

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 consolidated unaudited financial results of Torrent Power Limited (the "Parent"), its subsidiaries (the Parent and its subsidiaries hereinafter referred to as the "Group"), and its share of the net profit after tax and total comprehensive income of its associate company (refer Note 1 on the Statement) for the quarter ended December 31, 2021 and the year to date results for the period April 1, 2021 to December 31, 2021, which are included in the accompanying Statement of Consolidated Financial Results for the quarter and nine months ended December 31, 2021 (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purposes.
- 2) This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's 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.
- 3) We conducted our review of the Statement in accordance with the Standard on Review Engagements (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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



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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)

Price Waterhouse Chartered Accountants LLP

- 4) The Statement includes the results of the following entities:
- a) Torrent Power Limited
 - b) Torrent Power Grid Limited
 - c) Torrent Pipavav Generation Limited
 - d) Torrent Solargen Limited
 - e) Jodhpur Wind Farms Private Limited
 - f) Latur Renewable Private Limited
 - g) TCL Cables Private Limited
 - h) Torrent Solar Power Private Limited
 - i) Torrent Saurya Urja 2 Private Limited
 - j) Torrent Saurya Urja 3 Private Limited
 - k) Torrent Saurya Urja 4 Private Limited
 - l) Torrent Saurya Urja 5 Private Limited
 - m) Wind Two Renergy Private Limited
- 5) Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying 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 and Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 6) The consolidated unaudited financial results include the Group's share of net profit after tax of Rs. Nil and total comprehensive income of Rs. Nil for the quarter and nine months ended December 31, 2021, as considered in the consolidated unaudited financial results, in respect of one associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditor on which they have issued an unmodified conclusion, which have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matter.

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


Priyanshu Gundana
Partner

Membership Number: 109553
UDIN: 22 109553 AA FCMZ 1980

Place: Ahmedabad
Date: February 3, 2022

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 NINE MONTHS ENDED DECEMBER 31, 2021

Particulars	(₹ in Crore except per share data)					
	For the quarter ended			For the nine months ended		For the year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
Income						
Revenue from operations (Refer note 2)	3,767.43	3,647.62	2,952.75	10,513.96	9,088.53	12,172.66
Other income	65.71	36.07	37.36	138.10	109.40	141.81
Total income	3,833.14	3,683.69	2,990.11	10,652.06	9,197.93	12,314.47
Expenses						
Electrical energy purchased	1,442.39	1,108.71	906.05	3,498.56	2,433.21	3,358.36
Fuel cost	768.74	1,056.33	839.87	2,780.27	2,784.22	3,610.55
Cost of materials consumed	64.15	111.56	26.17	207.81	80.22	104.21
Purchase of stock-in-trade	145.28	28.55	0.45	188.57	0.45	48.24
Changes in inventories of finished goods and work-in-progress	13.45	(7.58)	(1.55)	(5.32)	2.52	8.86
Employee benefits expense	126.21	152.00	133.90	425.55	433.04	538.94
Finance costs	156.64	157.49	189.69	476.98	611.99	775.73
Depreciation and amortisation expense	333.90	331.65	319.27	994.18	951.71	1,279.55
Other expenses	273.26	259.73	177.58	818.16	804.08	1,038.26
Total expenses	3,324.02	3,198.44	2,591.43	9,384.76	8,101.44	10,762.70
Profit before tax	509.12	485.25	398.68	1,267.30	1,096.49	1,551.77
Tax expense						
- Current tax	104.18	84.16	75.14	234.30	207.97	287.85
- Deferred tax	35.49	32.25	1.81	86.93	(9.25)	(31.95)
Total tax expense	139.67	116.41	76.95	321.23	198.72	255.90
Profit for the period	369.45	368.84	321.73	946.07	897.77	1,295.87
Other comprehensive income :						
Items that will not be reclassified to profit or loss	(0.57)	(3.22)	(3.09)	(2.17)	(9.27)	6.13
Tax relating to other comprehensive income	(0.23)	(1.10)	(1.07)	(0.78)	(3.23)	2.02
Other comprehensive income (net of tax)	(0.34)	(2.12)	(2.02)	(1.39)	(6.04)	4.11
Total comprehensive income	369.11	366.72	319.71	944.68	891.73	1,299.98
Profit for the period attributable to :						
Owners of the company	368.08	367.35	320.50	942.02	894.00	1,290.93
Non-controlling interests	1.37	1.49	1.23	4.05	3.77	4.94
Total comprehensive income attributable to :						
Owners of the company	367.74	365.23	318.48	940.63	887.96	1,295.04
Non-controlling interests	1.37	1.49	1.23	4.05	3.77	4.94
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						9,703.62
Earnings per share (EPS)						
Earnings per share (of ₹ 10/- each) (not annualised)						
(a) Basic (₹)	7.66	7.64	6.67	19.60	18.60	26.86
(b) Diluted (₹)	7.66	7.64	6.67	19.60	18.60	26.86



Notes:

- 1 The consolidated financial results include the financial results of Torrent Power Limited (the "Company") and eleven 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, Torrent Saurya Urja 2 Private Limited, Torrent Saurya Urja 3 Private Limited, Torrent Saurya Urja 4 Private Limited (w.e.f July 20, 2021) and Torrent Saurya Urja 5 Private Limited (w.e.f July 16, 2021) (the "Group"). The Company has not invested equity in its associate Wind Two Renergy Private Limited and accordingly, share of profit of the associate is not included in the consolidated financial results.
- 2 Revenue from operations for the comparative nine months of previous period ended December 31, 2020 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.
- 3 Net carrying value of Property, Plant & Equipment ("PPE") as at December 31, 2021 includes ₹ 2,729.02 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.

The Company had carried out an impairment assessment of DGEN as at March 31, 2021 considering the recoverable amount based on value-in-use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets' and concluded that no further impairment provision is necessary as at March 31, 2021. The Company has reviewed the key assumptions underlying the above assessment as on December 31, 2021 and concluded that no further impairment provision is considered necessary as at December 31, 2021.

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.

- 4 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. 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 results of TPGL for the quarter and nine months ended December 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.
- 5 The Board of Directors has approved interim dividend of ₹ 9.00 per equity share of ₹ 10/- each fully paid up for the financial year 2021-22 in its meeting held on February 03, 2022. The aggregate amount of interim dividend to be distributed is ₹ 432.56 Crore.
- 6 Chief operating decision maker evaluates the Group's performance and allocates resources to the whole of 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". Group's operations are wholly confined within India and as such there is no reportable geographical information.
- 7 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, fund-based working capital facilities and non-fund 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 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
 - 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.
- 8 (a) On July 30, 2021, the Company has entered into a Securities Purchase Agreement 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, which operates a 50 MW solar power plant, situated in the state of Maharashtra. Enterprise value estimated for this acquisition is approx ₹ 317 Crore subject to closing price adjustments. The acquisition is subject to customary conditions for transaction closure.

(b) On September 21, 2021, the Company has entered into a Share Purchase Agreement with CESC Limited, Haldia Energy Limited and other Nominal Shareholders for the acquisition of 100% of the share capital of Surya Vidyut Limited, which operates a 156 MW wind power plants, situated in the state of Gujarat, Rajasthan and Madhya Pradesh. Enterprise value estimated for this acquisition is approx ₹ 790 Crore subject to closing price adjustments. The acquisition is subject to customary conditions for transaction closure.

The above financial results for the nine months ended December 31, 2021 do not include the financial information of these proposed acquisitions as the conditions for share purchase agreements are yet to be complied with and approvals to be obtained.



- 9 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 3, 2022.
- 10 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021.
- 11 Refer Annexure I for disclosure required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- 12 Summary of key standalone financial results of the Company is as follows:

(₹ in crore)

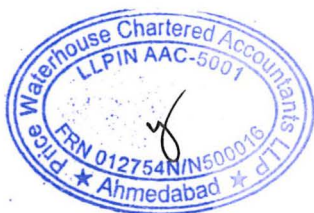
Particulars	For the quarter ended			For the nine months ended		For the year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
Revenue from operations	3,635.46	3,447.90	2,866.88	10,082.29	8,782.10	11,776.52
Profit before tax	525.20	470.94	423.48	1,253.66	1,107.91	1,583.24
Profit after tax	380.18	356.28	345.78	935.47	910.09	1,324.91
Total comprehensive income	379.75	354.24	343.86	933.89	904.35	1,328.30

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.

For, TORRENT POWER LIMITED

Place : Ahmedabad
Date : February 3, 2022


Jinal Mehta
Managing Director



ANNEXURE I:

Disclosures pursuant to Regulation 52(4) & 54(3) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 (as amended) (Consolidated) :-

Regulation No.	Particulars	For the quarter ended			For the nine months ended		For the year ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
52(4)(c)	Debt equity ratio	0.66	0.69	0.79	0.66	0.79	0.73
52(4)(f)	Debt service coverage ratio	3.29	1.92	2.76	1.87	1.59	1.75
52(4)(g)	Interest service coverage ratio	6.06	6.14	4.82	5.66	4.28	4.59
52(4)(h)	Outstanding redeemable preference shares (quantity and value)	NA	NA	NA	NA	NA	NA
52(4)(i)	Capital redemption reserve / Debenture redemption reserve (₹ in Crore)	211.76	196.76	258.10	211.76	258.10	187.26
52(4)(j)	Net worth (₹ in Crore)	10,898.13	10,529.02	10,078.33	10,898.13	10,078.33	10,220.60
52(4)(k)	Net Profit after tax (other than other comprehensive income) (₹ in Crore)	369.45	368.84	321.73	946.07	897.77	1,295.87
52(4)(l)	Earnings per share (₹) (not annualised)	7.66	7.64	6.67	19.60	18.60	26.86
52(4)(m)	Current ratio	1.70	1.59	1.81	1.70	1.81	1.40
52(4)(n)	Long term debt to working capital	2.53	2.77	2.52	2.53	2.52	3.20
52(4)(o)	Bad debts to account receivable (not annualised)	-0.08%	0.30%	-1.62%	1.50%	4.94%	4.34%
52(4)(p)	Current liability ratio	0.23	0.24	0.21	0.23	0.21	0.25
52(4)(q)	Total debts to total assets	0.31	0.32	0.35	0.31	0.35	0.33
52(4)(r)	Debtors turnover (not annualised)	2.24	2.22	1.82	6.81	6.47	9.02
52(4)(s)	Inventory turnover (not annualised)	6.98	6.92	5.66	21.04	15.78	23.22
52(4)(t)	Operating margin (%)	24.79%	25.72%	29.47%	24.73%	28.07%	28.47%
52(4)(u)	Net profit margin (%)	9.81%	10.11%	10.90%	9.00%	9.88%	10.65%

Formulae for the computation of the Ratios :

- 1 Debt equity ratio = (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) / (Equity share capital + Preference share capital + all reserves (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – Intangible assets – Intangible assets under development)
- 2 Debt service coverage ratio = (Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt) / (Principal repayment of debt (excluding voluntary prepayments if any) + Interest on debt)
- 3 Interest service coverage ratio = (Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt) / (Interest on debt)
- 4 Current ratio = Current assets / (Current liabilities- Security deposits from consumers - Service line deposits from consumers- Deferred revenue)
- 5 Long term debt to working capital ratio = (All long term debt outstanding (including unamortised expense)+ contingent liability pertaining to corporate / financial guarantee given) / (Current assets- (Current Liabilities- Security deposits from consumers - Service line deposits from consumers- Deferred revenue -Current maturity of long term debt))
- 6 Bad debts to account receivable ratio = (Bad debts written off (net of recovery) + Allowance for doubtful debts (net))/ (Average gross trade receivables)
- 7 Current liability ratio = (Current liabilities- Security deposits from consumers - Service line deposits from consumers- Deferred revenue) / (Total liabilities)
- 8 Total debts to Total assets ratio = (All long term debt outstanding (including unamortised expense)+ contingent liability pertaining to corporate / financial guarantee given + Short term debt) / (Total assets)
- 9 Debtors turnover ratio = (Revenue from operations) / (Average trade receivables)
- 10 Inventory turnover ratio = (Revenue from operations) / (Average inventories)
- 11 Operating margin = (Profit before tax + Finance costs + Depreciation and amortisation - Other income) / (Revenue from operations)
- 12 Net profit margin = (Profit after tax) / (Revenue from operations)

