

# Price Waterhouse Chartered Accountants LLP

## Review Report

To  
The Board of Directors  
Torrent Power Limited  
'Samanvay', 600, Tapovan,  
Ambawadi,  
Ahmedabad - 380015

1. We have reviewed the unaudited standalone financial results of Torrent Power Limited (the "Company") for the quarter ended December 31, 2020 and the year to date results for the period April 1, 2020 to December 31, 2020 which are included in the accompanying Statement of Standalone financial results for the quarter and nine months ended December 31, 2020 (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been digitally signed by us for identification purposes. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 4 to the Statement 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 results have been prepared after considering the effect of the Scheme with effect from the appointed date of April 1, 2020 as per NCLT approved Order. Further, the published financial results for the previous quarter and half-year ended September 30, 2020 have been revised by the Company after recognising the effect of the Scheme. Our conclusion is not modified in respect of this matter.

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

PRADIP M KANAKIA

Digitally signed by PRADIP M  
KANAKIA  
Date: 2021.02.09 16:05:43 +05'30'

Pradip Kanakia  
Partner  
Membership Number: 039985  
UDIN: 21039985AAAAAD9163

Place: Bengaluru  
Date: February 9, 2021

Price Waterhouse Chartered Accountants LLP, 1701, 17th Floor, Shapath V, Opp. Karnavati Club, S G Highway  
Ahmedabad - 380 051, Gujarat, India  
T: +91 (79) 3091 7000, F: +91 (79) 3091 7082

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# 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

## STATEMENT OF STAND-ALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

Particulars	(₹ in Crore except per share data)					
	For the quarter ended			For the nine months ended		For the year ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
		Refer note 4		Refer note 4		
<b>Income</b>						
Revenue from operations (Refer note 1)	2,866.88	3,011.82	3,048.34	8,782.10	10,511.35	13,442.04
Other income	61.77	61.88	57.19	174.86	188.28	245.09
<b>Total income</b>	<b>2,928.65</b>	<b>3,073.70</b>	<b>3,105.53</b>	<b>8,956.96</b>	<b>10,699.63</b>	<b>13,687.13</b>
<b>Expenses</b>						
Electrical energy purchased	906.05	844.86	835.87	2,433.21	2,929.24	3,709.40
Fuel cost	839.87	1,021.96	957.57	2,784.22	3,446.61	4,250.54
Cost of materials consumed	-	-	65.00	-	202.47	250.60
Purchase of stock-in-trade	0.45	-	-	0.45	53.69	53.69
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	(11.03)	-	(3.99)	1.45
Employee benefits expense	130.44	140.89	135.62	418.77	405.30	528.49
Finance costs	171.23	188.08	220.47	566.20	683.57	891.86
Depreciation and amortisation expense	294.71	291.43	308.24	876.62	918.99	1,230.16
Other expenses	162.42	363.62	252.37	769.58	886.60	1,225.04
<b>Total expenses</b>	<b>2,505.17</b>	<b>2,850.84</b>	<b>2,764.11</b>	<b>7,849.05</b>	<b>9,522.48</b>	<b>12,141.23</b>
<b>Profit before exceptional items and tax</b>	<b>423.48</b>	<b>222.86</b>	<b>341.42</b>	<b>1,107.91</b>	<b>1,177.15</b>	<b>1,545.90</b>
Exceptional items (Refer note 2)	-	-	-	-	-	1,000.00
<b>Profit before tax</b>	<b>423.48</b>	<b>222.86</b>	<b>341.42</b>	<b>1,107.91</b>	<b>1,177.15</b>	<b>545.90</b>
Tax expense						
- Current Tax	74.29	44.05	66.53	205.37	232.99	305.94
- Deferred tax	3.41	(17.39)	(165.57)	(7.55)	(516.16)	(998.18)
<b>Total tax expenses</b>	<b>77.70</b>	<b>26.66</b>	<b>(99.04)</b>	<b>197.82</b>	<b>(283.17)</b>	<b>(692.24)</b>
<b>Profit for the period</b>	<b>345.78</b>	<b>196.20</b>	<b>440.46</b>	<b>910.09</b>	<b>1,460.32</b>	<b>1,238.14</b>
<b>Other comprehensive income :</b>						
Items that will not be reclassified to profit or loss	(2.95)	2.41	(6.61)	(8.86)	(19.84)	(44.57)
Tax relating to other comprehensive income	(1.03)	0.84	(2.31)	(3.12)	(6.93)	(15.57)
<b>Other comprehensive income (net of tax)</b>	<b>(1.92)</b>	<b>1.57</b>	<b>(4.30)</b>	<b>(5.74)</b>	<b>(12.91)</b>	<b>(29.00)</b>
<b>Total comprehensive income</b>	<b>343.86</b>	<b>197.77</b>	<b>436.16</b>	<b>904.35</b>	<b>1,447.41</b>	<b>1,209.14</b>
Paid up equity share capital (F.V. ₹ 10/- per share)	480.62	480.62	480.62	480.62	480.62	480.62
Reserves excluding revaluation reserves as per balance sheet of previous accounting year						8,706.65
Earnings per share (of ₹ 10/- each) (not annualised)						
(a) Basic (₹)	7.19	4.08	9.16	18.94	30.38	25.76
(b) Diluted (₹)	7.19	4.08	9.16	18.94	30.38	25.76

JINAL  
SUDHIRBH  
AI MEHTA

Digitally signed by  
JINAL SUDHIRBHAI  
MEHTA  
Date: 2021.02.09  
15:46:57 +05'30'



**Notes:**

- 1 Revenue from operations for the quarter and nine months ended December 31, 2020 includes ₹ Nil and ₹ 250.62 Crore (quarter and nine months ended December 31, 2019 ₹ Nil and ₹ 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.
- 2 Net carrying value of Property, Plant & Equipment as at December 31, 2020 includes ₹ 2,929.20 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 nine months ended December 31, 2020.

Company had carried out an impairment assessment of DGEN as at March 31, 2020 and had recorded a charge of ₹ 1,000.00 Crore under the heading 'Exceptional items' towards the estimated shortfall in the recoverable amount (being the higher of 'fair value less cost to sell' and 'value in use') of DGEN over its carrying amount, in accordance with Indian Accounting Standard 36 'Impairment of Assets' ("Ind AS 36"). The Company has reviewed the key assumptions underlying the above assessment and has concluded that no further impairment provision is considered necessary as at December 31, 2020.

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.

- 3 **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 partial reversal of past provision for doubtful debts made in earlier periods in the distribution franchisee business.

The Company has considered the possible impact of COVID-19 pandemic in preparation of these standalone financial results for the current quarter, including but not limited to assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and believes that the current pandemic no longer has a material impact on the operations and financial position of the Company.

- 4 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 Pvt. Ltd., 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 results for the current quarter and current period of nine months with effect from the Appointed Date.

The CBU had a book value (net of related liabilities) of ₹ 249.68 Crore 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 current quarter and nine months ended December 31, 2020.

The reported figures without giving effect of the Scheme and the figures after giving effect of the Scheme for the quarter ended September 30, 2020 are provided below:

Particulars	(₹ in Crore)	
	Quarter ended September 30, 2020	
	Without giving effect of the Scheme	After giving effect of the Scheme
Revenue from operations	3,053.07	3,011.82
Profit before tax	224.90	222.86
Profit after tax	198.32	196.20
Total comprehensive income	199.89	197.77

- 5 Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Limited ("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. Cost of the land would be reimbursed to TPGL as and when GoG is able to dispose off the said acquired 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 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 recovery of the amount invested as equity and loan aggregating ₹ 108.23 Crore as at December 31, 2020 is dependent on the ability of GoG to find a suitable buyer for the land.
- 6 The Board of Directors has approved interim dividend of ₹ 5.50 per equity share of ₹ 10/- each fully paid up for the financial year 2020-21 in its meeting held on February 09, 2021. The aggregate amount of interim dividend to be distributed is ₹ 264.34 Crore.

**JINAL  
SUDHIRBH  
AI MEHTA**

Digitally signed by  
JINAL SUDHIRBHAI  
MEHTA  
Date: 2021.02.09  
15:47:41 +05'30'

- 7 Chief operating decision maker evaluates the Company's performance and allocates resources to the whole of 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". Company's operations are wholly confined within India and as such there is no reportable geographical information.
- 8 The immovable and movable assets of the Company, both present and future, are mortgaged and hypothecated by way of first pari passu charge in favour of holders of secured Non Convertible Debentures along with lenders of term loans, cash credits and non-funded based credit facilities, availed by the Company (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 admeasuring 1112.4 sq. yds.
- 9 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.
- 10 Figures for the previous periods have been regrouped / recast, wherever necessary, to make them comparable with the figures for the current periods.
- 11 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 February 09, 2021.

**PRADIP M  
KANAKIA**

Digitally signed by  
PRADIP M KANAKIA  
Date: 2021.02.09  
16:07:48 +05'30'

For, TORRENT POWER LIMITED

**JINAL**

**SUDHIRBH  
AI MEHTA**

Digitally signed by  
JINAL SUDHIRBHAI  
MEHTA  
Date: 2021.02.09  
15:46:21 +05'30'

Place : Ahmedabad  
Date : February 09, 2021

Jinal Mehta  
Managing Director