The Board of Directors
Torrent Power Limited
"Samanvay", 600, Tapovan, Ambawadi,
Ahmedabad - 380 015.

## Independent Auditor's Report on the Statement of consolidated financial results

1. We have audited the accompanying Statement containing the annual audited consolidated financial results 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 3 to the Statement) for the year ended March 31, 2018 together with the notes thereon (hereinafter referred to as the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, which we have initialled for identification purpose only.

## Management's Responsibility for the consolidated financial results

2. Management of the Holding Company is responsible for the preparation of the accompanying Statement and the Statement has been approved by the Board of Directors. The Management is also responsible for the preparation of the annual statutory consolidated financial statements in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "accounting principles generally accepted in India"), basis which the above Statement containing the annual audited consolidated financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

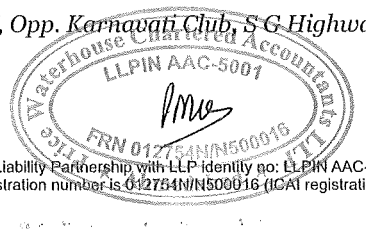
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Statement.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us:
   i. the Statement, together with the notes thereon are presented in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and





ii. the annual audited consolidated financial results for the year ended March 31, 2018 as set out in the Statement gives a true and fair view of the total consolidated comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), and other financial information of the Group and its associates for the year ended March 31, 2018 in accordance with the accounting principles generally accepted in India.

**Emphasis of Matter**

7. We draw your attention to Note 2 of the Statement regarding the figures for the quarter ended March 31, 2018, which are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year. Our opinion is not qualified in respect of this matter.

**Other Matter**

8. The Holding Company had prepared the consolidated financial results and consolidated financial statements for the year ended March 31, 2017 in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, which were audited by another firm of chartered accountants, who vide their reports dated May 23, 2017 issued unmodified opinion on those consolidated financial results and consolidated financial statements.

9. The Statement dealt with by this report has been prepared for the express purpose of filing with Stock Exchanges on which the Holding Company's shares are listed. This Statement is based on and should be read with the audited consolidated financial statements of the Group and its associates, for the year ended March 31, 2018 on which we issued an unmodified audit opinion vide our report dated May 29, 2018.

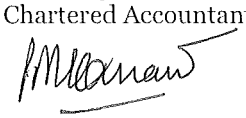
10. The consolidated financial results also include the Group's share of total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. Nil for the year ended March 31, 2018 as considered in the consolidated financial results, in respect of six associate companies, whose financial results have not been audited by us. These financial results have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Financial Results 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 is not qualified in respect of these matters.

**Restriction on Use**

11. This report is addressed to the Board of Directors of the Holding Company and has been prepared for and only for the purposes set out in paragraph 9 above. This report should not be otherwise used by any other party for any other purpose.

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



Pradip Kanakia
Partner
Membership No.: 39985

Place: Ahmedabad
Date: May 29, 2018

# TORRENT POWER LIMITED

Registered Office: "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad - 380 015, Ph.: 079-26628000
CIN: L31200GJ2004PLC044068; Website: www.torrentpower.com; E-mail: cs@torrentpower.com

(₹ in Crore except per share data)

## STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

| Particulars | For the quarter ended | | | For the year Ended | |
|---|---|---|---|---|---|
| | 31.03.2018 refer note 2 | 31.12.2017 Un-audited | 31.03.2017 refer note 2 | 31.03.2018 Audited | 31.03.2017 Audited |
| **Income** | | | | | |
| Revenue from operations | 2,810.36 | 2,748.53 | 2,433.07 | 11,512.09 | 10,000.10 |
| Other income | 98.76 | 44.30 | 46.87 | 263.55 | 190.88 |
| **Total income** | **2,909.12** | **2,792.83** | **2,479.94** | **11,775.64** | **10,190.98** |
| **Expenses** | | | | | |
| Electrical energy purchased | 839.74 | 836.61 | 904.06 | 3,584.78 | 3,634.17 |
| Fuel cost | 837.25 | 762.05 | 488.41 | 3,237.36 | 2,525.76 |
| Cost of materials consumed | 64.21 | 57.02 | 47.52 | 233.44 | 196.56 |
| Purchase of stock-in-trade | - | - | 0.45 | - | 0.45 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 10.16 | (5.18) | 5.13 | 1.25 | (4.30) |
| Employee benefits expense | 128.95 | 106.95 | 112.65 | 467.03 | 417.19 |
| Finance costs | 210.47 | 214.51 | 268.69 | 848.19 | 1,057.98 |
| Depreciation and amortisation expense and impairment loss | 303.33 | 270.39 | 269.07 | 1,131.50 | 1,005.86 |
| Other expenses | 239.79 | 197.10 | 178.54 | 871.10 | 769.97 |
| **Total expenses** | **2,633.90** | **2,439.45** | **2,274.52** | **10,374.65** | **9,603.64** |
| **Profit before exceptional items and tax** | **275.22** | **353.38** | **205.42** | **1,400.99** | **587.34** |
| Exceptional items | - | - | - | - | - |
| **Profit before tax** | **275.22** | **353.38** | **205.42** | **1,400.99** | **587.34** |
| Tax expense | | | | | |
| - Current tax | 61.46 | 80.03 | 52.80 | 312.48 | 123.95 |
| - Deferred tax | (7.49) | 67.37 | 16.53 | 136.39 | 33.60 |
| **Profit for the period from continuing operations** | **221.25** | **205.98** | **136.09** | **952.12** | **429.79** |
| **Profit for the period attributable to :** | | | | | |
| Owners of the company | 216.95 | 204.93 | 135.74 | 942.31 | 428.95 |
| Non-controlling interests | 4.30 | 1.05 | 0.35 | 9.81 | 0.84 |
| **Other comprehensive income :** | | | | | |
| Items that will not be reclassified to profit or loss | 14.26 | 2.40 | 7.12 | 20.50 | (9.75) |
| Tax relating to other comprehensive income | 5.00 | 0.83 | 2.45 | 7.16 | (3.38) |
| **Other comprehensive income (net of tax)** | **9.26** | **1.57** | **4.67** | **13.34** | **(6.37)** |
| **Total comprehensive income** | **230.51** | **207.55** | **140.76** | **965.46** | **423.42** |
| **Total comprehensive income attributable to :** | | | | | |
| Owners of the company | 226.21 | 206.50 | 140.41 | 955.65 | 422.58 |
| Non-controlling interests | 4.30 | 1.05 | 0.35 | 9.81 | 0.84 |
| Paid up equity share capital (F.V. ₹ 10/- per share) | 480.62 | 480.62 | 480.62 | 480.62 | 480.62 |
| Reserves excluding revaluation reserves as per balance sheet of previous accounting year | | | | 7,238.91 | 6,411.47 |
| **Earnings per share (EPS)** | | | | | |
| Earnings per share (before and after extraordinary items) (of ₹ 10/- each) (not annualised) | | | | | |
| (a) Basic (₹) | 4.51 | 4.26 | 2.82 | 19.61 | 8.93 |
| (b) Diluted (₹) | 4.51 | 4.26 | 2.82 | 19.61 | 8.93 |

Notes:

1 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.

2 Figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures for the full financial year ended March 31, 2018 and March 31, 2017 and the published year to date figures upto the third quarter of the respective financial years.

3 The consolidated financial results include the financial results of the Company and five subsidiaries : Torrent Power Grid Limited, Torrent Pipavav Generation Limited, Torrent Solargen Limited, Jodhpur Wind Farms Private Limited and Latur Renewables Private Limited (the "Group"). The Company has not invested equity in its six associates namely Wind Two Renergy Private Limited, Wind Four Renergy Private Limited, Wind Five Renergy Private Limited, Nani Virani Wind Energy Private Limited, Ravapar Wind Energy Private Limited, Khatiyu Wind Energy Private Limited and accordingly, there is no impact on the consolidated financial results.

4 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 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. Consequentially, 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.

5 The Board of Directors have approved final dividend of ₹ 5.00 per equity share of ₹ 10/- each fully paid up for the financial year 2017-18 in its meeting held on 29th May, 2018. The aggregate amount of final dividend to be distributed is ₹ 289.71 Crore including ₹ 49.40 Crore as tax on profit distributed.

6 The chief operating decision maker 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".

7 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 holders of Non Convertible Debentures of ₹ 1,095.00 Crore and lenders of term loans.

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

9 The Audit Committee has reviewed the above results and the same have been subsequently approved by the Board of Directors in their respective meetings held on 29th May, 2018.

10 The Stand-alone financial results for the quarter and year ended 31st March, 2018 are available on Company's website at www.torrentpower.com.

## Consolidated Statement of Assets and Liabilities

(₹ in Crore)

| Particulars | As at 31st March, 2018 Audited | As at 31st March, 2017 Audited |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 17,857.49 | 16,796.06 |
| Capital work-in-progress | 390.47 | 329.48 |
| Investment property | - | 0.53 |
| Intangible assets | 13.23 | 7.40 |
| Intangible assets under development | 2.04 | 2.61 |
| Financial assets | | |
| Investments | 192.29 | 6.63 |
| Loans | 16.73 | 15.00 |
| Other financial assets | 0.77 | 0.71 |
| Deferred tax assets (net) | 3.06 | - |
| Non-current tax assets (net) | 27.07 | 20.49 |
| Other non-current assets | 655.88 | 594.90 |
| **Sub total - Non-current assets** | **19,159.03** | **17,773.81** |
| **Current assets** | | |
| Inventories | 454.88 | 369.37 |
| Financial assets | | |
| Investments | 680.66 | 664.27 |
| Trade receivables | 1,130.45 | 975.05 |
| Cash and cash equivalents | 136.50 | 102.85 |
| Bank balances other than cash and cash equivalents | 181.05 | 166.49 |
| Loans | 16.31 | 3.99 |
| Other financial assets | 751.05 | 673.12 |
| Current tax assets (net) | - | 0.09 |
| Other current assets | 82.16 | 63.49 |
| **Sub total - Current assets** | **3,433.06** | **3,018.72** |
| **Total - Assets** | **22,592.09** | **20,792.53** |
| **EQUITY AND LIABILITIES** | | |
| **Equity** | | |
| Share capital | 480.62 | 480.62 |
| Other equity | 7,238.91 | 6,411.47 |
| **Sub total - Equity** | **7,719.53** | **6,892.09** |
| **Non-controlling interests** | **35.92** | **28.93** |
| **Liabilities** | | |
| **Non-current liabilities** | | |
| Financial liabilities | | |
| Borrowings | 8,563.70 | 8,193.40 |
| Trade payables | 94.64 | 53.36 |
| Other financial liabilities | 956.44 | 863.76 |
| Provisions | 79.05 | 95.98 |
| Deferred tax liabilities (net) | 1,482.94 | 1,336.33 |
| Other non-current liabilities | 882.34 | 825.30 |
| **Sub total - Non-current liabilities** | **12,059.11** | **11,368.13** |
| **Current liabilities** | | |
| Financial liabilities | | |
| Borrowings | - | 76.62 |
| Trade payables | 658.71 | 733.79 |
| Other financial liabilities | 1,482.92 | 1,148.74 |
| Other current liabilities | 577.52 | 472.47 |
| Provisions | 31.83 | 44.15 |
| Current tax liabilities (net) | 26.55 | 27.61 |
| **Sub total - Current liabilities** | **2,777.53** | **2,503.38** |
| **Total - Equity and liabilities** | **22,592.09** | **20,792.53** |

For, **TORRENT POWER LIMITED**

Samir Mehta
Chairman

Place : Ahmedabad
Date : 29th May, 2018

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Ahmedabad