in favour of lenders

Note 11: Non-Current Tax Assets

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Advance income tax (net)	10.56	12.83
	10.56	12.83

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 12: Other Non-Current Assets

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Capital advances	230.78	103.89
Advances for goods and services	133.59	148.85
Balances with government authorities	62.25	62.97
Prepaid expenses	18.85	21.77
Advance against equity investment [Refer footnote 1]	555.00	-
	1,000.47	337.48

Footnote:

- The Hon'ble Administrator of the Union Territory of Dadra and Nagar Haveli and Daman and Diu (the "Holding Entity") has issued a Letter of Intent ('LOI') dated February 07, 2022 to the Company as a successful bidder, pursuant to its Bid, to purchase 51 % shares in Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (the "Distribution company"), (a company incorporated for holding assets of the Electricity Department, Daman and Diu and DNH Power Distribution Corporation Limited (DNH PDCL) related to electricity distribution business), which shall be responsible for distribution and retail supply of electricity and shall hold distribution license in the Union Territory of Dadra and Nagar Haveli and Daman and Diu.

On March 15, 2022, the Company entered into a Share Purchase Agreement (SPA) and Shareholders Agreement (SHA) with the Holding Entity and the Distribution company for purchase of 51% shares of the Distribution company from the Holding Entity.

Basis the Share Purchase Agreement read with The Dadra and Nagar Haveli and Daman and Diu Electricity (Reorganisation and Reforms) Transfer Scheme, 2022 (the "transfer scheme"), the effective date of transfer has been notified by the UT Administrator, Union Territory of Dadra and Nagar Haveli and Daman and Diu as April 1, 2022 for the purpose of implementing the transfer scheme.

As per the transfer scheme, the electricity distribution and retail supply undertakings of the Electricity Department and DNH PDCL including the assets, proceedings and liabilities shall stand transferred to and vested in the distribution company, thereby acquiring control of the electricity distribution business, with effect from the notified transfer date i.e., April 1, 2022. The decisions over the relevant activities of the electricity distribution business shall continue to be taken by the Electricity Department and DNH PDCL until March 31, 2022.

Accordingly, the amount of purchase consideration transferred for acquiring the shares of the distribution company has been shown as "Advance against equity investment" as at March 31, 2022 in the consolidated financial statements.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 13: Inventories

(valued at lower of cost and net realizable value)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Stores and spares	272.98	228.31
Fuel	166.69	158.00
Raw materials	56.44	36.23
Work-in-progress	9.96	6.36
Finished goods	26.33	18.09
Packing materials	2.37	1.17
Loose tools	2.80	2.19
	537.57	450.35

Footnote:

- The cost of stores and spares inventories recognised as an expense includes ₹ 1.36 Crore (Previous year - ₹ 3.73 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.
- The above carrying amount of inventories has been mortgaged and hypothecated to secure borrowings of the Company and certain subsidiaries.
- The above carrying amount includes goods in transit as under:

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Stores and spares	-	0.57
Fuel	8.93	2.49
Raw materials	3.92	-
Finished goods	10.57	-
	23.42	3.06

Note 14: Current Investments

(Investments carried at fair value through profit or loss)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Investment in mutual funds (unquoted)	273.70	341.58
	273.70	341.58
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	273.70	341.58
	273.70	341.58
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 15: Trade Receivables

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured - Considered good #	575.68	557.28
Unsecured - Considered good	1,027.02	863.01
- Credit impaired	217.71	250.42
	1,820.41	1,670.71
Less: Allowance for bad and doubtful debts	217.71	250.42
	1,602.70	1,420.29

Group holds security deposits in respect of electricity receivables.

Footnotes:

- Refer note 55 for credit risk related disclosures.
- Refer note 23 for charge on current assets including trade receivables.
- Refer note 59 for ageing schedule of trade receivables.

Note 16: Cash and Cash Equivalents

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Balances with banks		
Balance in current accounts	288.10	104.92
Balance in fixed deposit accounts (original maturity of less than three months)	0.05	-
	288.15	104.92
Cheques on hand	0.79	0.58
Cash on hand	0.47	1.78
	289.41	107.28

Note 17: Bank Balances Other than Cash and Cash Equivalents

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Unpaid dividend accounts	10.55	10.09
Unpaid fractional coupon accounts	0.35	0.35
Balance in fixed deposit accounts (maturity of more than three months but less than twelve months)	52.03	84.70
	62.93	95.14



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 18: Current Loans

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Loans to related parties [Refer note 54(d)]	19.90	-
	19.90	-

Note 19: Other Current Financial Assets

Unsecured (considered good unless stated otherwise)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Security deposits	56.27	30.61
Inter-corporate deposits #	186.84	326.70
Interest accrued on non-current investments	0.24	0.24
Interest accrued on deposits	6.68	7.78
Unbilled revenue (including revenue gap / surplus) [Refer note 45(a)]	1,917.89	1,677.46
	2,167.92	2,042.79
Other advances / receivables		
Considered good	130.89	110.62
Considered credit impaired	6.06	6.06
	136.95	116.68
Less : Allowance for doubtful advances	6.06	6.06
	130.89	110.62
	2,298.81	2,153.41

includes ₹ 86.84 Crore (March 31, 2021 - ₹ 123.20 Crore) on which a lien has been created in favour of lenders

Note 20: Other Current Assets

Unsecured (considered good)

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Advances for goods and services	93.71	42.47
Balances with government authorities	6.93	0.94
Prepaid expenses	40.10	32.95
	140.74	76.36

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 21: Equity Share Capital

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2021) 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 March 31, 2021) equity shares of ₹10 each	480.62	480.62
	480.62	480.62

Footnotes:

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

	No. of shares As at March 31, 2022	No. of shares As at March 31, 2021
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

- 25,74,22,311 equity shares (25,74,22,311 equity shares as at March 31, 2021) of ₹10 each fully paid up are held by the Parent Company - Torrent Investments Private Limited (Formerly known as Torrent Private Limited).

- 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.

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

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Torrent Investments Private Limited (Formerly known as 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%	4,68,71,621	9.75%
Axis Mutual Fund Trustee Limited	4,08,34,428	8.50%	3,75,81,431	7.82%

- Details of shareholding of Promoters in the Company :

Shares held by promoters at the end of the year						
Promoter name	As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of total shares	% changes during the year	No. of shares	% of total shares	% changes during the year
Torrent Investments Private Limited (Formerly known as Torrent Private Limited)	25,74,22,311	53.56%	-	25,74,22,311	53.56%	-
Sudhir Mehta	6,882	0.00%	-	6,882	0.00%	-
Samir Mehta	6,125	0.00%	-	6,125	0.00%	-
Jinal Mehta	8,000	0.00%	-	8,000	0.00%	-



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 21: Equity Share Capital (Contd.)

6. Distributions made:

Interim dividend for FY 2021-22 of ₹ 9.00 per equity share (Previous year - ₹ 5.50 per equity share) aggregating to ₹ 432.56 Crore (Previous year - ₹ 264.34 Crore) was paid in March, 2022. The Board of Directors has not considered any further dividends for FY 2021-22. Accordingly, payment of interim dividend will be considered as final dividend for FY 2021-22.

Note 22: Other Equity

	As at March 31, 2022	As at March 31, 2021
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	139.60	187.26
Contingency reserve	15.37	13.46
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	5,645.60	5,840.91
	9,462.56	9,703.62

Footnote:

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 was required to create a Debenture Redemption Reserve (DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not required to create DRR. Accordingly, the Company has not created DRR during the year and DRR created till previous years will be transferred to retained earnings on redemption of debentures.

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 Group 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.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 23: Non-Current Borrowings

	As at March 31, 2022	As at March 31, 2021
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures &		
10.35% Series 1	-	183.37
10.35% Series 2A, 2B & 2C	-	100.00
8.95% Series 3A, 3B & 3C	80.00	165.00
7.65% Series 5	-	100.00
7.30% Series 6	300.00	300.00
6.50%,6.90%,7.25% Series 7A, 7B & 7C	248.05	-
	628.05	848.37
Term loans @		
From banks	5,659.78	4,945.31
	5,659.78	4,945.31
Supplier's credit	25.22	-
	6,313.05	5,793.68
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A, 4B & 4C	179.93	269.65
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	298.50	297.94
7.00% Series 1 (In respect of Latur Renewable Private Limited)	298.50	297.92
	776.93	865.51
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	9.17	12.99
	9.17	12.99
	786.10	878.50
	7,099.15	6,672.18

@ After considering unamortised expense of ₹ 19.63 Crore as at March 31, 2022 and ₹ 20.37 Crore as at March 31, 2021.

& After considering unamortised expense of ₹ 1.95 Crore as at March 31, 2022 and ₹ Nil Crore as at March 31, 2021.

After considering unamortised expense of ₹ 3.07 Crore as at March 31, 2022 and ₹ 4.49 Crore as at March 31, 2021.

	As at March 31, 2022	As at March 31, 2021
Current maturities		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.37	183.32
10.35% Series 2A, 2B & 2C	100.00	100.00
8.95% Series 3A, 3B & 3C	85.00	80.00
7.65% Series 5	100.00	-
	468.37	363.32
Term loans \$		
From banks	719.96	741.23
	719.96	741.23
Unsecured loans - at amortised cost		
Non convertible debentures		
10.25% Series 4A, 4B & 4C^	89.88	-
	89.88	-
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	3.82	3.82
	1,282.03	1,108.37
	(1,282.03)	(1,108.37)
Amount disclosed under the head 'Current borrowings' [Refer note 27]	-	-

\$ After considering unamortised expense of ₹ 7.7 Crore as at March 31, 2022 and ₹ 3.09 Crore as at March 31, 2021.

^ After considering unamortised expense of ₹ 0.12 Crore as at March 31, 2022 and ₹ Nil Crore as at March 31, 2021.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 23: Non-Current Borrowings (Contd.)

Footnote:

1. Nature of security

- (i) 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 ₹ 5,806.91 Crore and non convertible debentures of ₹ 1,098.37 Crore along with lenders of cash credits and non-fund based credit facilities. (except assets detailed in (i), (ii) & (iii) below which are not provided as security to NCD holders / term loan lender as mentioned therein)
 - (i) Assets not given as security to non convertible debenture holders of Series no. 5
 - a. immovable assets, movable fixed assets and debt service reserve accounts pertaining to the Renewable Projects;
 - b. leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch.
 - (ii) Assets not given as security to non convertible debenture holders of Series no. 6 & 7
 - a. immovable and movable assets of Renewable Projects;
 - b. debt service reserve accounts maintained for the benefit of lenders of term loans;
 - c. investments / deposits made out of Non-Convertible Debenture Reserve;
 - d. leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch;
 - e. non-agricultural plot of land at village Kamatghar, Taluka Bhiwandi, District Thane bearing survey no.119, Hissa no. 2/3 along with building thereon;
 - f. immovable property located at no. 2, Dharam Marg, Chanakya Puri, New Delhi.
 - (iii) Assets not given as security to lender of ₹ 250.00 Crore term loan availed in March 2022
 - a. immovable assets of Renewable Projects;
 - b. leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch.
- (ii) Torrent Power Grid Limited:

Term loan ₹ 5.20 Crore is secured by way of first pari passu charge created on the entire movable properties including transmission towers, insulators and other movable assets, book debts, operating cash flows, revenues, intangibles, trust and retention account, charge over all the rights, titles in the Project Documents of subsidiary company, Torrent Power Grid Limited (TPGL). Term loan is also secured by pledge of 30% of equity shares issued by TPGL, held by the Company.
- (iii) Torrent Solargen Limited:

Capex LC facility (utilised by ₹ 25.22 Crore as at March 31, 2022) is secured by way of hypothecation of all the project assets, project receivables and project accounts.

Project means ~115 MW of wind power project being implemented in Gujarat by Torrent Solargen Limited, subsidiary of the Company.
- (iv) Surya Vidyut Limited:

Term loans ₹ 415.03 Crore are secured by an exclusive charge (i) by way of mortgage / hypothecation in respect of the fixed assets including its land, building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL and (iii) pledge of 5.60% of equity shares issued by SVL, held by the Company (to be pledged).
- (v) LREHL Renewables India SPV1 Private Limited:

Term loan ₹ 179.93 Crore is secured way of charge on (i) entire immovable properties, movable properties including current assets, intangible assets, accounts and rights under the project documents of the subsidiary company LREHL Renewables India SPV1 Private Limited (LREHL) and (ii) Pledge of 100% of equity shares and CCDs issued by LREHL, held by the Company.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 23: Non-Current Borrowings (Contd.)

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

Financial year	Term loans	Non convertible debentures	Others
2022-23	731.48	558.37	-
2023-24	420.52	670.00	-
2024-25	524.12	375.00	25.22
2025-26	691.13	280.00	-
2026-27	802.93	85.00	-
2027-28	675.97	-	-
2028-29	666.42	-	-
2029-30	715.98	-	-
2030-31	562.24	-	-
2031-32	374.80	-	-
2032-33	254.47	-	-

3. Undrawn term loans from banks, based on approved facilities, were ₹ 674.78 Crore as at March 31, 2022.
4. During the year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Note 24: Non-Current Trade Payables

	As at March 31, 2022	As at March 31, 2021
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	150.46	116.11
	150.46	116.11

Note 25: Other Non-Current Financial Liabilities

	As at March 31, 2022	As at March 31, 2021
Payables for purchase of property, plant and equipment	-	0.04
Sundry payables	0.33	1.13
	0.33	1.17

Note 26: Other Non-Current Liabilities

	As at March 31, 2022	As at March 31, 2021
Deferred revenue		
Contribution received from consumers [Refer note 45(b)]	1,192.34	1,088.64
Capital grant from government [Refer note 57(b)]	14.03	16.39
Sundry payables	55.30	55.31
	1,261.67	1,160.34



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 27: Current Borrowings

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Secured loans		
Working capital loan from banks	350.00	-
Overdraft from banks	2.74	-
	352.74	-
Unsecured loans		
Commercial paper	350.00	-
Other loans	14.50	-
	364.50	-
Current maturities of long-term debt [Refer note 23]	1,282.03	1,108.37
	1,999.27	1,108.37

Footnote:

- 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.
- Undrawn cash credit from banks, based on approved facilities, were ₹ 460.00 Crore as at March 31, 2022.
- During the year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Net debt reconciliation:

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	289.41	107.28
Current investments	273.70	341.58
Current borrowings (excluding current maturities of long-term debt)	(717.24)	-
Non-current borrowings (including current maturities of long-term debt and interest accrued but not due)	(8,531.52)	(7,887.70)
Lease Liabilities	(44.21)	(36.01)
	(8,729.86)	(7,474.85)

	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Lease liabilities	
Net balance as at April 01, 2020	91.16	607.59	(3.28)	(9,002.72)	(37.96)	(8,345.21)
Cash flows	16.12	(288.11)	3.28	1,089.41	7.10	827.80
New lease	-	-	-	-	(1.83)	(1.83)
Interest expense	-	-	(9.90)	(699.43)	(3.32)	(712.65)
Interest paid	-	-	9.90	725.04	-	734.94
Gain on sale of current investments	-	19.35	-	-	-	19.35
Fair value adjustment	-	2.75	-	-	-	2.75
Net balance as at March 31, 2021	107.28	341.58	-	(7,887.70)	(36.01)	(7,474.85)
Cash flows	182.13	(102.03)	(693.22)	(0.32)	44.35	(569.09)
New lease	-	-	-	-	(46.98)	(46.98)
Interest expense	-	-	(2.26)	(578.21)	(3.59)	(584.06)
Interest paid	-	-	2.26	539.54	-	541.80
Gain on sale of current investments	-	27.84	-	-	-	27.84
Fair value adjustment	-	(2.20)	-	-	-	(2.20)
On account of acquisition of subsidiaries	-	8.51	(24.02)	(604.83)	(1.98)	(622.32)
Net balance as at March 31, 2022	289.41	273.70	(717.24)	(8,531.52)	(44.21)	(8,729.86)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 28: Current Trade Payables

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises #	54.02	38.17
Total outstanding dues other than micro and small enterprises	1,057.11	936.62
	1,111.13	974.79

Amount due to micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) have been determined based on the information available with the Group.

Note 29: Other Current Financial Liabilities

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on loans and security deposits	117.87	79.20
Investor education and protection fund #		
Unpaid / Unclaimed dividend	10.55	10.09
Unclaimed fractional coupons	0.35	0.35
Book overdraft	1.30	7.81
Security deposits from consumers @	1,328.02	1,221.06
Other deposits	5.13	3.39
Payables for purchase of property, plant and equipment ^	395.89	331.16
Sundry payables (including for employees related payables)	162.40	146.71
	2,021.51	1,799.77

There is no amount due and outstanding to be credited to investor education and protection fund as at March 31, 2022.

@ Security deposits from consumers in the Group's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience.

^ including dues to micro and small enterprises for ₹ 12.53 Crore (March 31, 2021 - ₹ 7.91 Crore)

Note 30: Other Current Liabilities

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Credit balances of consumers [Refer note 45(d)]	105.17	85.71
Service line deposits from consumers [Refer note 45(c)]	207.13	189.85
Deferred revenue		
Contribution received from consumers [Refer note 45(b)]	92.15	83.26
Capital grant from government [Refer note 57(b)]	2.37	2.46
Statutory dues	205.22	172.98
Sundry payables ^	1.52	7.76
	613.56	542.02

^ including dues to micro and small enterprises for ₹ 0.02 Crore

Notes

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Note 31: Current Provisions

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for gratuity [Refer note 48.2(d)]	14.02	12.25
Provision for compensated absences \$	124.52	132.00
	138.54	144.25
Other provisions		
Provision for indirect taxes	0.25	0.25
Provision for onerous contracts [Refer note 56]	135.76	190.80
	136.01	191.05
	274.55	335.30
\$ Provision for compensated absences is disclosed under current provision as the Group does not have an unconditional right to defer settlement for at least twelve months however these are generally not repayable within a period of twelve months based on historical experience.		
Movement in provision for indirect taxes:		
Opening balance as on April 01	0.25	0.10
Additional provision recognised	-	0.15
Closing balance as on March 31	0.25	0.25
Movement in Provision for onerous contracts:		
Opening balance as on April 01	190.80	189.78
Additional provision recognised	0.53	1.02
Reversal of provision	(55.07)	-
Amount utilised during the year	(0.50)	-
Closing balance as on March 31	135.76	190.80

Note 32: Current Tax Liabilities

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Provision for taxation (net of tax paid)	122.54	44.55
	122.54	44.55

Notes

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Note 33: Revenue from Operations

	(₹ in Crore)	
	year ended March 31, 2022	year ended March 31, 2021
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	13,238.39	11,772.45
Revenue from sale of cable products		
Manufactured goods	289.72	149.54
Revenue from trading of RLNG	547.94	112.48
	14,076.05	12,034.47
Less: Discount for prompt payment of bills	20.79	17.73
	14,055.26	12,016.74
Other operating income		
Provisions of earlier years written back	1.04	2.47
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 45(b)(2)] #	87.82	79.90
Capital grant from government [Refer note 57(b)]	2.45	2.72
Income from Generation Based Incentive	24.98	22.53
Insurance claim receipt	0.14	0.34
Miscellaneous income	85.92	47.96
	202.35	155.92
	14,257.61	12,172.66

Amortisation of deferred revenue are recognised within the scope of Ind AS 115.

Footnote:

- Disclosure given above presents disaggregated revenue from contracts with customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.
- Timing of revenue recognition (from contract with customers): Revenue from power supply is recognised over a period of time.
- Revenue from operations for the previous year ended March 31, 2021 includes ₹ 250.62 Crore on account of favourable orders received from the Appellate Tribunal for Electricity in respect of disputed Revenue Gap related to carrying costs of earlier years.

Note 34: Other Income

	(₹ in Crore)	
	year ended March 31, 2022	year ended March 31, 2021
Interest income from financial assets at amortised cost		
Deposits	16.66	28.38
Consumers	36.49	36.40
Contingency reserve investments	1.15	1.01
Loans to related parties [Refer note 54(b)]	11.09	13.02
Others	1.23	0.85
	66.62	79.66
Gain on disposal of property, plant and equipment	30.05	3.56
Gain on sale of current investments in mutual funds	27.84	19.35
Net gain arising on financial assets / liabilities measured at amortised cost	28.93	11.39
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	(2.20)	2.75
Net gain on foreign currency transactions and translations	5.46	0.22
Miscellaneous income [Refer footnote 1]	78.34	24.88
	235.04	141.81

Footnote:

- 1 Pursuant to settlement agreement with EPC contractor, the Subsidiary Company has received compensation claim of ₹ 33.50 Crore from EPC contractor in respect of revenue loss due to delays and disputes / claims / disagreements relating to energy yielding Report.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 35: Cost of Materials Consumed

	(₹ in Crore)	
	year ended March 31, 2022	year ended March 31, 2021
Cost of materials consumed	394.04	190.47
Less: Allocated to capital works	131.40	86.26
	262.64	104.21

Note 36: Changes in Inventories of Finished Goods and Work-In-Progress

	(₹ in Crore)	
	year ended March 31, 2022	year ended March 31, 2021
Inventory of finished goods		
Opening stock	18.09	23.13
Less: Closing stock	26.33	18.09
	(8.24)	5.04
Inventory of work-in-progress		
Opening stock	6.36	7.37
Less: Closing stock	9.96	6.36
	(3.60)	1.01
Less: Allocated to capital works	(0.73)	(2.81)
	(11.11)	8.86

Note 37: Employee Benefits Expense

	(₹ in Crore)	
	year ended March 31, 2022	year ended March 31, 2021
Salaries, wages and bonus	640.03	610.60
Contribution to provident and other funds [Refer note 48.1]	45.02	42.67
Employees welfare expenses	30.56	26.26
Compensated absences	14.29	19.31
Gratuity [Refer note 48.2(e)(3)]	19.01	19.96
	748.91	718.80
Less: Allocated to capital works, repairs and other relevant revenue accounts #	215.37	179.86
	533.54	538.94

includes allocated to capital works of ₹ 117.34 Crore (previous year ₹ 84.6 Crore)

Notes

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Note 38: Finance Costs

	(₹ in Crore)	
	year ended March 31, 2022	year ended March 31, 2021
Interest expense for financial liabilities classified as amortised cost		
Term loans	414.15	532.28
Non convertible debentures	164.06	167.15
Working capital loans	2.26	9.90
Security deposits from consumers	51.81	53.14
Lease liabilities	3.59	3.32
Others	3.56	2.42
Other borrowing costs	14.29	10.42
Amortisation of borrowing costs	5.10	10.51
Unwinding of discount	-	3.40
	658.82	792.54
Less: Allocated to capital works	30.61	16.81
	628.21	775.73

Note 39: Depreciation and Amortisation Expense

	(₹ in Crore)	
	year ended March 31, 2022	year ended March 31, 2021
Depreciation expense on property, plant and equipment	1,313.96	1,260.07
Depreciation expense on right-of-use assets	12.16	11.42
Amortisation expense on intangible assets	10.62	10.75
	1,336.74	1,282.24
Less: Transfer from others	0.10	0.10
Less: Allocated to capital works	2.78	2.59
	1,333.86	1,279.55



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 40: Other Expenses

	(₹ in Crore)	
	year ended March 31, 2022	year ended March 31, 2021
Consumption of stores and spares	236.76	195.91
Rent and hire charges	17.55	15.07
Repairs to		
Buildings	13.29	8.03
Plant and machinery	421.89	359.81
Others	21.96	17.84
	457.14	385.68
Insurance	46.46	36.03
Rates and taxes	14.06	11.68
Vehicle running expenses	40.84	37.28
Electricity expenses	30.06	27.38
Security expenses	49.87	42.76
Water charges	22.59	18.35
Power transmission and scheduling charges	13.08	34.36
Corporate social responsibility expenses	29.33	34.32
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	23.66	12.03
Commission to non-executive directors [Refer note 54(b)]	2.97	8.42
Directors sitting fees	0.91	0.73
Auditors remuneration [Refer note 49]	2.20	2.13
Legal, professional and consultancy fees	48.83	34.44
Donations [Refer note 50]	58.30	36.55
Net loss on foreign currency transactions	0.12	10.71
Bad debts written off (net)	46.83	54.55
Reversal of provision for onerous contracts [Refer note 56]	(55.07)	-
Provision for onerous contracts [Refer note 56]	0.53	1.02
Allowance for doubtful debts (net of recovery)	(32.71)	14.62
Miscellaneous expenses	104.88	94.19
	1,159.19	1,108.21
Less: Allocated to capital works, repairs and other relevant revenue accounts ^	103.43	69.95
	1,055.76	1,038.26

^ includes allocated to capital works of ₹ 9.75 crore (previous year ₹ 9.82 crore)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 41: Composition of the Group

(a) Subsidiaries

(1) Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2022	As at March 31, 2021
Torrent Solargen Limited	Power Generation	India	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%
Latur Renewable Private Limited	Power Generation	India	100%	100%
Jodhpur Wind Farms Private Limited	Power Generation	India	100%	100%
TCL Cables Private Limited	Manufacturing of Cables	India	100%	100%
Torrent Solar Power Private Limited (w.e.f. July 28, 2020)	Power Generation	India	100%	100%
Torrent Saurya Urja 2 Private Limited (w.e.f. February 05, 2021)	Power Generation	India	100%	100%
Torrent Saurya Urja 3 Private Limited (w.e.f. February 17, 2021)	Power Generation	India	100%	100%
Torrent Saurya Urja 4 Private Limited (w.e.f. July 20, 2021)	Power Generation	India	100%	NA
Torrent Saurya Urja 5 Private Limited (w.e.f. July 16, 2021)	Power Generation	India	100%	NA
Visual Percept Solar Projects Private Limited (w.e.f. February 15, 2022)	Power Generation	India	100%	NA
Surya Vidyut Limited (w.e.f. March 11, 2022)	Power Generation	India	100%	NA
LREHL Renewables India SPV 1 Private Limited (w.e.f. March 25, 2022)	Power Generation	India	100%	NA



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 41: Composition of the Group (Contd.)

(2) Disclosure of additional information pertaining to the Parent Company and its Subsidiaries as per Schedule III of Companies Act, 2013 as at and for the year ended March 31, 2022:

Name of the entity in the Group	Consolidated share in net assets i.e total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Companyw	99.87%	9,966.02	89.32%	409.71	106.48%	1.97	89.39%	411.68
Torrent Solargen Limited	0.18%	17.99	7.47%	34.26	-	-	7.44%	34.26
Torrent Pipavav Generation Limited	0.30%	29.95	(0.35%)	(1.59)	-	-	(0.35%)	(1.59)
Torrent Power Grid Limited	0.98%	97.67	2.98%	13.66	-	-	2.97%	13.66
Latur Renewable Private Limited	1.22%	121.83	2.45%	11.23	-	-	2.44%	11.23
Jodhpur Wind Farms Private Limited	1.21%	120.96	2.39%	10.94	-	-	2.38%	10.94
TCL Cables Private Limited	0.07%	6.56	(4.20%)	(19.28)	(3.24%)	(0.06)	(4.20%)	(19.34)
Torrent Solar Power Private Limited	(0.01%)	(0.63)	(0.15%)	(0.67)	-	-	(0.15%)	(0.67)
Torrent Saurya Urja 2 Private Limited	0.00%	(0.43)	(0.10%)	(0.47)	-	-	(0.10%)	(0.47)
Torrent Saurya Urja 3 Private Limited	0.00%	0.02	0.00%	(0.02)	-	-	0.00%	(0.02)
Torrent Saurya Urja 4 Private Ltd.	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Saurya Urja 5 Private Ltd.	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Visual Percept Solar Projects Private Limited	1.67%	166.51	0.66%	3.03	(3.24%)	(0.06)	0.64%	2.97
Surya Vidyut Limited	3.29%	327.84	4.09%	18.81	-	-	4.08%	18.81
LREHL Renewables India SPV 1 Private Limited	0.25%	24.72	-	-	-	-	0.00%	-
Non-controlling interests	0.36%	35.93	1.03%	4.72	-	-	1.02%	4.72
Consolidation adjustments	(9.39%)	(935.91)	(5.59%)	(25.61)	-	-	(5.56%)	(25.61)
Total	100.00%	9,979.11	100.00%	458.70	100.00%	1.85	100.00%	460.55

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 41: Composition of the Group (Contd.)

(b) Associates

Details of the Company's associates are as follows:

Name of the entity in the Group	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Quoted fair value	Carrying amount as at March 31, 2022
			As at March 31, 2022	As at March 31, 2021		
Wind Two Renergy Private Limited	Power Generation	India	0%	0%	Unlisted	#

As at March 31, 2022 the Company had made investments in the one entity in the form of secured redeemable (with premium) non-convertible debentures and does not hold any equity investments. To protect the investment aggregating to ₹ 90.70 Crore (March 31, 2021, ₹ 90.70 Crore) made by the Company, the Company has acquired certain rights which include the right to nominate directors on the board. Considering the above facts and based on the requirements of Ind AS, the investments in aforesaid entities have been classified as Investments in associates. As the Company does not have any equity interest, the Company does not have any share in the profit, loss or comprehensive income of the entities and accordingly, there is no impact on the consolidated statement of profit and loss and the aforesaid investments in redeemable debentures of ₹ 90.70 Crore (March 31, 2021, ₹ 90.70 Crore)

have been carried at amortized cost.

Note 42: Asset Acquisitions

A. Details of asset acquisitions

(i) Visual Percept Solar Projects Private Limited

On February 10, 2022, the Company has signed a Share Purchase Agreement (SPA) with Blue Diamond Properties Private Limited and Balrampur Chini Mills Limited, (the Sellers) for acquisition of 100% of Shares of Visual Percept Solar Projects Private Limited ("VPSPPL") having 25 MW operating solar assets. VPSPPL is engaged in the business of Generation of Electricity using Renewable Energy and having assets located in Gujarat having long term Power Purchase Agreements (PPAs) with Gujarat Urja Vikas Nigam Limited. On completion of the conditions precedent to SPA, VPSPPL has become wholly owned subsidiary of the Company w.e.f. February 15, 2022.

(ii) Surya Vidyut Limited

On September 20, 2021, the Company has signed a Share Purchase Agreement (SPA) with CESC Limited, Haldia Energy Limited and other Nominal Shareholders, (the Sellers) for acquisition of 100% of Shares of Surya Vidyut Limited ("SVL") having 156 MW operating wind assets. SVL is engaged in the business of Generation of Electricity using Renewable Energy and having assets located in Gujarat, Rajasthan and Madhya Pradesh having long term Power Purchase Agreements (PPAs) with Gujarat Urja Vikas Nigam Limited, Ajmer Vidyut Vitran Nigam Limited, Jaipur Vidyut Vitran Nigam Limited and Madhya Pradesh Power Management Company Limited. On completion of the conditions precedent to SPA, SVL has become wholly owned subsidiary of the Company w.e.f. March 11, 2022.

(iii) LREHL Renewables India SPV 1 Private Limited

On July 30, 2021, the Company has signed a Securities Purchase Agreement (SPA) with Lightsource India Limited and Lightsource Renewable Energy (India) Limited, (the Seller) for acquisition of 100% of Shares of LREHL Renewables India SPV 1 Private Limited ("LREHL") having 50 MW operating solar assets. LREHL is engaged in the business of Generation of Electricity using Renewable Energy and having assets located in Maharashtra having long term Power Purchase Agreements (PPAs) with Solar Energy Corporation of India Limited. On completion of the conditions precedent to SPA, LREHL has become wholly owned subsidiary of the Company w.e.f. March 25, 2022.



Notes

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Note 42: Asset Acquisitions (Contd.)

Based on guidance on definition of business under Ind AS, Management has classified above acquisitions as asset acquisitions. The management has assessed that above acquisitions does not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisition', considering the factors like the purchase consideration pertains to the fair value of the Solar / Wind assets, the only key activity for this acquisition is the maintenance of the Solar / Wind assets and there are no other substantive processes required for the generation of output.

B. Consideration Transferred

(₹ in Crore)			
Particulars	Visual Percept Solar Projects Private Limited	Surya Vidyut Limited	LREHL Renewables India SPV 1 Private Limited
Consideration paid in cash for purchase of Equity shares	162.62	304.73	46.95
Consideration paid in cash for purchase of Compulsory Convertible Debentures	-	-	51.84
	162.62	304.73	98.79

C. Net amount of Assets and Liabilities

(₹ in Crore)			
Particulars	Visual Percept Solar Projects Private Limited	Surya Vidyut Limited	LREHL Renewables India SPV 1 Private Limited
Assets			
Property, plant and equipment and Right-of-use assets	84.06	683.00	212.92
Intangible asset including customer contract	68.82	-	36.05
Other non-current assets	0.03	0.48	0.42
Other current assets	16.97	71.31	67.17
Total Assets Acquired	169.88	754.79	316.56
Liabilities			
Non current Borrowings	-	367.76	-
Other non-current liabilities	7.00	0.03	36.87
Current Borrowings	-	80.19	176.52
Other current liabilities	0.26	2.08	4.38
Total Liabilities Assumed	7.26	450.06	217.77
Net Assets Acquired	162.62	304.73	98.79

Notes

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Note 43: Impairment Assessment

1. DGEN Power Plant

Net carrying value of Property, Plant & Equipment ("PPE") as at March 31, 2022 includes ₹ 1,378.90 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, Gujarat ("DGEN"). DGEN started commercial operations with effect from November 2014 and thereafter has operated only intermittently / partially, including during the year ended March 31, 2022, due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power selling arrangement.

In view of the above and given the current economic environment, during the current year, the Company has carried out an impairment assessment of DGEN as at March 31, 2022 by considering the recoverable amount based on value-in-use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets'. Value-in-use is determined considering a discount rate of 14.5% (March 31, 2021 - 13%) and cash flow projections over a period of 18 years (March 31, 2021 - 19 years), being the balance useful life of DGEN in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 on the basis that the Company expects to supply power in the future, inter alia, under long term power selling agreements. Based on the assessment, recoverable value of PPE by using value-in-use is ₹ 1,378.90 Crore which is lower than the carrying amount of PPE of ₹ 2,678.90 Crore and accordingly additional impairment loss of ₹ 1,300.00 Crore has been provided, which has been disclosed as an Exceptional item in the Statement of Profit and Loss.

Assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry. Management reviews such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any.

2. Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Limited ("GPCL"), had made payments in nature of compensation for acquisition of private land as per the court orders in Amreli, Gujarat for the purpose of developing a coal-based power plant of 1,000+ MW. Due to non-availability of fuel linkage, Government of Gujarat ("GoG") vide its letter dated December 06, 2017, communicated that the said project may not be developed and accordingly, the joint venture is intended to be dissolved. Further, as per the said letter, the cost of land would be reimbursed after the disposal of land. With reference to this, in the month of March 2019, GPCL has written a letter to Collector, Amreli stating that the land is surrendered to the Government of Gujarat and requested Energy and Petroleum Department, GoG to take further action in the matter. It is learnt that the Government of Gujarat is exploring the possibility of usage of Land for industrial purpose. The management has made an impairment assessment of the amount recoverable from Government of Gujarat and concluded that there is no impairment in the carrying amount of the land. The timing of the recoverability of the amounts invested in land would depend upon the availability of the buyer. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial statements of TPGL for the year ended March 31, 2022 have been prepared on a non - going concern basis.



Notes

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Note 44: Income Tax Expense

A. Income tax expense recognised in statement of profit and loss

	Year ended March 31, 2022	Year ended March 31, 2021
(₹ in Crore)		
Current tax		
Current tax on profits for the year	372.48	287.84
Adjustment for current tax of prior periods	-	0.01
	372.48	287.85
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(94.06)	(230.96)
(Decrease) / increase in deferred tax liabilities	(173.15)	199.01
	(267.21)	(31.95)
Income tax expense	105.27	255.90

B. Reconciliation of income tax expense

	Year ended March 31, 2022	Year ended March 31, 2021
(₹ in Crore)		
Profit before tax	563.97	1,551.77
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.944%)	197.07	542.25
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	28.54	16.33
Tax incentives / deductions	(214.02)	(327.57)
Impairment loss of DGEN unit	82.64	-
Unabsorbed depreciation / tax credits and other items	11.03	24.88
Total	105.27	255.89
Adjustment for current tax of prior periods	-	0.01
Total expense as per statement of profit and loss	105.27	255.90

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

	Year ended March 31, 2022	Year ended March 31, 2021
(₹ in Crore)		
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	2.89	6.13
Income tax expense / (income) recognised in other comprehensive income	1.04	2.02

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 44: Income Tax Expense (Contd.)

D. Deferred tax balances

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

	As at March 31, 2022	As at March 31, 2021
(₹ in Crore)		
Deferred tax assets	1,888.73	1,834.73
Deferred tax liabilities	(2,198.82)	(2,337.74)
	(310.09)	(503.01)
Disclosed as deferred tax assets (net)	35.12	24.50
Disclosed as deferred tax liabilities (net)	(345.21)	(527.51)
	(310.09)	(503.01)

2. Movement of deferred tax assets / (liabilities)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2022 (₹ in Crore)

	Opening balance	Recognised in profit or loss	Transfer on acquisition	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,337.74)	173.15	(34.23)	-	-	(2,198.82)
Provision for compensated absences	43.66	(2.55)	-	-	-	41.11
Provision for onerous contracts	56.89	(9.45)	-	-	-	47.44
Allowance for doubtful debts	46.21	(13.56)	-	-	-	32.65
Unabsorbed depreciation / MAT credit entitlement	1,687.30	82.40	22.34	(61.36)	-	1,730.68
Others	0.67	37.22	-	-	(1.04)	36.85
	(503.01)	267.21	(11.89)	(61.36)	(1.04)	(310.09)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2021 (₹ in Crore)

	Opening balance	Recognised in profit or loss	Transfer on acquisition	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,138.73)	(199.01)	-	-	-	(2,337.74)
Provision for compensated absences	41.59	2.07	-	-	-	43.66
Provision for onerous contracts	56.53	0.36	-	-	-	56.89
Allowance for doubtful debts	33.29	12.92	-	-	-	46.21
Unabsorbed depreciation / MAT credit entitlement	1,477.02	210.28	-	-	-	1,687.30
Others	(2.64)	5.33	-	-	(2.02)	0.67
	(532.94)	31.95	-	-	(2.02)	(503.01)



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 44: Income Tax Expense (Contd.)

3. Unrecognised deferred tax assets

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Accumulated MAT credit entitlement	14.86	16.81
	14.86	16.81

As at March 31, 2022, unused tax credit that shall expire as follows:

Financial year	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
2021-22	-	1.95
2022-23	1.29	1.29
2023-24	4.21	4.21
2024-25	4.61	4.61
2025-26	4.47	4.47
2026-27	0.28	0.28
	14.86	16.81

Management has made an assessment of the amount of taxable income that would be available in future to offset the Accumulated MAT credit entitlement 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.

Notes

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Note 45: Revenue from Contracts with Customers

A. Unbilled revenue

- Revenue from contracts with customers include unbilled revenue towards FPPPA claims and other true up adjustments which is recognised considering applicable tariff regulations / tariff orders, past trends of approval and management's probability estimate.

The Group has not recognized those true up adjustment claims which are subject of dispute and for which the Group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities.

2. Movement in unbilled revenue

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	1,642.33	1,498.72
Add: Income accrued during the year as per tariff regulations / orders	2,658.13	2,227.37
Less: Amount billed during the year to the consumers as per tariff orders	(2,395.40)	(2,083.76)
Closing balance	1,905.06	1,642.33
Disclosed under		
Unbilled revenue [Refer note 19]	1,917.89	1,677.46
Sundry payables [Refer note 25 & note 29]	(12.83)	(35.13)
	1,905.06	1,642.33

B. 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 over its useful life.

2. Movement of contribution received from consumers

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	1,171.90	1,135.76
Add: Contribution received during the year	200.41	116.04
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 33]	(87.82)	(79.90)
Closing balance	1,284.49	1,171.90
Non-current portion [Refer note 26]	1,192.34	1,088.64
Current portion [Refer note 30]	92.15	83.26
	1,284.49	1,171.90



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 45: Revenue from Contracts with Customers (Contd.)

C. Service line deposit from consumers

	As at March 31, 2022	As at March 31, 2021
Opening balance	189.85	194.82
Add: Received during the year (net of refund)	217.69	111.07
Less: Transferred to contribution received from consumers	(200.41)	(116.04)
Closing balance [Refer note 30]	207.13	189.85

Footnote:

- Service line deposits are collected against the cost of capital work to be carried out for new connection or load extension on application by consumers. On the completion of the work, such contribution is transferred to deferred revenue under the head "other current / non-current liabilities".

D. Credit balance of consumers

	As at March 31, 2022	As at March 31, 2021
Opening balance	85.71	87.48
Add / (less) : Adjustment to current billing (net)	19.46	(1.77)
Closing balance [Refer note 30]	105.17	85.71

Note 46: Contingent Liabilities, Contingent Assets and Capital Commitments

A. Contingent liabilities

	As at March 31, 2022	As at March 31, 2021
Disputed income tax matters	26.46	29.27
Disputed sales tax matters	5.25	5.25
Disputed service tax matters	0.49	0.49
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	2.88	2.88
Disputed stamp duty matters	36.37	0.35
Disputed value added tax matters	3.36	3.36
Disputed central sales tax matters	4.09	4.78
Claims against the Group not acknowledged as debt [Refer footnote 3]	164.04	148.36

The Group has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from 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. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Group is not material and accordingly, no provision has been made in the financial statements.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 46: Contingent Liabilities, Contingent Assets and Capital Commitments (Contd.)

Footnotes :

- Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the Group will likely be upheld in the appellate process and accordingly no provision has been made in the consolidated financial statements for such demands.
- 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.
- Break up of claims against the Company not acknowledged as debt:

	As at March 31, 2022	As at March 31, 2021
Claim of regulatory surcharge including interest in franchise distribution business	77.27	68.59
Penalty order issued by Directorate General of Foreign Trade (DGFT) in distribution business	50.53	50.53
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	18.31	15.35
Compensation payable for short lifting for material	8.46	8.46
Others	9.47	5.43
	164.04	148.36

B. Contingent assets

	As at March 31, 2022	As at March 31, 2021
Claim for coal grade slippage	6.35	9.39
Claim of compensation for short lifting of material	8.46	8.46
	14.81	17.85

C. Capital and other commitments

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	1,317.92	455.19



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 47: Leases

This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

(₹ in Crore)			
	Notes	As at March 31, 2022	As at March 31, 2021
Land	5	188.67	158.15
Buildings	5	25.68	19.86
Plant and machinery	5	0.23	0.28
Office equipment	5	0.02	0.06
Total		214.60	178.35

Lease liabilities

(₹ in Crore)		
	As at March 31, 2022	As at March 31, 2021
Current	5.11	5.05
Non-current	39.10	30.96
Total	44.21	36.01

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

(₹ in Crore)			
	Notes	year ended March 31, 2022	year ended March 31, 2021
Depreciation charge of right-of-use assets	39	12.16	11.42
Interest expense (included in finance costs)	38	3.59	3.32
Expense relating to short-term leases (included in other expenses)	40	1.98	1.55
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	40	0.88	0.17
Total		18.61	16.46

(iii) Maturities of lease liabilities

As at March 31, 2022:

(₹ in Crore)		
	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	8.69
Between 1 year and 5 years	30.44	-
5 years and above	29.22	-
Total	59.66	8.69

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 47: Leases (Contd.)

As at March 31, 2021:

(₹ in Crore)		
	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	6.77
Between 1 year and 5 years	17.73	-
5 years and above	29.50	-
Total	47.23	6.77

(iv) The total cash outflow for leases for the year was ₹ 44.35 Crore (March 31, 2021 ₹ 7.10 Crore).

(v) Lease asset of Shil, Mumbra and Kalwa (franchise area)

Torrent Power Limited ("TPL") has entered into a Distribution Franchise Agreement ("Agreement") dated February 11, 2019 with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") whereby as per the Agreement TPL would distribute the electricity in the area of Shil, Mumbra and Kalwa in Thane District in Maharashtra ("Franchise area") for 20 years (effective from March 01, 2020).

As per the Agreement TPL would purchase electricity from MSEDCL at the rate which would be derived through mechanism as mentioned in the Agreement which is linked to the number of units purchased and would distribute electricity to the Consumers at the tariff which has been approved by Maharashtra Electricity Regulation Commission (MERC).

Further as per the Agreement TPL has right to use existing assets of MSEDCL in the Franchise area provided it shall perform all the obligations and accepts all liabilities of MSEDCL on behalf of distribution licensee in Franchise area and MSEDCL shall not charge any rent for the use of such assets.

Considering the facts of the arrangement, TPL has the right to obtain substantially all of the economic benefits from use of MSEDCL assets of the Franchise area and the right to direct the use of the said assets for 20 years and accordingly it would meet the definition of Lease as per Ind AS 116. Further, for distribution of electricity, TPL would purchase power from MSEDCL for which payment would be made as per the franchise agreement which is linked to the number of units purchased. Accordingly the payments by TPL to MSEDCL is variable in nature and there are no fixed payments in the form of minimum purchase commitments, take or pay or any sort of fixed charges is required to be made.

Considering the entire payment made by TPL for this arrangement is variable in nature and there would be no lease liability required to be recognised with a corresponding right of use assets on initial recognition in accordance with Ind AS 116 and considering non-availability of relevant observable information for lease payments, management estimates and cost benefit analysis, total consideration payable to MSEDCL towards purchase of electricity has been shown as 'Electrical energy purchased' in the Financial Statements.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 48: Employees Benefits Plans

48.1 Defined contribution plan

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

The Group'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 Group's superannuation scheme for qualifying employees is administered through its various superannuation trust funds. The Group'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 Group has no further obligation in respect of such plans beyond the contributions made.

The Group's contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to ₹ 45.02 Crore (Previous year - ₹ 42.67 Crore) 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 Group operates through various gratuity trust, a 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 Group 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 Group. In case of death while in service, the gratuity is payable irrespective of vesting.

The Group 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 Group to actuarial risks such as: asset volatility, interest rate risk, longevity risk and salary risk as described below :

Asset volatility

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

Interest risk

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

Longevity risk

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

Salary risk

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at March 31, 2022. 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.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 48: Employees Benefits Plans (Contd.)

c. Significant assumptions

The principal assumptions used for the purpose of the actuarial valuation were as follows.

	As at March 31, 2022	As at March 31, 2021
Discount rate (p.a.)	7.17%	7.08%
Salary escalation rate (p.a.)	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	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	285.67	288.99
Fair value of plan assets	271.65	276.74
Net (asset) / liability [Refer note 31]	14.02	12.25

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:

	Funded plan- Gratuity	
	As at March 31, 2022	As at March 31, 2021
1. Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	288.99	289.52
Current service cost	18.04	16.18
Past service cost	0.02	-
Interest cost	20.54	20.06
Actuarial (gains) / losses from changes in demographic assumptions	0.10	-
Actuarial (gains) / losses arising changes in financial assumptions	(2.25)	(3.72)
Actuarial (gains) / losses from experience adjustments	(2.34)	(2.15)
Liability transferred in of employees / due to acquisition of entities	2.84	0.23
Liability transferred out of employees	(2.17)	(0.66)
Benefits paid directly by employer	(2.71)	(1.57)
Benefits paid	(35.39)	(28.90)
Obligation at the end of the year *	285.67	288.99
* includes ₹ 0.23 Crore (March 31, 2021 ₹ Nil) related to acquired entities during the year.		
2. Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	276.74	235.02
Interest income	19.59	16.28
Return on plan assets (excluding interest income)	(1.60)	0.26
Contributions received	12.31	54.08
Benefits paid	(35.39)	(28.90)
Plan assets at the end of the year, at fair value \$	271.65	276.74

\$ Includes ₹ Nil (March 31, 2021 Nil) related to newly acquired entities during the year as it is unfunded.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 48: Employees Benefits Plans (Contd.)

(₹ in Crore)

	Funded plan- Gratuity	
	As at March 31, 2022	As at March 31, 2021
3. Gratuity cost recognized in the statement of profit and loss:		
Current service cost	18.04	16.18
Interest cost, net	0.95	3.78
Past service cost	0.02	-
Net gratuity cost recognized in the statement of profit and loss [Refer note 37]	19.01	19.96
4. Gratuity cost recognized in the other comprehensive income (OCI)		
Return on plan assets (excluding interest income)	1.60	(0.26)
Actuarial (gains) / losses	(4.49)	(5.87)
Net (income) / expense for the period recognized in OCI	(2.89)	(6.13)

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 below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Change in assumptions

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(12.42)	(11.73)
50 basis points decrease in discount rate	13.55	12.78
50 basis points increase in salary escalation rate	13.29	12.53
50 basis points decrease in salary escalation rate	(12.30)	(11.62)

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 19 years (Previous year - 19 years).
- i.** Expected contribution to the plan for the next annual reporting period is ₹ 14.02 Crore (March 31, 2021 ₹ 12.25 Crore).

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 48: Employees Benefits Plans (Contd.)

(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 March 31, 2022	As at March 31, 2021
1st following year	33.15	36.23
2nd following year	17.44	20.07
3rd following year	29.39	29.94
4th following year	27.41	28.60
5th following year	18.40	26.35
sum of years 6th to 10th	99.45	92.85

48.3 Other long-term employee benefit obligations

The leave obligation covers the Group's liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Group 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 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 March 31, 2022	Year ended March 31, 2021
As audit fees	1.64	1.53
For other services	0.54	0.57
For reimbursement of expenses	0.02	0.03
	2.20	2.13

Note 50: Donations Include Political Contributions as Under

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Electoral Bonds	27.50	-
Prudent Electoral Trust	3.50	10.00
	31.00	10.00

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 51: Earnings Per Share

	Year ended March 31, 2022	Year ended March 31, 2021
Basic earnings per share (₹)	9.45	26.86
Diluted earnings per share (₹)	9.45	26.86

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 March 31, 2022	Year ended March 31, 2021
Profit for the year attributable to the Company used in calculation of basic earnings per share (₹ in Crore)	453.98	1,290.93
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 52: Operating Segment

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

The Group's operations are wholly confined within India and as such there is no reportable geographical information.

Note 53: Certified Emission Reduction (CERs)

	As at March 31, 2022	As at March 31, 2021
No. of CERs inventory	-	3,91,411
No. of CERs under certification	71,71,099	52,04,387

Inventories of CERs are valued at cost or market price whichever is lower.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures

A. Names of related parties and description of relationship:

1. Parent Company	Torrent Investments Private Limited (formerly known as Torrent Private Limited)
2. Associates	Wind Two Renergy Private Limited
3. 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, TPG Gratuity Trust, TPG Superannuation Fund
4. Key management personnel (KMP)	Samir Mehta Jinal Mehta
5. Non-executive directors	Sudhir Mehta Pankaj Patel Samir Barua Keki Mistry Usha Sangwan (w.e.f. May 21, 2021) Radhika Haribhakti (w.e.f. August 07, 2021) Mamta Verma (w.e.f. August 07, 2021) Bhavna Doshi (upto September 30, 2021) Dharmishta Raval (upto September 30, 2021) Sunaina Tomar (upto June 15, 2021)
6. Relatives of key management personnel*	Varun Mehta
7. Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company*	UNM Foundation (formerly known as Tornascent Care Institute)#, Torrent Pharmaceuticals Limited, Torrent Power Services Private Limited, Torrent Gas Pune Limited (formerly known as Mahesh Gas Limited), Torrent Gas Private Limited, Torrent Fincorp Private Limited, Torrent Sports Ventures Private Limited, Torrent Diagnostics Private Limited, Gujarat Lease Financing Limited.

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

The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date"). The name "Tornascent Care Institute" changed to "UNM Foundation" w.e.f. July 20, 2021.



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures

B. Related party transactions

	Associates						Key management / non-executive directors						Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right						Total	
	Year ended 31.03.22		Year ended 31.03.21		Year ended 31.03.22		Year ended 31.03.21		Year ended 31.03.22		Year ended 31.03.21		Year ended 31.03.22		Year ended 31.03.21		Year ended 31.03.22		Year ended 31.03.21	
	11.09		13.02		-		-		-		-		-		-		11.09		13.02	
Interest income																				
Wind Two Renergy Private Ltd.	11.09		13.02		-		-		-		-		-		-		11.09		13.02	
Dividend paid																				
Torrent Investments Private Ltd.	-		-		-		-		-		-		373.26		141.58		373.26		141.58	
Services provided (rent income including tax)																				
Torrent Gas Private Ltd.	-		-		-		-		-		-		0.88		0.41		0.88		0.41	
UNM Foundation	-		-		-		-		-		-		0.01		0.01		0.01		0.01	
Torrent Investments Private Ltd.	-		-		-		-		-		-		-		*		-		*	
Torrent Power Services Private Ltd.	-		-		-		-		-		-		-		0.01		-		0.01	
Torrent Gas Private Ltd.	-		-		-		-		-		-		0.87		0.39		0.87		0.39	
Torrent Fincorp Private Ltd.	-		-		-		-		-		-		*		*		*		*	
Torrent Sports Ventures Pvt. Ltd.	-		-		-		-		-		-		*		-		*		-	
Torrent Diagnostcs Pvt. Ltd.	-		-		-		-		-		-		*		-		*		-	
Services received / remuneration paid													2.25		1.60		2.25		1.60	
Varun Mehta	-		-		-		-		-		-		2.25		1.60		2.25		1.60	
Purchase of material													0.63		-		0.63		-	
Torrent Gas Private Ltd.	-		-		-		-		-		-		0.63		-		0.63		-	

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures (Contd.)

B. Related party transactions

	Associates						Key management / non-executive directors						Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right						Total	
	Year ended 31.03.22		Year ended 31.03.21		Year ended 31.03.22		Year ended 31.03.21		Year ended 31.03.22		Year ended 31.03.21		Year ended 31.03.22		Year ended 31.03.21		Year ended 31.03.22		Year ended 31.03.21	
	0.31		0.28		-		-		-		-		0.02		0.06		0.33		0.34	
Shared expenditure charged to																				
Wind Two Renergy Private Ltd.	0.31		0.28		-		-		-		-		-		-		0.31		0.28	
Torrent Gas Pune Ltd.	-		-		-		-		-		-		-		0.06		-		0.06	
Torrent Gas Private Ltd.	-		-		-		-		-		-		-		*		-		*	
Gujarat Lease Financing Ltd.	-		-		-		-		-		-		0.02		-		0.02		-	
Transfer of gratuity / leave liability to / (from)													(0.13)		0.59		(0.13)		0.59	
Torrent Pharmaceuticals Ltd.	-		-		-		-		-		-		(0.29)		0.51		(0.29)		0.51	
UNM Foundation	-		-		-		-		-		-		*		-		*		-	
Torrent Gas Pune Ltd.	-		-		-		-		-		-		-		(0.22)		-		(0.22)	
Torrent Gas Private Ltd.	-		-		-		-		-		-		0.16		0.30		0.16		0.30	



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

B. Related party transactions	Associates										Total	
	Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Year ended 31.03.21		Year ended 31.03.21		Year ended 31.03.21	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Managerial remuneration@	-	-	-	-	-	-	24.14	22.69	-	-	24.14	22.69
Samir Mehta	-	-	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Jinal Mehta	-	-	-	-	-	-	14.14	12.69	-	-	14.14	12.69
Commission to non-executive directors^	-	-	-	-	-	-	1.82	6.41	-	-	1.82	6.41
Sudhir Mehta	-	-	-	-	-	-	-	5.00	-	-	-	5.00
Samir Barua	-	-	-	-	-	-	0.37	0.32	-	-	0.37	0.32
Keki Mistry	-	-	-	-	-	-	0.30	0.24	-	-	0.30	0.24
Pankaj Patel	-	-	-	-	-	-	0.27	0.21	-	-	0.27	0.21
Bhavna Doshi	-	-	-	-	-	-	0.21	0.32	-	-	0.21	0.32
Dharmishta Raval	-	-	-	-	-	-	0.22	0.27	-	-	0.22	0.27
Sunaina Tomar#	-	-	-	-	-	-	0.05	0.05	-	-	0.05	0.05
Usha Sangwan	-	-	-	-	-	-	0.21	-	-	-	0.21	-
Radhika Haribhakti	-	-	-	-	-	-	0.14	-	-	-	0.14	-
Mamta Verma#	-	-	-	-	-	-	0.05	-	-	-	0.05	-
Sitting fees to non-executive directors^	-	-	-	-	-	-	0.72	0.58	-	-	0.72	0.58
Samir Barua	-	-	-	-	-	-	0.18	0.16	-	-	0.18	0.16
Keki Mistry	-	-	-	-	-	-	0.11	0.09	-	-	0.11	0.09
Pankaj Patel	-	-	-	-	-	-	0.09	0.07	-	-	0.09	0.07

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B. Related party transactions	Associates										Total	
	Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Year ended 31.03.21		Year ended 31.03.21		Year ended 31.03.21	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Bhavna Doshi	-	-	-	-	-	-	0.08	0.14	-	-	0.08	0.14
Dharmishta Raval	-	-	-	-	-	-	0.09	0.11	-	-	0.09	0.11
Sunaina Tomar#	-	-	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Usha Sangwan	-	-	-	-	-	-	0.09	-	-	-	0.09	-
Radhika Haribhakti	-	-	-	-	-	-	0.06	-	-	-	0.06	-
Mamta Verma#	-	-	-	-	-	-	0.01	-	-	-	0.01	-
Donation	-	-	-	-	-	-	-	-	11.36	1.51	11.36	1.51
UNM Foundation	-	-	-	-	-	-	-	-	11.36	1.51	11.36	1.51
Contribution towards CSR	-	-	-	-	-	-	-	-	29.51	34.14	29.51	34.14
Tornascent Care Institute	-	-	-	-	-	-	-	-	-	0.58	-	0.58
UNM Foundation	-	-	-	-	-	-	-	-	29.51	33.56	29.51	33.56

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures (Contd.)	(₹ in Crore)									
	B. Related party transactions									
	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Contribution to employee benefit plans (net)	-	-	22.20	63.09	-	-	-	-	22.20	63.09
TPL (Ahmedabad) Gratuity Trust	-	-	9.16	47.69	-	-	-	-	9.16	47.69
TPL (Ahmedabad) Superannuation Fund	-	-	7.54	6.87	-	-	-	-	7.54	6.87
TPL (Surat) Gratuity Trust	-	-	2.66	4.51	-	-	-	-	2.66	4.51
TPL (Surat) Superannuation Fund	-	-	1.51	1.29	-	-	-	-	1.51	1.29
TPL (SUGEN) Gratuity Trust	-	-	0.44	1.60	-	-	-	-	0.44	1.60
TPL (SUGEN) Superannuation Fund	-	-	0.52	0.49	-	-	-	-	0.52	0.49
TPL (DGEN) Gratuity Trust	-	-	0.05	0.28	-	-	-	-	0.05	0.28
TPL (DGEN) Superannuation Fund	-	-	0.27	0.32	-	-	-	-	0.27	0.32
TPG Superannuation Fund	-	-	0.05	0.04	-	-	-	-	0.05	0.04
Loan Given	7.95	18.70	-	-	-	-	-	-	7.95	18.70
Wind Two Renergy Private Ltd.	7.95	18.70	-	-	-	-	-	-	7.95	18.70
Receipt on repayment of loans	21.30	19.00	-	-	-	-	-	-	21.30	19.00
Wind Two Renergy Private Ltd.	21.30	19.00	-	-	-	-	-	-	21.30	19.00
Deposits received	-	-	-	-	-	-	-	*	-	*
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	*	-	*
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	-	*	-	*
Torrent Sports Ventures Pvt. Ltd.	-	-	-	-	-	-	*	-	*	-
Torrent Diagnostics Pvt. Ltd.	-	-	-	-	-	-	*	-	*	-
Deposit Refunded	-	-	-	-	-	-	*	-	*	-
UNM Foundation	-	-	-	-	-	-	*	-	*	-

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Note 54: Related Party Disclosures (Contd.)	(₹ in Crore)									
	B. Related party transactions									
	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Torrent Investment Pvt. Ltd.	-	-	-	-	-	-	*	-	*	-
Torrent Power Services Private Ltd.	-	-	-	-	-	-	*	-	*	-
Torrent Gas Private Ltd.	-	-	-	-	-	-	*	-	*	-
Torrent Fincorp Pvt. Ltd.	-	-	-	-	-	-	*	-	*	-

^ excluding Goods and Services Tax.
@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.
Sitting fees and Commission of Sunaina Tomar and Mamta Verma (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

The Group is a public utility, being engaged in distribution of electricity. Transactions entered with the above mentioned related party does not include sale of electricity since the tariff charged to the customers are determined by an independent rate-setting authority.

C. Key management personnel compensation				(₹ in Crore)	
		Year ended March 31, 2022	Year ended March 31, 2021		
Short-term employee benefits		24.14	22.69		
		24.14	22.69		



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D. Related party balances	(₹ in Crore)					
	Associates		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	Total
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.21	Year ended 31.03.21
Balances at the end of the year						
Current liabilities	-	-	14.32	19.18	0.16	14.48
UNM Foundation	-	-	-	-	*	*
Torrent Investments Pvt. Ltd.	-	-	-	-	*	*
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.51	0.51
Torrent Power Services Pvt. Ltd.	-	-	-	-	*	*
Torrent Gas Pvt. Ltd.	-	-	-	-	0.16	0.16
Torrent Fincorp Pvt. Ltd.	-	-	-	-	*	*
Torrent Sports Ventures Pvt. Ltd.	-	-	-	-	*	*
Torrent Diagnostics Pvt. Ltd.	-	-	-	-	*	*
Sudhir Mehta	-	-	-	5.00	-	5.00
Samir Mehta	-	-	10.00	10.00	-	10.00
Jinal Mehta	-	-	2.50	2.50	-	2.50
Samir Barua	-	-	0.37	0.32	-	0.37
Keki Mistry	-	-	0.30	0.24	-	0.30
Pankaj Patel	-	-	0.27	0.21	-	0.27
Bhavna Doshi	-	-	0.21	0.32	-	0.21
Dharmishta Raval	-	-	0.22	0.27	-	0.22
Sunaina Tomar#	-	-	0.05	0.32	-	0.05
Usha Sangwan	-	-	0.21	-	-	0.21
Radhika Haribhakti	-	-	0.14	-	-	0.14
Mamta Verma#	-	-	0.05	-	-	0.05

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D. Related party balances	(₹ in Crore)					
	Associates		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right	Total
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.21	Year ended 31.03.21
Investment in equity	-	-	-	-	0.05	0.05
UNM Foundation	-	-	-	-	0.05	0.05
Investment in non-convertible debentures (including amortise premium)	116.89	110.18	-	-	-	116.89
Wind Two Renergy Pvt. Ltd.	116.89	110.18	-	-	-	110.18
Loans (including interest) (non-current)	121.87	155.70	-	-	-	121.87
Wind Two Renergy Pvt. Ltd.	121.87	155.70	-	-	-	155.70
Loans (including interest) (current)	19.90	-	-	-	-	19.90
Wind Two Renergy Pvt. Ltd.	19.90	-	-	-	-	19.90
Trade and other receivables	0.07	0.07	-	0.03	0.29	0.36
UNM Foundation	-	-	-	-	0.01	0.01
Wind Two Renergy Pvt. Ltd.	0.07	0.07	-	-	-	0.07
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	0.29
Executive and non-executive directors	-	-	-	0.03	-	0.03

Sitting fees and Commission of Sunaina Tomar and Mamta Verma (nominee of the Government of Gujarat) is payable to the Government of Gujarat.

The Group is a public utility, being engaged in distribution of electricity. Transactions entered with the above mentioned related party does not include sale of electricity since the tariff charged to the customers are determined by an independent rate-setting authority.

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Note 55: Financial Instruments and Risk Review

A. Capital management

The Group 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 Group's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 21, 22) and debt (borrowings as detailed in note 23).

The Group's management reviews the capital structure of the Group 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 Group'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 March 31, 2022	As at March 31, 2021
Debt	8,413.65	7,808.50
Total equity	10,165.91	10,705.17
Debt to equity ratio	0.83	0.73

Footnotes :

- Debt is defined as all long term debt outstanding (including unamortised expense) + contingent liability pertaining to corporate / financial guarantee give + short term debt outstanding in lieu of long term debt.
- Total equity is defined as equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities - Deferred tax asset – intangible assets – Intangible assets under development.

Loan Covenants

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

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.

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Note 55: Financial Instruments and Risk Review (Contd.)

B. Categories of financial instruments

(₹ in Crore)				
	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	289.41	289.41	107.28	107.28
Bank balance other than cash and cash equivalents	62.93	62.93	95.14	95.14
Investment in bonds and debentures	132.77	132.77	124.15	124.15
Trade receivables	1,602.70	1,602.70	1,420.29	1,420.29
Loans	141.77	141.77	155.70	155.70
Other financial assets	2,400.36	2,400.36	2,229.24	2,229.24
	4,629.94	4,629.94	4,131.80	4,131.80
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	273.70	273.70	341.58	341.58
Investment in equity instruments	0.05	0.05	0.05	0.05
	273.75	273.75	341.63	341.63
Financial liabilities				
Measured at amortised cost				
Borrowings	9,098.42	9,138.90	7,780.55	7,860.41
Trade payables	1,261.59	1,261.59	1,090.90	1,090.90
Other financial liabilities	2,021.84	2,021.84	1,800.94	1,800.94
	12,381.85	12,422.33	10,672.39	10,752.25

Footnotes:

- The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.
- Non current loan and Inter corporate Deposits carries the interest rates that are variable in nature and hence carrying value is considered as same as fair value.



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Note 55: Financial Instruments and Risk Review (Contd.)

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: Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes quoted equity instruments, investments in mutual funds that have quoted price.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

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 March 31, 2022	As at March 31, 2021		
Investment in mutual fund units	273.70	341.58	Level 1	Quoted bid prices in an active market
	273.70	341.58		

(2) Financial liabilities at amortised cost

(₹ in Crore)				
	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2022	As at March 31, 2021		
Fixed rate borrowings (Non-convertible debentures)	2,008.84	2,161.55	Level 2	Inputs other than quoted prices that are observable based on yields provided by FIMMDA
	2,008.84	2,161.55		

D. Financial risk management objectives

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations, routine and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

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forming part of the consolidated financial statements for the year ended March 31, 2022

Note 55: Financial Instruments and Risk Review (Contd.)

The Group'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 Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Foreign currency risk

The Group 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 Group'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.

Unhedged foreign currency exposures

(₹ in Crore)			
Nature of transactions	Currency	As at March 31, 2022	As at March 31, 2021
Financial liabilities			
Trade payable	USD	4.37	2.00
Trade payable	EURO	138.80	235.94
Capital payable	EURO	0.06	0.06

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 Group.

The Group 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 Group 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 Group.

Interest rate risk

Most of the Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group 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 Group's fixed and floating rate borrowings:

(₹ in Crore)		
	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings [^]	2,345.86	2,098.50
Floating rate borrowings [^]	6,785.03	5,710.00
	9,130.89	7,808.50

[^] Transactions cost reduced from the borrowing is excluded.



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Note 55: Financial Instruments and Risk Review (Contd.)

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.

	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Impact on profit before tax - increase in 50 basis points	(33.93)	(28.55)
Impact on profit before tax - decrease in 50 basis points	33.93	28.55

Credit risk

Trade receivables:

1. Exposures to credit risk

The Group is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

2. Credit risk management

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Group 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 March 31, 2022 and March 31, 2021. The Group is dependent on the domestic market for its business and revenues.

The Group'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, Group generally has letter of credits / bank guarantees to limit its credit exposure.

3. Other credit enhancements

The Group 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 Group 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.

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Note 55: Financial Instruments and Risk Review (Contd.)

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

As at March 31, 2022

	(₹ in Crore)	
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,428.07	43.83
More than 6 months but less than or equal to 1 year	138.88	29.78
More than one year	253.46	144.10
	1,820.41	217.71

As at March 31, 2021

	(₹ in Crore)	
	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,373.86	80.20
More than 6 months but less than or equal to 1 year	113.94	63.07
More than one year	182.91	107.15
	1,670.71	250.42

5. Movement in the expected credit loss allowance

	(₹ in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	250.42	235.80
Movement in expected credit loss allowance on trade receivable calculated, net [Refer note 40]	(32.71)	14.62
Closing balance [Refer note 15]	217.71	250.42

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets:

The Group is having balances in cash and cash equivalents, term deposits with banks, Inter corporate deposits, Loans to related parties, investments in government securities and investment in mutual funds. With respect to investments, the Group limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Group's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Group therefore considers credit risks on such investments to be negligible. Loans receivable from related parties have negligible credit risk and hence no risk of default is perceived on them.

Liquidity risk

Liquidity risk is the risk that the Group 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 Group manages liquidity risk by maintaining adequate reserves, banking facilities and unused borrowing facilities, by continuously monitoring projected / actual cash flows.



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Note 55: Financial Instruments and Risk Review (Contd.)

Maturities of financial liabilities:

The Group's remaining contractual maturity for its financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

As at March 31, 2022

	(₹ in Crore)			
	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	5,388.40	3,876.52	9,264.92
Trade payables	-	96.39	102.20	198.59
Lease liabilities	-	30.44	29.22	59.66
Other financial liabilities	-	0.33	-	0.33
	-	5,515.56	4,007.94	9,523.50
Current financial liabilities				
Borrowings (including interest on borrowings)^	2,590.14	-	-	2,590.14
Trade payables	1,111.13	-	-	1,111.13
Lease liabilities	8.69	-	-	8.69
Other financial liabilities	2,021.51	-	-	2,021.51
	5,731.47	-	-	5,731.47
Total financial liabilities	5,731.47	5,515.56	4,007.94	15,254.97

As at March 31, 2021

	(₹ in Crore)			
	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	5,028.78	3,960.75	3,960.75
Trade payables	-	111.23	31.54	31.54
Lease liabilities	-	17.73	29.50	29.50
Other financial liabilities	-	1.17	-	-
	-	5,158.91	4,021.79	4,021.79
Current financial liabilities				
Borrowings (including interest on borrowings)^	1,667.79	-	-	-
Trade payables	974.79	-	-	-
Lease liabilities	6.77	-	-	-
Other financial liabilities	1,799.77	-	-	-
	4,449.12	-	-	-
Total financial liabilities	4,449.12	5,158.91	4,021.79	4,021.79

^ Transactions cost reduced from the borrowing is excluded.

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Note 56: Provision for Onerous Contracts

The Group has a provision of ₹ 135.76 Crore (March 31, 2021 - ₹ 190.80 Crore) in respect of certain onerous contracts towards potential damages and other project related costs, arising from expected delays or failure to set up certain wind power generation capacities, awarded to the Group in a prior period under a competitive bidding process. During the current year, ₹ 55.07 Crore provision has been reversed due to discharge of Bank Guarantee, ₹ 0.53 Crore provision has been created and ₹ 0.50 Crore has been utilised on account of encashment of bank guarantee. The expected outflow will be determined at the time of final resolution of the matter.

Note 57: Government Grant

A. 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 Group. There are no unfulfilled conditions or other contingencies attached to these grants.

B. Movement of government grant

	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	18.85	21.57
Add: Grants during the year	-	-
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 33]	(2.45)	(2.72)
Closing balance	16.40	18.85
Non-current portion [Refer note 26]	14.03	16.39
Current portion [Refer note 30]	2.37	2.46
	16.40	18.85



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NOTE 58: Ageing Schedule for Capital Work-In-Progress

(i) Ageing table for capital-work-in-progress (CWIP) :

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	762.74	378.13	100.75	44.62	1,286.24
Projects temporarily suspended	0.10	1.06	1.19	8.68	11.03
	762.84	379.19	101.94	53.30	1,297.27

As at March 31, 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	634.05	140.24	41.36	11.18	826.83
Projects temporarily suspended	1.02	1.15	8.64	0.09	10.90
	635.07	141.39	50.00	11.27	837.73

(ii) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

As at March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
115 MW wind power project *	64.87	-	-	-	64.87
	64.87	-	-	-	64.87

* The project was delayed on account of Covid-19 pandemic and certain clearances from the government authorities could not be obtained on time.

As at March 31, 2021

There were no capital-work-in -progress, whose completion is overdue or has exceeded its cost compared to its original plan.

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NOTE 59: Ageing Schedule for Trade Receivables

Current trade receivables:

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
Considered good	1,109.74	273.93	109.10	70.13	18.68	19.04	1,600.62
Credit impaired	0.57	40.37	26.57	42.89	11.89	35.63	157.92
Disputed Trade receivables							
Considered good	0.57	-	-	0.16	0.10	1.25	2.08
Credit impaired	1.13	1.76	3.21	5.73	7.31	40.65	59.79
	1,112.01	316.06	138.88	118.91	37.98	96.57	1,820.41

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
Considered good	946.40	346.76	50.87	48.95	4.85	20.25	1,418.08
Credit impaired	0.53	75.64	59.92	18.55	9.72	29.36	193.72
Disputed Trade receivables							
Considered good	0.50	-	-	0.23	0.58	0.90	2.21
Credit impaired	1.16	2.87	3.15	7.33	11.92	30.27	56.70
	948.59	425.27	113.94	75.06	27.07	80.78	1,670.71



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 60: Ageing Schedule for Trade Payables

A. Non-current trade payables:

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	150.46	-	-	-	-	-	150.46
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
	150.46	-	-	-	-	-	150.46

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	116.11	-	-	-	-	-	116.11
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
	116.11	-	-	-	-	-	116.11

B. Current trade payables:

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	1.23	52.60	0.19	-	-	-	54.02
Others	427.93	439.81	94.24	5.80	0.24	9.54	977.56
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	0.02	1.57	5.34	72.62	79.55
	429.16	492.41	94.45	7.37	5.58	82.16	1,111.13

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 60: Ageing Schedule for Trade Payables (Contd.)

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	0.34	37.63	0.20	-	-	-	38.17
Others	407.56	354.34	75.46	10.30	0.69	8.63	856.98
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	1.60	5.41	8.28	64.35	79.64
	150.46	391.97	77.26	15.71	8.97	72.98	974.79

Note 61: Details of Loan and Advances

Details of Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

- repayable on demand; or
- without specifying any terms or period of repayment

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of Loan or advance in nature of loan outstanding	Percentage to total loans and advances in the nature of loans	Amount of Loan or advance in nature of loan outstanding	Percentage to total loans and advances in the nature of loans
Related Parties	141.77	100.00%	115.71	100.00%
	141.77		155.71	

Note 64: Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on 31.03.2022			Relationship with the Struck off company
Unicon Fincap Private Limited	Investor	*	*	*	Shareholder
Vaishak Shares Limited	Investor	*	*	*	Shareholder
Dreams Broking Private Limited	Investor	*	*	*	Shareholder
Pandit Trading & Securities Limited	Investor	*	*	*	Shareholder
Jetees Securities (P) Limited	Investor	*	*	*	Shareholder
Solanki Solar Energy Pvt. Limited	Payables	*	*	*	Vendor
Krish N Kelly Facility Services	Payables	*	*	*	Vendor



Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 63: Social Security Code

The Indian Parliament has approved the Code on Social Security, 2020 ("Code") which may likely impact the obligations of the Group for contribution to employees' provident fund and gratuity. The effective date from which the Code is applicable and the rules to be framed under the Code are yet to be notified. In view of this, impact if any, of the change will be assessed and accounted in the period in which the Code and the rules thereunder are notified.

Note 64: Events Occurring after the Balance Sheet Date

Subsequent to year end, on April 23, 2022, the Company has entered into a Share Purchase Agreement (SPA) with SkyPower Southeast Asia III Investments Limited, SkyPower Southeast Asia Holdings 2 Limited (the Sellers) for the acquisition of 100% of the share capital of Sunshakti Solar Power Projects Private Limited, which operates 50 MW solar power plant, situated in the state of Telangana. Enterprise value estimated for this acquisition is approx ₹ 417 Crore subject to closing price adjustments. The acquisition is subject to customary conditions for transaction closure. This is non adjusting event after the balance sheet date.

Note 65: Additional Regulatory Information Required by Schedule III

- a. The Group is in compliance with number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended March 31, 2022 and March 31, 2021.
- b. The Group has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2022 and March 31, 2021.
- c. No proceedings have been initiated on or are pending against the Group for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2022 and March 31, 2021.
- d. The Group has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2022 and March 31, 2021.
- e. During the year ended March 31, 2022 and March 31, 2021, the Group has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- f. During the year ended March 31, 2022 and March 31, 2021, the Group has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

During the year ended March 31, 2022 and March 31, 2021, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 66: Approval of Financial Statements

The financial statements were approved for issue by the board of directors on May 10, 2022.

Signature to Note 1 to 66

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 10, 2022

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022



Statement pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 :

A. Statement containing salient features of the financial statement of subsidiaries

1.	Name of Subsidiary Company	(₹ in Crore)														
		March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
2.	Financial year ended on	90.00	50.00	80.05	111.00	110.00	42.00	0.05	0.05	0.05	0.05	0.05	0.05	0.05	251.91	17.45
3.	Share capital	41.99	(18.44)	(62.05)	9.96	11.83	(35.44)	(0.48)	(0.03)	(0.01)	(0.01)	(0.01)	(0.68)	75.93	10.99	149.06
4.	Reserves and surplus	151.13	95.07	1,028.09	447.33	449.69	293.18	38.20	0.03	0.04	0.04	0.04	64.27	781.96	294.34	175.61
5.	Total assets	1914	63.51	1,010.09	326.37	327.86	286.62	38.63	0.01	*	*	*	64.90	454.12	269.62	9.10
6.	Total liabilities (excluding share capital and reserves and surplus)	18.19	-	-	1.26	0.97	-	-	-	-	-	-	-	-	-	-
7.	Investments	38.91	-	79.47	59.01	58.46	447.11	-	-	-	-	-	-	115.37	40.34	53.78
8.	Turnover (Revenue from operations)	18.56	(1.68)	45.07	14.58	14.99	(25.36)	(0.62)	(0.02)	(0.01)	(0.01)	(0.01)	(0.86)	11.96	0.19	27.60
9.	Profit / (loss) before taxation	0.10	-	10.81	3.64	3.76	(6.08)	(0.14)	-	-	-	-	(0.19)	(12.70)	1.01	11.25
10.	Provision for taxation (including deferred tax)	18.46	(1.68)	34.26	10.94	11.23	(19.28)	(0.48)	(0.02)	(0.01)	(0.01)	(0.01)	(0.67)	24.66	(0.82)	16.35
11.	Profit / (loss) after taxation	*	-	-	-	-	(0.06)	-	-	-	-	-	-	0.06	-	(0.06)
12.	Other comprehensive income (net of tax)	18.46	(1.68)	34.26	10.94	11.23	(19.34)	(0.48)	(0.02)	(0.01)	(0.01)	(0.01)	(0.67)	24.72	(0.82)	16.29
13.	Total comprehensive income	0.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.	Proposed dividend	74.00%	95.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
15.	Extent of shareholding (in percentage)															

Footnote :

1. Torrent Pipavav Generation Limited, Torrent Saurya Urja 2 Private Limited, Torrent Saurya Urja 3 Private Limited, Torrent Saurya Urja 4 Private Limited, Torrent Saurya Urja 5 Private Limited and Torrent Solar Power Private Limited are yet to commence its operations.

* figures below ₹ 50,000

Form AOC - 1 (Contd)

B. Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Company

Name of Associates		Wind Two Renergy Private Limited	
Latest audited balance sheet date		March 31, 2022	
Date on which the associate was associated or acquired		December 12, 2017	
Shares of associate held by the company on the year end			
(i) Numbers		-	
(ii) Amount of investment in associates		-	
(iii) Extend of holding (in percentage)		0%	
Description of how there is significant influence		The Company has acquired certain rights which include the right to nominate directors on the board. Considering the said facts and based on the requirements of Ind AS, Company has significant influence in the above company.	
Reason why the associate is not consolidated		As the Company does not have equity interest in the above company, the Company does not have any share in the profit, loss or comprehensive income of the entity and accordingly, there is no impact on the Consolidated Statement of Profit and Loss.	
Networth attributable to shareholding as per latest audited balance sheet		-	
Profit / (loss) for the year			
(i) Considered in consolidation		-	
(ii) Not considered in consolidation		4.82	

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022

5 Years' Highlights - Consolidated

Particulars	UoM	2021-22	2020-21	2019-20	2018-19	2017-18
TECHNICAL DATA						
Generation Capacity	MW	4,110	3,879	3,879	3,703	3,721
Units Billed by Generating Stations	MUs	9,634	11,649	12,168	10,004	9,671
Units Purchased	MUs	9,370	6,611	7,219	8,125	8,046
Units Sold	MUs	18,055	16,608	18,310	16,678	15,957
No. of Consumers	Mn	3.79	3.71	3.65	3.32	3.23
KEY FINANCIALS						
Revenue From Operations	₹ in Crore	14,258	12,173	13,641	13,151	11,512
EBITDA	₹ in Crore	3,826	3,607	3,734	3,389	3,381
Profit Before Exceptional Items and Tax	₹ in Crore	1,864	1,552	1,475	1,264	1,401
Total Comprehensive Income (after Non-controlling interests)	₹ in Crore	456	1,295	1,145	893	956
Equity Share Capital	₹ in Crore	481	481	481	481	481
Other Equity (Reserves and Surplus)	₹ in Crore	9,463	9,704	8,673	8,490	7,239
Loan Funds (Gross)	₹ in Crore	9,131	7,809	8,901	9,755	9,337
Fixed Assets	₹ in Crore	18,395	18,164	18,137	18,373	18,263
KEY FINANCIAL RATIOS						
EBITDA Margin	%	25.19%	28.47%	26.07%	24.33%	27.08%
Net Profit Margin [#]	%	9.73 [@]	10.65	8.65 [@]	6.87	8.27
Return on Net Worth ^{*#}	%	13.20 [@]	12.68	11.63 [@]	8.84	10.89
Return on Capital Employed [™]	%	13.13 [@]	12.53	12.48 [@]	10.94	12.62
Long Term Debt Equity Ratio [*]		0.83	0.73	0.92	0.90	1.01
Earnings Per Share	₹	9.45	26.86	24.43	18.70	19.61

[#] Previous years ratios are recomputed based on the formulas given in "Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013" issued by ICAI in January 2022.

^{*} Deferred Tax Liability is included as a part of Equity

[@] Excluding Exceptional Items

Corporate Information

Board of Directors

Sudhir Mehta, Chairman Emeritus
 Samir Mehta, Chairperson
 Pankaj Patel
 Samir Barua
 Keki Mistry
 Bhavna Doshi (upto September 30, 2021)
 Dharmishta Raval (upto September 30, 2021)
 Sunaina Tomar, IAS (upto June 15, 2021)
 Usha Sangwan (w.e.f. May 21, 2021)
 Radhika Haribhakti (w.e.f. August 07, 2021)
 Mamta Verma, IAS (w.e.f. August 07, 2021)
 Ketan Dalal (w.e.f. May 11, 2022)
 Jinal Mehta, Managing Director

Audit Committee

Samir Barua, Chairperson
 Keki Mistry
 Bhavna Doshi (upto September 30, 2021)
 Dharmishta Raval (upto September 30, 2021)
 Usha Sangwan (w.e.f. October 01, 2021)
 Radhika Haribhakti (w.e.f. October 01, 2021)
 Ketan Dalal (w.e.f. May 11, 2022)

Stakeholders Relationship Committee

Pankaj Patel, Chairperson
 Samir Mehta
 Jinal Mehta

Nomination and Remuneration Committee

Pankaj Patel, Chairperson
 Sudhir Mehta
 Dharmishta Raval (upto September 30, 2021)
 Radhika Haribhakti (w.e.f. October 01, 2021)

Corporate Social Responsibility and Sustainability Committee

Bhavna Doshi, Chairperson (upto September 30, 2021)
 Usha Sangwan, Chairperson (w.e.f. October 01, 2021)
 Samir Barua
 Radhika Haribhakti (w.e.f. May 11, 2022)
 Jinal Mehta

Risk Management Committee

Samir Barua, Chairperson
 Bhavna Doshi (upto September 30, 2021)
 Usha Sangwan (w.e.f. October 01, 2021)
 Radhika Haribhakti (w.e.f. October 01, 2021)
 Ketan Dalal (w.e.f. May 11, 2022)
 Lalit Malik (w.e.f. May 01, 2021)

Committee of Directors

Samir Mehta, Chairperson
 Jinal Mehta

Chief Financial Officer

Lalit Malik (w.e.f. May 01, 2021)

Company Secretary

Rahul Shah

Statutory Auditors

Price Waterhouse Chartered Accountants LLP,
 Chartered Accountants

Registered Office

"Samanvay",
 600 Tapovan,
 Ambawadi, Ahmedabad - 380015, Gujarat, India.
 Phone: +91 79 2662 8300
 Fax: +91 79 2676 4159

Corporate Identity Number

L31200GJ2004PLC044068

Website

www.torrentpower.com

Investor Services Email Id

cs@torrentpower.com

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
 Unit: Torrent Power Limited
 5th Floor, 506-508, Amarnath Business Centre-1
 (ABC-1), Beside Gala Business Centre,
 Nr. St. Xavier's College Corner,
 Off. C. G. Road, Ellisbridge,
 Ahmedabad - 380006 (Gujarat)
 Phone: +91 79 2646 5179 / 86 / 87
 Email: ahmedabad@linkintime.co.in
 Website: www.linkintime.co.in



Torrent Power Limited

CIN L31200GJ2004PLC044068
Samanvay, 600 Tapovan,
Ambawadi, Ahmedabad - 380015, Gujarat, India.
Phone: +91 79 26628300
Fax: +91 79 26764159

ANNEXURE – 8

BUSINESS PLAN

INTRODUCTION

Torrent Power Limited (TPL) is seeking grant of Distribution License with respect to the geographic area comprising of Nagpur Municipal Corporation (NMC) and surrounding areas in Nagpur District [collectively, “**Proposed License Area**”] as more specifically delineated in the map enclosed as Annexure 9 to the Petition. The current network rollout plan ensures that laying of network will be done to ensure supply to all categories of consumers including the category of consumers with lowest consumption.

A. About the Area

Nagpur city is the winter capital of the state of Maharashtra with a population of 46,53,570. It was established by prince of Gond tribe “Bhakt Buland” in first half of 18th Century. Nagpur lies precisely at the centre of the country with the “Zero Mile Marker” indicating the geographical centre of India. It has 14 Talukas and 12 Assembly Segment Constituencies.

In addition to being the seat of annual winter session of Maharashtra state assembly “Vidhan Sabha”, Nagpur is also a major commercial and political centre of the Vidarbha region of Maharashtra. It has also recently been ranked as the cleanest city and the second greenest city of India. Nagpur is also famous throughout the country as “Orange City” for being a major trade centre of oranges that are cultivated in the region.

Nagpur is an emerging metropolis. Prominent Information Technology companies are located at various IT parks in Nagpur. Apart from MIHAN SEZ the city has three prominent MIDC areas nearby. Owing to rich natural resources in the region, mining is a major activity. Several government organisations related to the mining industry are based in Nagpur.

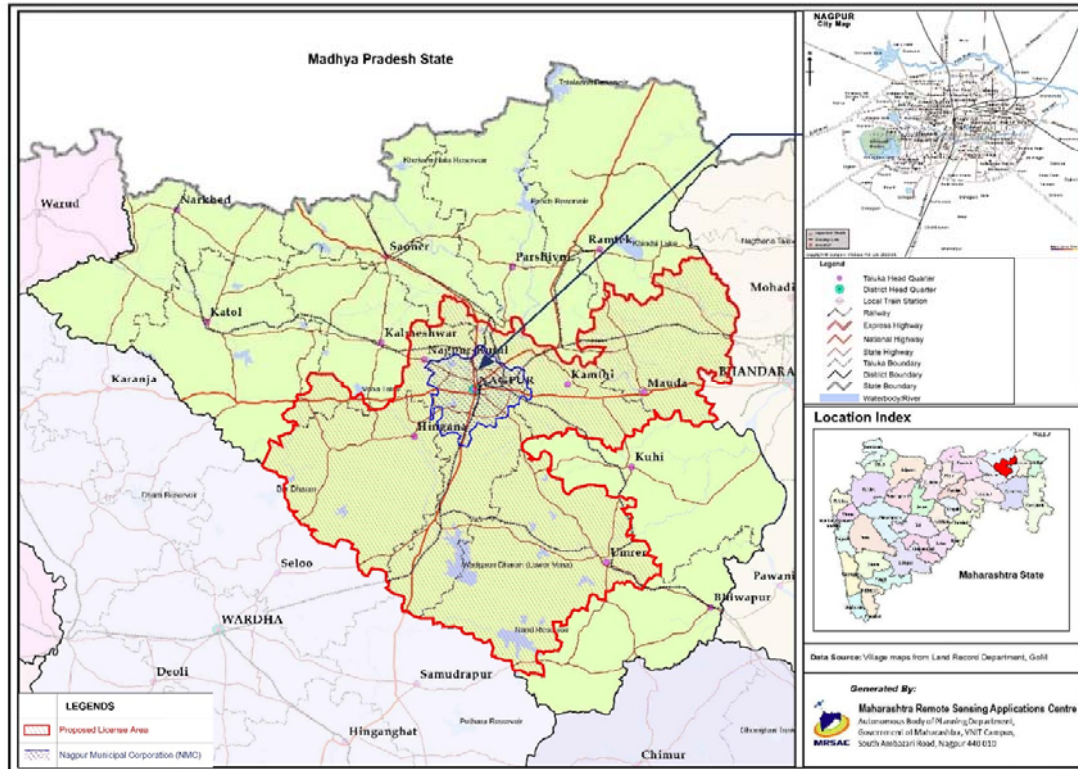
B. Demography

As of the 2011 census, Nagpur city has a population of 24,05,421.

Area Location	Population (No.)	Area (Sq. kM.)
Nagpur Municipal Corporation (NMC)	24,05,421	218
Surrounding Areas	10,77,602	3,450

Source – 2011 census

Map of Proposed License Area



Source :- Maharashtra Remote Sensing Applications Centre

LOAD FORECASTING AND SALES

A. Area Wise Load Forecast

Basis the overall background of Proposed License Area, TPL has carried out a study to assess the consumer mix and demand pattern. In turn, it is observed that Residential consumers comprise of almost 86% of the consumer mix, whereas Commercial & Industrial consumers (including HT) comprise of around 11% of the consumer mix.

In terms of connected load, commercial & industrial consumers (including HT) comprise of 56% of the total load mix, whereas residential consumers comprise of 39% of the load mix.

Basis the secondary research and preliminary survey, the area wise estimated current peak demand (in MW) of the complete area of Proposed License Area is summarised hereunder:

Area (Division Wise)	EHV	HT	LT	Total
NMC				
Civil Lines	-	29.26	106.21	135.48
Congress Nagar	11.16	61.40	179.63	252.19
Gandhibaug	-	5.62	65.97	71.59
Mahal	-	17.96	114.36	132.31
Others				
MIDC Meter Nagpur	35.64	203.25	90.38	329.27
Mouda	26.97	36.05	50.49	113.51
Umred	7.41	23.11	21.49	52.01

B. Estimated Peak Demand

Basis the prevailing trends, TPL has considered a load growth of 25% over the next five years for Proposed License Area. In turn, the estimated peak demand (in MW) is projected as under.

Area (Division wise)	EHT	HT	LT	Total
NMC				
Civil Lines	-	36.58	132.76	169.34
Congress Nagar	13.95	76.75	224.54	315.24
Gandhibaug	-	7.03	82.46	89.49

Area (Division wise)	EHT	HT	LT	Total
NMC				
Mahal	-	22.44	142.94	165.39
Others				
MIDC Meter Nagpur	44.55	254.06	112.98	411.59
Mouda	33.71	45.06	63.12	141.88
Umred	9.26	28.89	26.86	65.01

C. Estimated Sales (MUs)

Estimated Current Annual Sales for Proposed License Area is under:

Area (Division wise)	Estimated Current Sales (Mus)
NMC	
Civil Lines	497.16
Congress Nagar	628.14
Gandhibaug	295.50
Mahal	546.56
Others	
MIDC Meter Nagpur	1,443.52
Mouda	1,000.78
Umred	267.11

Based on secondary research, preliminary survey and as per Development plan for Nagpur Municipal Corporation and surrounding area, expected growth in next five years would be 5% year on year basis.

Considering above factors and operational efficiencies, we have identified areas within Proposed License Area in first five years based on expected growth in future and catering requirement of existing consumers across all categories thereby fulfilling Universal Service Obligation (USO).

For Sales Projection, TPL has considered load factor of 30% for industry and 20% for remaining categories.

After applying CAGR of 5%, the year-wise sales projection is as under.

	Year 1	Year 2	Year 3	Year 4	Year 5
Projected Sales (MUs)	33	202	537	922	1,280

NETWORK PLANNING AND OPERATION PHILOSOPHY

TPL shall adopt state-of-the-art technology and automation in operations. TPL shall deliver on stakeholder expectations in terms of superior performance for significant parameters like operational efficiency, customer service and transparent operations. TPL considers customers as fundamental to the business and shall strive to provide quality and reliable power. TPL shall aim to build resilient and modern distribution network to ensure reliable power supply to all the customers. As stated above, the current plan ensures that laying of network will be done to ensure supply to all categories of consumers including the category of consumers with lowest consumption.

A. Design Criteria

The primary objective of planning of electrical network in the proposed license area is to provide world class quality and reliability of power supply.

- The underlining concept in the design philosophy will be public safety, optimum utilisation of public space and aesthetic appearance of assets.
- Utilisation of State-of-the-Art material as well as assets imbibing latest technology to establish the network that helps in catering the requirements of our consumers optimally.

B. Proposed Network

At present, it is proposed to source power through feeders originating from Transmission Licensee's substations. Power supply will be distributed interalia at 33/22/11 kV and LT voltage levels.

- It is proposed to create ring main network to cater consumer demand in the proposed license area. Each voltage level network will have redundancy and consumers will have alternate source in case of system disturbances and periodic maintenance plans.
- Protection system will be well coordinated.

Distribution Network Planning

▪ HT network

- Identification of location for substation and associated network and land acquisition will be initiated after the grant of Distribution Licence and creation

of substation / network will be based on timely availability of Right of Way and land for substations.

- It is proposed to create robust and resilient network, considering the climatic conditions such as heavy rains / flood.
- HT network considering n-1 redundancy by installing 33/11 or 22/11 KV Sub-stations & feeders in ring network.
- Power Transformers capacity shall be designed to ensure n-1 redundancy. The power transformers equipped with On Load Tap Changers for stable voltage profile.
- Underground HT network in towns/cities will be laid at proper depth and through ducts (wherever applicable) to ensure safety and reliability.
- The distribution substations will be equipped with automated SCADA compatible Ring Main Units.
- The Distribution transformer capacity will be as per load requirement.
- Dry type transformers or Ester oil filled transformers will be used at suitable places to ensure safety and environment protection.
- APFC panels will be installed at substations to ensure reactive power compensation.
- The projects will be monitored using latest project management software.
- Deployment of advanced technological features such as GIS, SCADA, Field Force Application is proposed to facilitate efficient operations.

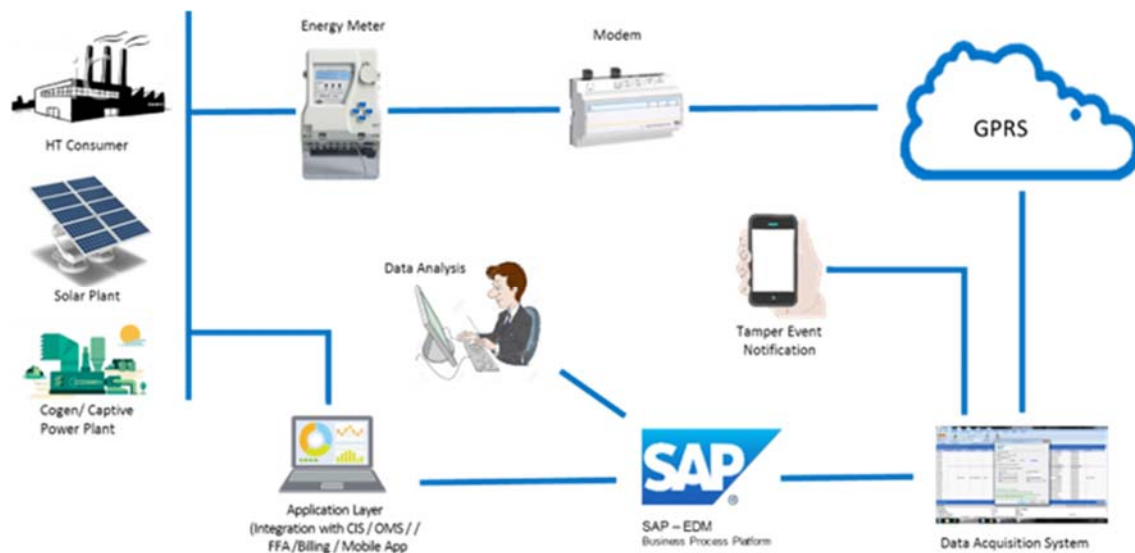
▪ **LT Network**

- LT Network will be laid in ring and designed to ensure easy changeover during system disturbances to ensure uninterrupted power supply.
- Underground LT network in towns/cities will be laid at proper depth and through ducts (wherever applicable) to ensure safety and reliability.
- Optimum LT cable lengths for ensuring lower Technical Losses and voltage regulation within limits.

▪ **Metering**

- To install Energy meters with AMR facility for monitoring loads of Distribution transformers.

- Smart meters and/or prepaid meters will be installed for appropriate categories of consumers. For key consumers, AMR facility will be provided, for remote metering and billing.



Customer Services

- TPL has set new benchmarks in operational efficiencies and high system reliability. Its customer centric initiatives have redefined the customer satisfaction benchmarks in the industry and have brought about a paradigm shift in the manner a power utility interacts with its customers.
- State-of-art, digitally enabled customer service centres aptly named “Plug Points” will be established to serve the customers.
- A full-fledged Customer Relationship Management (CRM) software, tightly integrated with a strong SAP backbone, will ensure seamless flow of information across locations and modules thereby empowering the customer service team with real time information to deal with customers.
- TPL’s 24x7 call centre will act as a single point telephonic interface for all customer complaints and queries.
- Torrent Power offers a bouquet of online payment options along with a fully functional online application-processing module. For the customer, this will translate into the option of registering for a new connection, uploading the necessary documents and making a payment towards the same without having to even visit a Torrent Power office.



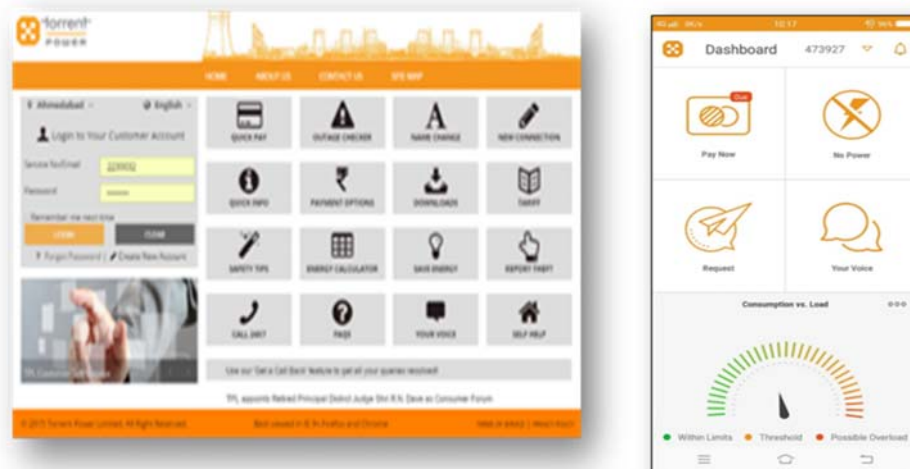
Operation and Maintenance Philosophy

Creating modern electrical infrastructure, adopting advanced technology and efficient operations help TPL to deliver uninterrupted power supply to the customers of the proposed license area.

Following are some of the technological initiatives TPL has successfully deployed at its existing units and shall adopt in the proposed license area as well-

- GIS – TPL shall install an interface built on GIS software and map the entire distribution network to improve functional efficiency.
- SCADA – An Advance Distribution Management System (ADMS) shall be incorporated to integrate distribution substations on the SCADA platform for remote operations and asset monitoring.
- Network strengthening – TPL shall strengthen its distribution systems to ensure optimum number of customers and load for each substation and also to create desired redundancy in the Low Tension (LT) network.
- Condition Monitoring System - Key assets will be installed with conditioning monitoring systems.

- AMR – The automatic meter reading infrastructure for retrieving usage data shall be ported onto the cellular network, both on GPRS and Nb-IoT. TPL shall tap into radio frequencies to upgrade firmware remotely.
- Open NMS – Open source-based Network Monitoring Solution shall be deployed centrally to configure critical Servers, Firewalls, Switches and Links for timely notification in case of any service outages or existing configurations going beyond the threshold limits.
- AMI – Advanced Metering Infrastructure (AMI) shall be implemented to measure energy consumption and transmit the information to the Company and customers in real-time to monitor and manage their usage prudently.
- FFA – TPL has developed a mobile based Field Force Application (FFA) to support field engineers and staff to monitor field activities and capture field data on a digital platform. TPL shall implement the FFA in the proposed license area. This will help TPL to improve operational efficiencies, performance of field activities and achieve the goal of going paperless for environmental sustainability.



Network Rollout Plan

Detailed planning is the key to effective capex investment for having an electrical infrastructure that optimises the utilisation of high value network equipment to cater to the forthcoming as well as existing loads.

Following criteria is adopted for preparing a Network Rollout Plan.

- a. A detailed study of existing consumer mix in the area is carried out.

- b. The network rollout plan will be for covering entire License area considering the aspect of Universal Service Obligation (USO) by means of laying the network in phased manner within 5 years.
- c. As an immediate measure, the HV network has been planned from existing transmission licensee outlets as per prevailing network Loading conditions and applicable rules /guidelines. TPL shall co-ordinate with STU for necessary connectivity requirements in this regard.
- d. To ensure seamless development, development of EHV/HV substations shall be aligned with Potential high growth areas. For such areas, due diligence with developers / local authorities will be initiated for necessary land acquisition on priority. The network planning in such areas will be done aggressively even though it amounts to higher capex and the assets remain lightly loaded in initial years, to fulfil the USO.
- e. TPL will endeavour to get the right of way in co-ordination with the relevant local authorities.

The underlying philosophy for phasing the network rollout plan is to fulfil the USO including all consumer categories i.e., Residential, Commercial, Industrial, Agriculture and Others in phased manner.

The details of area wise plan (covering all the Consumer categories) is depicted below.

Division	Area	Year 1	Year 2	Year 3	Year 4	Year 5
Civil Line	Civil Line area, Uppalwadi Area	Y	Y	-	-	-
Congress Nagar	Trimurti Nagar, Hudkeshwar Area	-	Y	-	-	-
Gandhibagh	Wardhaman Area	Y	-	-	-	-
Mahal	Nandanwan Area, Manewada Area	-	Y	-	Y	-
MIDC Meter Nagar	MIDC - Butibori, Hingna	Y	Y			
Mouda	Mouda	Y	Y		Y	Y
Umred	Umred	Y	Y	Y	-	-

CAPEX ROLL OUT PLAN

Based on the discussions in the earlier chapters, details of the capex proposed to be incurred is enumerated hereunder.

Assumptions for CAPEX calculation:

- Growth in existing connected load capacity at the rate of 25% over five years
- Cable capacity for 11 kV is 5 MVA, 22 kV is 10 MVA and for 33 kV is 15 MVA
- Average DT capacity considered is 500 kVA
- Average length of HT feeder has been considered as ~4 -6 km
- Network Configuration :
 - Municipal Areas : 100% Underground network
 - Other Areas: 30% Underground & 70% Overhead network

CAPEX Summary

Based on above assumptions, the proposed capital expenditure (in Rs. Cr.) during a five-year period is as under:

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capital Expenditure	312	622	622	777	777

The details of major capital items considered for the proposed expenditure during five-year period is as under.

Particulars	UoM	Total
Substations	Nos.	4
No of HT Feeders (33/22/11 kV)	Nos.	214
HT Feeder Length	km	1,208
Power Transformers (33 or 22/ 11 kV)	Nos.	82
Distribution Transformer Centres	Nos.	2,187
No of Meters	Nos.	8,87,629
3 Phase	Nos.	13,346
1 Phase	Nos.	8,74,283

In view of above grant of Distribution License and approval of Network roll out plan, TPL will comply with all the relevant Regulations of Hon'ble MERC.

FINANCIALS

Assumptions

- Distribution Loss Trajectory

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Distribution Loss	6.65%	6.50%	6.40%	6.30%	6.20%

- Collection Efficiency – 100%
- Power Purchase Cost
 - Base power purchase cost of Rs. 5.00 per unit at state periphery in first year with Increase @ 3% YoY
 - Intra-State Transmission Charges for Long Term Open Access as per InSTS Order (Case No. 327 of 2019) and Intra-State Transmission Losses @ 3.18%.
- O&M Expense - O&M Expense in Base Year (Year 1) @ Rs. 0.42 / unit with annual escalation of 5%
- Depreciation- As per MERC MYT Regulations
- Debt: Equity ratio - 70:30
- Term Loan Interest Rate - 9.25%
- Working Capital Interest Rate – 9.5%
- ROE – Average RoE @ 15.5%
- Income tax - As per applicable Tax Rate
- Revenue - Indicative discount of 5-7% on prevailing MSEDCL tariff

Profit and Loss Statement

Particulars (in Rs. Cr.)	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	29	176	480	849	1,216
Power Purchase Expense	20	123	335	591	842
Other Operating Expense	1	9	25	44	64
PBDIT	7	45	121	215	310
Depreciation	7	28	60	97	138
Interest Expense	12	41	78	119	159
PBT	-11	-25	-18	-1	13
Tax	-	-	-	-	2
PAT	-11	-25	-18	-1	10

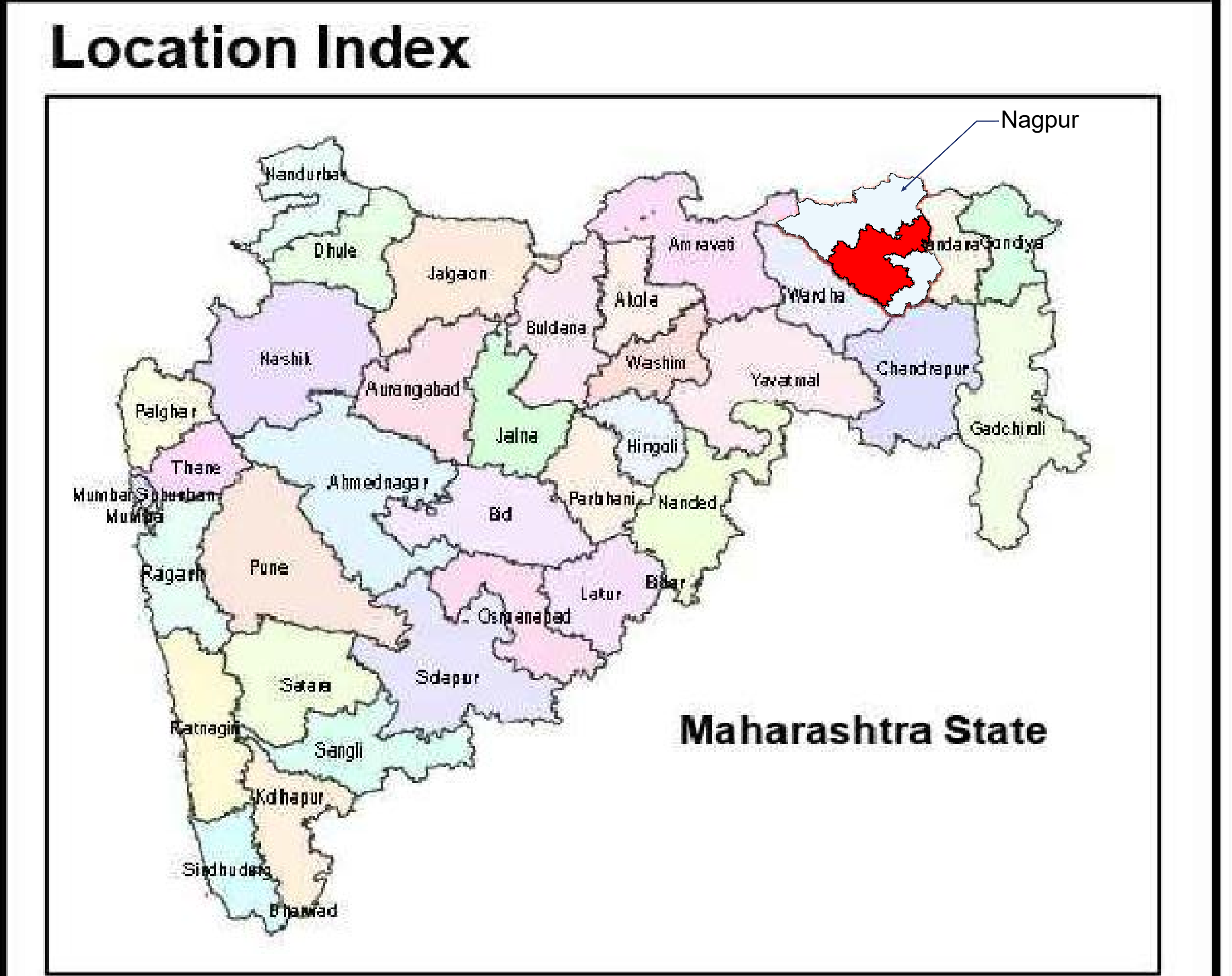
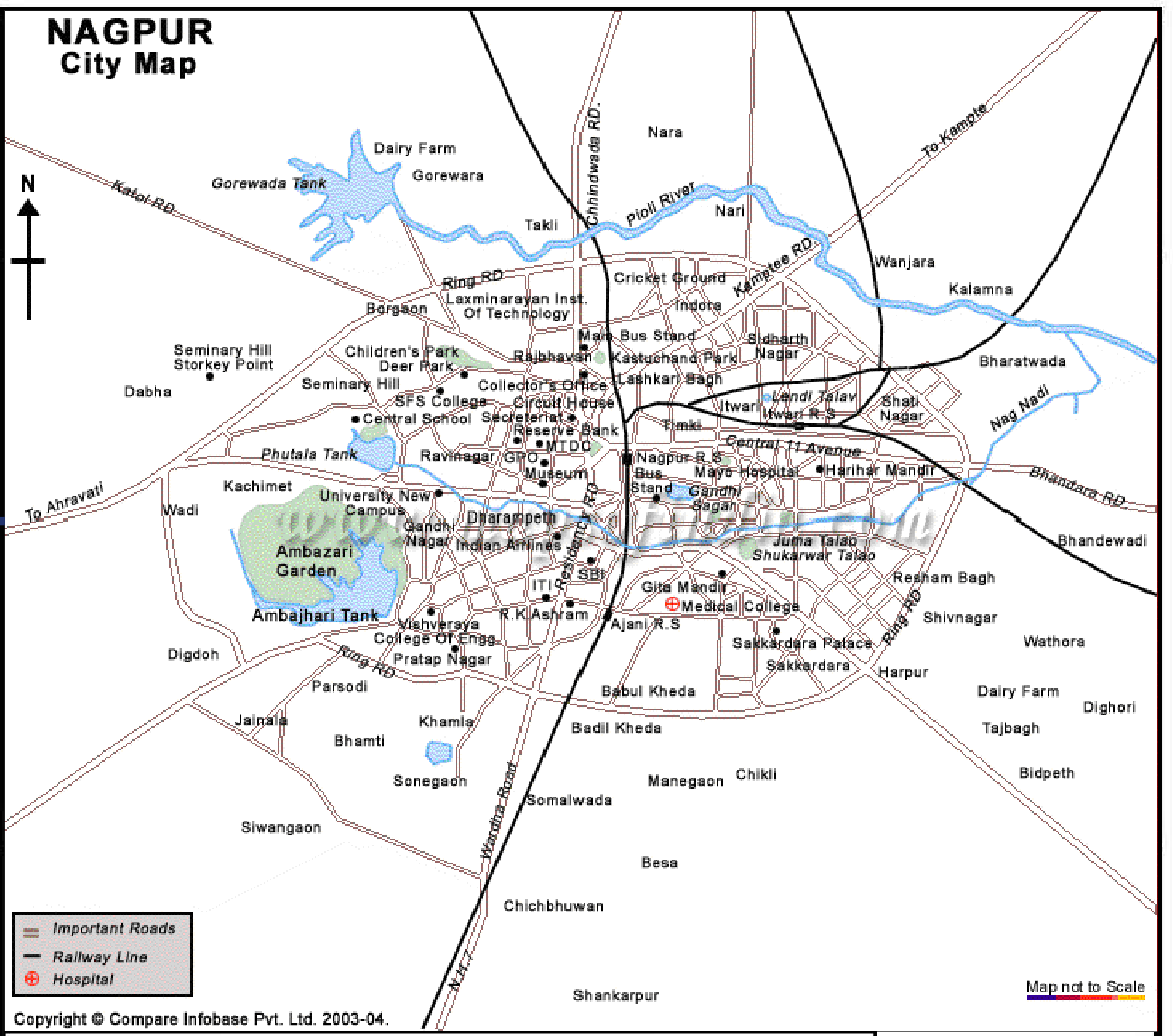
Cashflow Statement

Particulars (in Rs. Cr.)	Year 1	Year 2	Year 3	Year 4	Year 5
Opening Balance	-	12	13	13	16
Receipt					
Revenue Receipt	27	170	475	864	1,259
Capital Receipt (Equity/Loan/SD)	243	561	638	759	791
Total	270	731	1,113	1,623	2,050
Payment					
Cash Expense	23	141	387	689	989
Interest	12	41	78	119	159
Change in Working Capital	-88	-90	-31	-63	-29
Tax	-	-	-	-	-
Loan	-	17	56	99	151
CAPEX	312	622	622	777	777
Total	259	730	1,112	1,620	2,047
Closing Balance	12	13	13	16	18

Balance Sheet

Particulars (in Rs. Cr.)	Year 1	Year 2	Year 3	Year 4	Year 5
ASSETS					
Non-current assets	307	901	1,463	2,144	2,784
Current Assets					
Inventories	31	62	62	78	78
Trade receivables	4	24	65	114	164
Cash and Cash equivalents	12	13	13	16	18
Total current assets	47	99	140	208	260
Total Assets	354	999	1,603	2,351	3,044
LIABILITIES					
Equity	62	203	371	593	836
Non-current liabilities					
Borrowings (Term Loan)	153	484	820	1,188	1,527
Other financial liabilities	1	10	26	42	56
Total non-current liabilities	154	494	846	1,231	1,583
Current Liabilities	138	303	386	528	624
Total Liabilities	354	999	1,603	2,351	3,044

ANNEXURE-9



Data Source: Village maps from Land Record Department, GoM

Generated By:

Maharashtra Remote Sensing Applications Centre
Autonomous Body of Planning Department,
Government of Maharashtra, VNIT Campus,
South Ambazari Road, Nagpur 440 010

LEGENDS	
	Proposed License Area
	Nagpur Municipal Corporation (NMC)

ANNEXURE-10

List with Details

Sr. No.	Particulars	Relevant Details
1	Airport	<u>Dr. Babasaheb Ambedkar International Airport (NAG).</u> a Sonegaon, Wardha Road, Nagpur, Maharashtra 440005, INDIA Phone: +91 712 2807501 Email: apdnagpur@aai.aero
		<u>Maharashtra Airport Development Company</u> b Multi-modal International Cargo Hub and Airport at Nagpur (MIHAN) Mihan, Khapri (Rly), Nagpur, Maharashtra, Maharashtra 441108. www.madcindia.org
2	Cantonment Areas	<u>Ordnance Factory Ambajhari (Nagpur)</u> a Amaravati Road, Nagpur, Maharashtra – 440021
		b Kamptee Cantonment Board
3	Fortress	Sitabuldi Fort (presently in Possession of Army i.e. Command Works Engineer)
4	Dockyard	Not Applicable
5	Camp or building/place in occupation of Govt. for defence	Vayusena Nagar, Amaravati Road

ANNEXURE-11

List of Local Authorities

Sr. No.	Relevant Details
1	<u>Nagpur Municipal Corporation</u> Mahanagar Palika Marg,Civil Lines, Nagpur,Maharashtra, India, 440 001 Telephone: 0712 2567035 Fax: 0712 2561584 E-mail: mconagpur@gov.in / nmcnagpur@gmail.com / nmcngp.media@gmail.com
2	Ordnance Factory Ambajhari (Nagpur) Amaravati Road, Nagpur, Maharashtra – 440021
3	Public Works Department Opp GPO, CBI Colony, Civil Lines, Nagpur, Maharashtra 440001
4	Nagpur Metropolitan Region Development Authority(NMRDA)
5	National Highway Authority of India
6	Maharashtra Industrial Development Corporation Civil Lines, Nagpur, Maharashtra 440001
7	NAGPUR IMPROVEMENT TRUST, Station Road, Sadar NAGPUR-440001 (Local Planning Authority Constituted under Urban Development Department of G.O.M.)

ANNEXURE-12

STATEMENT OF ACCOUNT

CUSTOMER ID : 266564491
 ACCOUNT NO : 25380500000088
 ACCOUNT NAME : TORRENT POWER LIMITED
 STATEMENT PERIOD : 23-12-2022 to 23-12-2022



BOB BANK

TORRENT POWER LIMITED,
 SAMANVAY 600, TAPOVAN,
 AMBAWADI, ,
 AHMED,
 380015
 EMAIL ID :
 PHONE NO : +917359149334

ACCOUNT BRANCH : CFS AHMEDABAD
BRANCH ADDRESS : Gujarat
RTGS/NEFT/IFSC : BARB0CORAHM
MICR : 380012051
ACCOUNT STATUS : ACTIVE
ACCOUNT TYPE : CASH CREDIT GENERAL
CURRENCY : INR

Transaction Date	Payment date	Narrative	Customer Reference No	Cheque No	Debit	Credit
23-12-2022 00:00:00	23-12-2022	RTGS-BARBR520221223008 92506-MAHARASHTRA ELEC TRICIT	S51691931	NA	500,000.00	0.00

ANNEXURE-13

Sample Details of Capital Projects

Torrent Power Limited has created a world-class power distribution infrastructure, including state-of-the-art underground network from 220 kV and above voltage level to LT level in its areas of operation in Gujarat. Based on its operational excellence, Torrent has been able to set new benchmarks in terms of reliability, quality, and efficiency. Torrent has also implemented state-of-art interventions for customer services.

In the past five years, the details of expenditure incurred on capital projects in Ahmedabad and Surat license areas is summarized hereunder.

- ***220 kV GIS substation at C station along with 220 kV line interconnectivity*** – Conversion of 66 kV AIS to GIS at C Station to create space for accommodating 220 kV GIS Switching Station. This 220 kV GIS Switching Station at ‘C’ Receiving Station, Surat, is connected with the existing 220 kV Puna, Bhatar and F-GIS Import points to form a Ring Main System through 220 kV Cable network.
- ***132 kV lines*** - Expenditure is incurred towards projects pertaining to upgradation of evacuation capacity at Nicol-2, upgradation of 66 kV line between Vinzol and Amraiwadi & between Odhav and Amraiwadi, GIS at Thaltej substation and 132 kV Airport -Naroda - Nicol - 1 connectivity.
- ***132 kV substations at various locations of Ahmedabad/Gandhinagar*** - The system demand of Ahmedabad & Gandhinagar city is increasing year on year. In order to cater to these requirements, capacity augmentations are carried out by installing/upgrading 132 kV substations at Lambha, Riverfront, and SG Highway. Further, additional transformers of 132/33 kV and 132/11 kV are also installed to cater to the load demand of nearby areas and to feed the 33/11 kV substations.
- ***66 kV substations at various locations of Surat*** - Based on status of existing major projects underway, loading of the network & substations, and potential of residential and commercial development, TPL has established 66 kV Substations at strategic locations of Surat.
- ***33kV substations at various locations of Ahmedabad/Gandhinagar*** - Considering the expansion of existing network and the additional load growth in the supply area, 33 kV substations are installed at Odhav, Maninagar, Electronics SEZ, IIT Gandhinagar. Further, additional transformer are also installed at 33kV substation at Raipur. Existing transformers with higher capacity at 33 kV substations are also installed at Sumel-6 and Sumel-8.

Sample Details of Capital Projects

- ***Underground cable connectivity between 132 kV Jamalpur to Vinzol Substation*** – Scheme of undergrounding existing 132 kV Jamalpur to Vinzol network is implemented for ensuring general public safety, environment safety, and safety for employees.
- ***11 kV Substations and Network*** - Capex under this head is incurred for establishing new Distribution sub-stations and creating 11 kV network for meeting the load demand of new and existing customers. Distribution substations are also installed to meet additional load requirement of existing as well as new customers and to maintain the existing level of losses. Based on the trend of applications for new connection/extension of load, TPL has incurred capex for 11 kV normal load growth. Further, expenditure is also incurred for Renovation & Modernization of Network. Also due to road widening and infrastructure projects by authorities, higher expenditure for network shifting/upgradation is incurred.
- ***LT Network*** - Expenditure is incurred under this head for releasing new connection/extension of load. Further, activity of replacement of Mini Section Pillar/Meter Boxes is also carried out for enhancing safety & reliability.
- ***Metering & Advanced Metering Infrastructure*** – TPL has been at the forefront of technological advances to ensure proactive and quality services to its customers. In this regard, TPL is implementing projects of smart grid, advanced distribution management system, and meter data management system. Capex is also incurred towards installation of single phase, three phase, and demand-based meters. Mass meter replacement activity is also carried out for loss reduction and modernisation.
- ***Safety*** - Expenses are incurred for procurement of safety tools, revamping of earthing systems, replacement of old conductors, safeguarding of towers, replacement of switchyard equipment, earthing system for towers, and providing additional cross-arms and towers.
- ***Automation*** - Substation Automation and Islanding schemes are executed for facilitating remote control and monitoring for better network operation.
- ***Plugpoints and Power Supply Centers*** – TPL has carried out upgradation of existing zonal offices to provide enhanced and improved customer services. TPL has also identified new locations for setting up Plugpoints and Power Supply Centers (PSC). These plugpoints and PSC are commissioned at Prahladnagar, Motera, Amraiwadi, Vinzol, Naranpura, Odhav, Narol and Gandhinagar amongst others.

Sample Details of Capital Projects

- ***Information Technology & Communication*** – Capex is incurred towards IT infrastructure, communication, SAP license, SAP's new database platform – HANA, security systems and IT revamping projects.
- ***Geographic Information System*** – Capex is incurred for procurement of instruments, various hardware and software for implementation of Geographic Information System (GIS) including setting up of GIS Control Room.

Total Amount of Capitalisation over the period of last five years (in Rs. Lakhs) is summarised as under:

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Capitalisation	80,933.84	81,884.00	55,370.00	76,375.81	86,960.86

ANNEXURE-14

Board Of Directors

Sr. No	Name	Designation	Function	Qualification	Total Experience	Area of Forte
1	Jinal Mehta	Managing Director	Power business	BBS, MBA	15 years	Managing Power business - Generations, Transmission, Distribution.
2	Varun Mehta	Director	Power business	Bsc,MBA	12 years	Managing affairs of business - Transmission, Distribution, Power purchase & Regulations.

Senior Management Team

Sr. No	Name	Designation	Function	Qualification	Total Experience	Area of Forte
1	Jagdish Chelaramani	Executive Director	Distribution	B.E., M.M.M.	29 years	Professional in Power Industry (Distribution) Domain. 29 years of sales, business development and operations experience. Solutions driven individual with in-depth knowledge and experience of heading business operations, running an independent strategic business unit as a profit center. Key areas of strength and proven track record of operations management, Key account management, business development, brand communication, analytics, promotions, budgeting.
2	Sanjay Kumar	General Manager	Operation Head	B. SC. (Electrical Engineering)	32 years	Management of Power distribution in HT & LT area with a focus on reliability, loss reduction & network maintenance & improvements. Managing teams and external stakeholders.
3	Nishikant Gupta	General Manager	Distribution - HT	B. E. (Electrical)	28 years	Management of Power distribution in HT & LT area with a focus on reliability, loss reduction & network maintenance & improvements. Managing teams and external stakeholders.
4	Mihir Thakkar	Manager	Regulatory & Legal	B.Tech. (Electrical), MBA (Finance)	12 years	Management of Regulatory & Legal function and reporting as well as compliance of regulatory framework. Documentation & liaison with authority.
5	Prabhjot Panesar	Assistant General Manager	Finance	ICWA	26 years	Overall management of Finance function in distribution business: Financial transactions, MIS & Control, Compliance, Auditing & Reporting & Regulation and Billing. Has indepth understanding of financial & commercial aspects of power distribution business.
6	Savita Bhatia	Assistant General Manager	Commerical & Customer Services	ICWA	16 years	Management of Commercial and customer services through front & backend platforms at customer care centers. Strengthen digitalization of processes, compliances & documentations.
7	Prashant Kulkarni	Assistant General Manager	Distribution - LT	B. E. (Electrical)	27 years	Management of Power distribution in HT & LT area with a focus on reliability, loss reduction & network maintenance & improvements. Managing teams and external stakeholders.
8	Ravi Kumar Paidisetty	Assistant General Manager	HR, Admin & Security	MA-Human Resources/PM & IR	29 years	Management of Human Resources function through execution of HR systems covering Talent acquisition, Learning & Development, Performance management, Industrial Relations, Administration & Security affairs, etc. ensuring compliance.

ENCLOSURE-II



CERTIFICATE
TO WHOMSOEVER IT MAY CONCERN

This is to certify that the Net worth of **M/s Torrent Power Limited** (CIN: L31200GJ2004PLC044068) ("the Company") having its registered office at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015, is as under:

These figures stated below have been extracted from the respective year audited Standalone financial statements of the Company.

(Rs. in Crores)

Particulars	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2022
Networth	9,172.10	10,232.84	9,947.03

Computation of Net worth as below:

(Rs. in Crores)

Particulars	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2022
Equity Share Capital	480.62	480.62	480.62
Add : Reserves and Surplus			
Securities premium	0.03	0.03	0.03
Debenture redemption reserve	258.10	187.26	108.30
Contingency reserve	11.59	13.46	15.37
Special reserve	78.07	78.07	78.07
General reserve	3,583.89	3,583.89	3,583.89
Retained earnings	4,774.97	5,907.90	5,699.74
Less : Revaluation Reserves	-	-	-
Less : Intangible assets	(15.17)	(18.39)	(18.99)
Less : Miscellaneous Expenditure to extent not written off and carry forward losses	-	-	-
Net Worth	9,172.10	10,232.84	9,947.03

Date: 19th Nov. 2022
Place: Ahmedabad



For Pankaj B Shah & Co.,
Chartered Accountants,
(Firm Reg. No. 107343W)

Pankaj B. Shah

(Pankaj B Shah)
Proprietor

Membership No. 17170

UDIN(22017170BDODOA7689)

ENCLOSURE-III



1466

PANKAJ B. SHAH & CO.**CHARTERED ACCOUNTANTS****313, MEDICINE MARKET,
OPP. SHEFALI CENTER,
PALDI, CROSS ROAD,
AHMEDABAD - 380 006.**

CERTIFICATE
TO WHOMSOEVER IT MAY CONCERN

This is to certify that the Internal Resource Generation of **M/s Torrent Power Limited** (CIN: L31200GJ2004PLC044068) ("the Company") having its registered office at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015, is as under:

These figures stated below have been extracted from the respective year audited Standalone financial statements and financial information provided by the Company.

(Rs. in Crores)

Particulars	FY 19-20	FY 20-21	FY 21-22
Internal Resource Generation	2,043.73	1,683.82	1,444.50

Computation of Internal Resource Generation as below:

(Rs. in Crores)

Particulars	FY 19-20	FY 20-21	FY 21-22
Profit after Tax	1,238.14	1,324.91	409.71
Add:			
Depreciation & Amortisation	1,230.16	1,179.85	1,233.79
Decrease in working capital (excluding Cash and Bank Balances)	217.98	309.04	-
Any other Non-Cash Expenditure (including deferred tax)	1,000.00	-	1,300.00
Less:			
Scheduled loan repayments	(644.37)	(1,103.83)	(1,099.65)
Increase in working capital (excluding Cash and Bank Balances)	-	-	(136.57)
Any other Non-Cash Income (Including deferred tax)	(998.18)	(26.15)	(262.78)
Internal Resource Generation	2,043.73	1,683.82	1,444.50

For Pankaj B Shah & Co.,
Chartered Accountants,
(Firm Reg. No. 107343W)

Date: 19th Nov. 2022
Place: Ahmedabad



Pankaj B. Shah
(Pankaj B Shah)
Proprietor

Membership No. 17170

UDIN(22017170BDOFMH8935)

ENCLOSURE-IV

CONFIDENTIAL
(Duplicate copy 3)

RL/AHMELEC/301090/BLR/0922/42467
September 08, 2022

Mr. Shrenik Vaishnav
Vice President - Finance
Torrent Power Limited
Samanvay,
600, Tapovan,
Ambawadi
Ahmedabad - 380015
9321525150

Dear Mr. Shrenik Vaishnav,

Re: CRISIL Ratings on the bank facilities of Torrent Power Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please find in the table below the ratings outstanding for the debt instruments/facilities of the company as on date.

Total Bank Loan Facilities Rated	Rs.16600 Crore
Long Term Rating	CRISIL AA+/Stable
Short Term Rating	CRISIL A1+

(Bank-wise details as per Annexure 1)

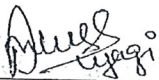
As per our Rating Agreement, CRISIL Ratings would disseminate the ratings, along with the outlook, through its publications and other media, and keep the ratings, along with the outlook, under surveillance over the life of the instrument/facility. CRISIL Ratings reserves the right to withdraw, or revise the ratings, along with the outlook, at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the ratings. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest ratings/s.

In the event of the company not availing the proposed facilities within a period of 180 days from the date of this letter, a fresh letter of revalidation from CRISIL Ratings will be necessary.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ankush Tyagi
Associate Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument: it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its employees may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

Corporate Identity Number: U67100MH2019PLC326247

Annexure 1 - Bank-wise details of various facility classes (outstanding facilities)

S.No.	Bank Facility	Bank	Amount (Rs. in Crore)	Outstanding Rating
1	Cash Credit	Punjab National Bank	300	CRISIL AA+/Stable
2	Cash Credit	Axis Bank Limited	10	CRISIL AA+/Stable
3	Cash Credit	Bank of Baroda	400	CRISIL AA+/Stable
4	Cash Credit	State Bank of India	440	CRISIL AA+/Stable
5	Letter of credit & Bank Guarantee	Bank of Baroda	600	CRISIL A1+
6	Letter of credit & Bank Guarantee	Axis Bank Limited	1200	CRISIL A1+
7	Letter of credit & Bank Guarantee	Punjab National Bank	139	CRISIL A1+
8	Letter of credit & Bank Guarantee	State Bank of India	1000	CRISIL A1+
9	Letter of credit & Bank Guarantee	HDFC Bank Limited	561	CRISIL A1+
10	Proposed Short Term Bank Loan Facility	--	1861.1	CRISIL A1+
11	Proposed Term Loan	--	4270.49	CRISIL AA+/Stable
12	Term Loan	State Bank of India	2735.91	CRISIL AA+/Stable
13	Term Loan	Punjab National Bank	308.39	CRISIL AA+/Stable
14	Term Loan	Canara Bank	250	CRISIL AA+/Stable
15	Term Loan	Bank of Baroda	2524.11	CRISIL AA+/Stable
	Total		16600	

10. Interchangeable with long term bank facilities

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)

Corporate Identity Number: U67100MH2019PLC326247

CONFIDENTIAL
(Duplicate copy 3)RL/AHMELEC/301090/CP/0922/42479
September 08, 2022Mr. Shrenik Vaishnav
Vice President - Finance
Torrent Power Limited
Samanvay,
600, Tapovan,
Ambawadi
Ahmedabad - 380015
9321525150

Dear Mr. Shrenik Vaishnav,

Re: CRISIL Rating on the Rs.1650 Crore Commercial Paper of Torrent Power Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Commercial Paper	1650	CRISIL A1+

For the purpose of issuance of captioned commercial paper programme, this letter is valid for 30 calendar days from the date of the letter. In the event of your company not placing the above programme within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid (unless revised) throughout the life of the captioned Commercial Paper Programme with a maximum maturity of one year.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating through its publications and other media, and keep the rating under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL Ratings believes, may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,


Ankush Tyagi
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

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Corporate Identity Number: U67100MH2019PLC326247

ENCLOSURE-V

UNDERTAKING

1. Torrent Power Limited would like to submit that in compliance to the Rule 4 of the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005; the Petitioner/Applicant, being a company, has not been found guilty or has not been disqualified under any of the following provisions within the last three years from the date of application for grant of licence:
 - a. Section 203, Section 274, Section 388B or Section 397 of the Companies Act, 1956;
 - b. Section 276, Section 276B, Section 276BB, Section 276C, Section 277 or Section 278 of the Income-Tax Act, 1961;
 - c. Section 15C, Section 15G, Section 15H or Section 15HA of the Securities and Exchange Board of India Act, 1992;
 - d. Clause (b), (bb), (bbb), (bbbb), (c) or (d) of sub-section (1) of Section 9 of the Excise Act, 1944;
 - e. Section 132 or Section 135 of the Customs Act, 1962,and the Petitioner/Applicant is not a person in whose case licence was suspended under Section 24 or revoked under Section 19 of the Act, within the last three years from the date of application.
2. Further, Torrent Power Limited, being a company, no petition for winding up of the company or any other company of the same promoter has been admitted under Section 443(e) of the Companies Act, 1956 on the ground of its being unable to pay its debts.
3. It is further undertaken that Torrent Power Limited shall satisfy this Hon'ble Commission and furnish additional information as may be directed for the purpose of ascertaining requirements of capital adequacy and creditworthiness in accordance with the Distribution of Electricity Licence (Additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005.

Yours faithfully,
For Torrent Power Limited



Rahul Shah
Company Secretary



Date: 18/11/2022

Place: Ahmedabad

EXTRACT OF THE MINUTES OF THE 08/2022 MEETING OF THE COMMITTEE OF DIRECTORS OF TORRENT POWER LIMITED HELD ON MONDAY, JULY 04, 2022 AT 01:00 PM AT "SAMANVAY", 600 TAPOVAN, AMBAWADI, AHMEDABAD – 380 015

DELEGATION OF POWERS IN RESPECT OF LEGAL MATTERS AND MATTERS RELATING TO ELECTRICITY REGULATORY COMMISSIONS

"RESOLVED THAT in supersession of the resolutions passed by the Committee of Directors at its meeting held on April 06, 2022, the following Directors / officers namely:

1. Samir Mehta
2. Markand Bhatt
3. Jinal Mehta
4. Varun Mehta
5. Lalit Malik
6. Deepak Dalal
7. Jayesh Desai
8. Jigish Mehta
9. Chetan Bundela
10. Naresh Joshi
11. Saurabh Mashruwala
12. Utkarsh Bhatt
13. Nisarg Shah
14. Naimesh Shah
15. Biren Shah
16. Rajendra Dinker
17. Shrenik Vaishnav
18. Nitin Malkan
19. Sudhir Prasad
20. Kashyap Desai
21. Vinay Pagedar
22. Pranav Shah

be and are hereby severally authorised to appear and file any petition, application, affidavit, reply, rejoinder; to give evidence and to depose before:

- a) State electricity regulatory commissions including Gujarat Electricity Regulatory Commission (GERC)



- b) Central Electricity Regulatory Commission (CERC)
- c) Appellate tribunals for electricity and any other competent authority including courts of law
- d) Petroleum and Natural Gas Regulatory Board (PNGRB)
- e) Central Government, its departments, undertakings and corporations
- f) State Governments, its departments, undertakings and corporations
- g) Public sector units
- h) Gujarat Urja Vikas Nigam Limited (GUVNL)
- i) Gujarat Electricity Transmission Corporation (GETCO)
- j) Other state government electricity boards
- k) Roads and Building Departments of State and Centre Government
- l) Municipal corporations including Ahmedabad Municipal Corporation and Surat Municipal Corporation and other local bodies including gram panchayat
- m) Offices of sub-registrar of assurances
- n) City survey offices
- o) Urban development authorities including Ahmedabad Urban Development Authority and Surat Urban Development Authority
- p) SEZ Developer
- q) SEZ Authority
- r) Direct and Indirect Tax Authorities & Tribunals thereof
- s) Various Government/Semi-government/Local authority, statutory and regulatory agencies / commissions.
- t) Other legal authorities

RESOLVED FURTHER THAT the above-stated Directors/ officers be and are hereby severally authorised:

- to engage advocates and to sign Vakalatnama for and on behalf of the Company to initiate proceedings, suits, legal actions, etc. and to defend / protect the interest of the Company in all types of proceedings including consumer disputes, civil, contractual, labour or criminal matters before all forums, tribunals, courts whether at local, district, state or central level, other quasi-judicial bodies, government authorities and local bodies, etc.
- to represent the Company whether orally or in writing and to file affidavit, if required, before various authorities as referred above.



TORRENT POWER LIMITED

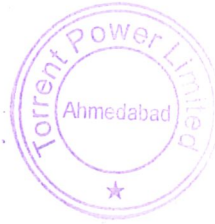
CIN : L31200GJ2004PLC044068

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to any of the above-stated documents in presence of any of the Directors/ Officers referred above or the Company Secretary, who shall sign the same in token thereof."

CERTIFIED TRUE COPY
For Torrent Power Limited

Rahul c. shah

Rahul Shah
Company Secretary
Date: 02/12/2022



BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

WORLD TRADE CENTRE, CENTRE NO. 1 **Serial No. A-08865 / 2022**

13TH FLOOR, CUFFE PARADE, MUMBAI - 400 005

CASE NO.

OF 2022

(PARESH G. BAROT)
NOTARY
GOVT. OF INDIA**20 DEC 2022**

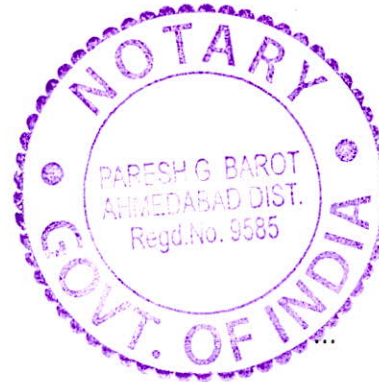
IN THE MATTER OF:

Petition under Sections 14 and 15 of Electricity Act, 2003 read with Maharashtra Electricity Regulatory Commission (General Conditions of Distribution License) Regulations, 2006 read with Distribution of Electricity License (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, as amended from time to time, for grant of Distribution License over the geographic area of Nagpur Municipal Corporation (NMC) and surrounding areas in Nagpur District, in the State of Maharashtra

AND

IN THE MATTER OF

Torrent Power Limited,
Samanvay, 600, Tapovan,
Ambawadi, Ahmedabad - 380015



Petitioner

VAKALATNAMA

We, Torrent Power Limited, Petitioner abovenamed do hereby nominate, appoint and constitute J. Sagar Associates, Advocates to act, plead and appear on my /our behalf in the aforesaid matter.

IN WITNESS WHEREOF We have set and subscribed my /our hands to this writing on this day of December, 2022.

Place:

Date:

Address for Correspondence
J. Sagar Associates
Vakils House, 18, Sprott Road,
Ballard Estate, Fort,
Mumbai - 400 001

Signature

[Petitioner]

I/We accept

BEFORE ME

(PARESH G. BAROT)
NOTARY
GOVT. OF INDIA
20 DEC 2022





e-mail: abhishek.munot@jsalaw.com
kunal.kaul@jaslaw.com
tushar.nagar@jsalaw.com

For J. Sagar Associates



Two handwritten signatures are present. The top signature is written in red ink and is highly stylized. The bottom signature is written in black ink and is also stylized. Both signatures appear to be for J. Sagar Associates.