

Price Waterhouse Chartered Accountants LLP

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 1 to the Statement) for the year ended March 31, 2019 together with the notes thereon (hereinafter referred to as the "Statement"), which we have initialled under reference to this report.

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.



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Price Waterhouse Chartered Accountants LLP

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, 2019 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, 2019 in accordance with the accounting principles generally accepted in India.

Emphasis of Matter

7. We draw your attention to Note 5 of the Statement regarding the figures for the quarter ended March 31, 2019, 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 modified in respect of this matter.

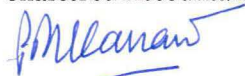
Other Matter

8. 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, 2019 on which we issued an unmodified audit opinion vide our report dated May 15, 2019.
9. 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, 2019 as considered in the consolidated financial results, in respect of three 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 modified in respect of this matter.

Restriction on Use

10. 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 8 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 Number: 039985

Place: Ahmedabad
Date: May 15, 2019

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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019

Particulars	(₹ in Crore except per share data)				
	For the quarter ended			For the year ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
	Refer note 5	Un-audited	Refer note 5	Audited	Audited
Income					
Revenue from operations	2,924.80	3,253.50	2,810.36	13,150.97	11,512.09
Other income	39.85	53.33	98.76	189.59	263.55
Total income	2,964.65	3,306.83	2,909.12	13,340.56	11,775.64
Expenses					
Electrical energy purchased	819.84	1,080.46	839.74	4,116.50	3,584.78
Fuel cost	897.16	988.73	837.25	4,019.46	3,200.18
Cost of materials consumed	51.81	60.38	64.21	259.86	233.44
Purchase of stock-in-trade	54.90	85.35	-	229.46	37.18
Changes in inventories of finished goods, work-in-progress and stock-in-trade	14.01	(10.15)	10.16	(19.58)	1.25
Employee benefits expense	154.58	111.04	128.95	486.42	467.03
Finance costs	216.27	228.69	210.47	898.93	848.19
Depreciation and amortisation expense and impairment loss	312.97	307.40	303.33	1,226.53	1,131.50
Other expenses	222.70	201.28	239.79	859.37	871.10
Total expenses	2,744.24	3,053.18	2,633.90	12,076.95	10,374.65
Profit before tax	220.41	253.65	275.22	1,263.61	1,400.99
Tax expense					
- Current tax	42.60	58.92	61.46	275.51	312.48
- Deferred tax	153.01	(43.46)	(7.49)	84.27	136.39
Profit for the period	24.80	238.19	221.25	903.83	952.12
Profit for the period attributable to :					
Owners of the company	23.95	236.96	216.95	898.94	942.31
Non-controlling interests	0.85	1.23	4.30	4.89	9.81
Other comprehensive income :					
Items that will not be reclassified to profit or loss	(10.44)	0.36	14.26	(9.60)	20.50
Tax relating to other comprehensive income	(3.65)	0.13	5.00	(3.35)	7.16
Other comprehensive income (net of tax)	(6.79)	0.23	9.26	(6.25)	13.34
Total comprehensive income	18.01	238.42	230.51	897.58	965.46
Total comprehensive income attributable to :					
Owners of the company	17.16	237.19	226.21	892.69	955.65
Non-controlling interests	0.85	1.23	4.30	4.89	9.81
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				8,489.61	7,238.91
Earnings per share (EPS)					
Earnings per share (before and after extraordinary items) (of ₹ 10/- each) (not annualised)					
(a) Basic (₹)	0.50	4.93	4.51	18.70	19.61
(b) Diluted (₹)	0.50	4.93	4.51	18.70	19.61



Notes:

- 1 The consolidated financial results include the financial results of Torrent Power Limited (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 (NVWEPL), Ravapar Wind Energy Private Limited (RWEPL), Khatiyu Wind Energy Private Limited (KWEPL) and accordingly, no share of loss of these associates are accounted.

During the year, NVWEPL, RWEPL and KWEPL have ceased to be associates of the Company. There is no impact of this development on the consolidated financial results for the quarter or year ended 31st March, 2019.

- 2 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 quarter ended and year ended 31st March, 2019, are higher by ₹ 121.44 Crore and ₹ 318.26 Crore respectively. 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.

- 3 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 crores 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 2 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.

- 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 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 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.
- 5 Figures for the quarter ended 31st March, 2019 and 31st March, 2018 are the balancing figures between audited figures for the full financial year ended 31st March, 2019 and 31st March, 2018 and the published year to date figures upto the third quarter of the respective financial years.
- 6 The Board of Directors have recommended final dividend of ₹ 5.00 per equity share of ₹ 10/- each fully paid up for the financial year 2018-19 in its meeting held on 15th May, 2019. The aggregate amount of final dividend to be distributed is ₹ 289.71 Crore including ₹ 49.40 Crore as tax on dividend distributed.
- 7 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".
- 8 The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first charge in favour of holders of Non Convertible Debentures series no. 1, 2A / 2B / 2C and 3A / 3B / 3C and which charge is held on a *pari passu* basis with lenders of term loans, cash credits and non-fund based credit facilities to the Company.
- 9 The figures for the previous periods have been regrouped / recast, wherever necessary, to make them comparable with the figures for the current period.
- 10 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 15th May, 2019.



(₹ in crore)

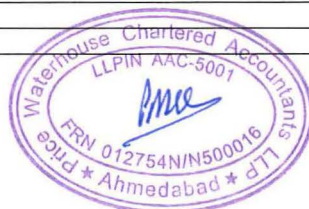
Particulars	For the quarter ended			For the year ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
	Refer note 5	Un-audited	Refer note 5	Audited	Audited
Revenue from operations	2,893.21	3,217.84	2,798.10	12,977.52	11,448.86
Profit before tax	225.98	256.33	282.43	1,248.36	1,375.53
Profit after tax	26.76	239.36	215.16	889.24	921.74
Total comprehensive income	20.00	239.59	224.41	883.03	935.07

Note : The standalone financial results of the Company for the above mentioned periods are available in the investors section in www.torrentpower.com and also with the stock exchanges where it is listed. The information above has been extracted from the published standalone financial results.

Consolidated Statement of Assets and Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Audited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	17,996.58	17,857.49
Capital work-in-progress	359.27	390.47
Investment property	-	-
Intangible assets	17.31	13.23
Intangible assets under development	-	2.04
Financial assets		
Investments	287.56	192.29
Loans	16.74	16.73
Other financial assets	230.61	0.77
Deferred tax assets (net)	3.56	3.06
Non-current tax assets (net)	28.36	27.07
Other non-current assets	975.56	658.82
Sub total - Non-current assets	19,915.55	19,161.97
Current assets		
Inventories	627.03	454.88
Financial assets		
Investments	626.86	680.66
Trade receivables	1,229.69	1,130.45
Cash and cash equivalents	116.07	136.50
Bank balances other than cash and cash equivalents	211.93	181.05
Loans	15.07	16.31
Other financial assets	1,679.38	751.05
Other current assets	132.45	79.22
Sub total - Current assets	4,638.48	3,430.12
Total - Assets	24,554.03	22,592.09
EQUITY AND LIABILITIES		
Equity		
Equity share capital	480.62	480.62
Other equity	8,489.61	7,238.91
Sub total - Equity	8,970.23	7,719.53
Non-controlling interests	37.39	35.92
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	8,576.45	8,563.70
Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	109.34	94.64
Other financial liabilities	1,055.03	956.44
Provisions	83.24	79.05
Deferred tax liabilities (net)	1,565.38	1,482.94
Other non-current liabilities	975.40	882.34
Sub total - Non-current liabilities	12,364.84	12,059.11
Current liabilities		
Financial liabilities		
Borrowings	300.05	-
Trade payables		
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	1,362.90	1,482.92
Other current liabilities	669.27	577.52
Provisions	42.44	31.83
Current tax liabilities (net)	16.42	26.55
Sub total - Current liabilities	3,181.57	2,777.53
Total - Equity and liabilities	24,554.03	22,592.09



Place : Ahmedabad
Date : 15th May, 2019

For, TORRENT POWER LIMITED

Jinal Mehta
Managing Director