

The Company has made applications to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited for listing of its shares allotted pursuant to the Composite Scheme of Arrangement including Amalgamation. In accordance with para 6 of SEBI circular dated 29th October 2004, the Company has set up its Board, constituted its committees and has complied with other requirements of the Clause 49 of the Listing Agreement as described hereunder:

I. Company's Philosophy on Code of Governance

Corporate Governance is not merely compliance – it involves leveraging Company's resources and aligning its activities to consumer need, shareholder benefits and employee growth, thereby delighting all its stakeholders while minimising risks.

Corporate Governance, relates to systems and processes that direct corporate resources and management strategies towards maximising value for stakeholders while ensuring accountability, probity and transparency in the conduct of business within the acceptable, legal and ethical framework. A good governance process should thus provide sufficient transparency in corporate policies, strategies and decision making while strengthening internal control systems and building relationship with stakeholders, including employees and shareholders. Accountability improves decision making. Transparency helps to explain the rationale behind decisions, and thereby builds stakeholder confidence. The adherence to good governance practices in true spirit, not just in letter, will help align interests of stakeholders, and hence investors' confidence and provide access to cheaper resources, in turn facilitating the creation of superior value on sustainable basis.

The Company is committed to the adoption of best governance practices and their adherence in true spirit at all times. Company's governance practices are a product of self desire to change and its improvement is a continuous process, with no upper bound. The governance philosophy of the Company rests on five basic principles viz, protection of right and interest of shareholders, equality in treatment of all shareholders, disclosure of timely and accurate information, strategic guidance and effective monitoring by the Board and the Board accountability to company and its shareholders. Above all, our governance practices reflect the true spirit of the trusteeship i.e., deeply ingrained in the value system and reflected in the strategic thought process at all times.

The Company places due emphasis on regulatory compliances including adoption of environment friendly technology; complete customer satisfaction through uninterrupted, reliable, quality power supply at affordable prices; discharge of social obligations as a responsible Corporate member of the Society/Community; dynamic organisation through competent and dedicated employees and achieving leadership in Power Sector.

2. Board of Directors

The Board of Directors comprises of eight members. More than 50% of the directors are non-executive directors, while 50% of the directors are independent directors. Thus, the composition of the Board is in compliance with the requirements of Clause 49 of the Listing Agreement. The detailed composition of the Board and other related information are given in the table below:

Name of the Director	Category	No. of other Directorships held *	No. of other Board Committees of which Member*/Chairman*	Board Meetings attended	Attendance at the last AGM
Sudhir Mehta	Executive Chairman Promoter Group	2	1 (as Chairman)	18	Yes
Dr. Bakul H. Dholakia (a)	Independent	6	3 (as Chairman) 4 (as Member)	Nil	No
Balwant Singh, IAS (b)	Independent Nominee of Gujarat Govt. (a shareholder)	14	2 (as Chairman) 3 (as Member)	Nil	No
Pankaj Patel (c)	Independent	9	2 (as Chairman) 1 (as Member)	Nil	No
Samir Mehta	Non-Executive Promoter Group	1	2 (as Member)	18	Yes
S.B. Kunwar (d)	Independent Nominee of LIC (a shareholder)	2	Nil	Nil	No
Sudhir Shah (e)	Non-executive	1	Nil	14	No
Markand Bhatt (f)	Director in whole-time employment	1	1 (as Member)	2	No
Murli Ranganathan (g)	Director in whole-time employment	1	Nil	1	No

* Excludes the directorships held in private companies, foreign companies and companies registered under section 25 of the Companies Act, 1956 and includes the committee membership of only, Audit Committee and Shareholders'/ Investors' Grievances Committee.

(a) Dr. Bakul H. Dholakia was appointed as an Additional Director on 29th September, 2006.

(b) Mr. Balwant Singh, IAS was appointed as an Additional Director on 29th September, 2006.

(c) Mr. Pankaj Patel was appointed as an Additional Director on 29th September, 2006.

(d) Mr. S.B. Kunwar was appointed as an Additional Director on 29th September, 2006.

(e) Mr. Sudhir Shah has resigned with effect from 29th September, 2006.

(f) Mr. Markand Bhatt was appointed as an Additional Director w.e.f. 16th September, 2006 and as a Director in whole-time employment w.e.f. 1st October, 2006.

(g) Mr. Murli Ranganathan was appointed as an Additional Director on 29th September, 2006 and as a Director in whole-time employment w.e.f. 1st October, 2006.

Details of Board Meetings Held

Date of Board Meetings	No. of Directors Present	Date of Board Meetings	No. of Directors Present
22nd April, 2005	2	1st February, 2006	3
23rd June, 2005	3	10th February, 2006	3
5th July, 2005	3	22nd March, 2006	3
25th July, 2005	3	20th April, 2006	3
22nd October, 2005	3	14th June, 2006	2
15th December, 2005	3	19th July, 2006	3
9th January, 2006	3	11th September, 2006	2
13th January, 2006	3	16th September, 2006	3
27th January, 2006	3	29th September, 2006	2

Details of Directors proposed to be appointed/ re-appointed at the next Annual General Meeting

Mr. Samir Mehta is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Dr. Bakul Dholakia, Mr. Balwant Singh, IAS, Mr. Pankaj Patel, Mr. S.B. Kunwar, Mr. Markand Bhatt and Mr. Murlu Ranganathan were appointed as the Additional Directors and hold their office upto the date of the ensuing Annual General Meeting of the Company. The Directors commend their appointment/re-appointment.

Their respective profiles are as under:

Mr. Samir Mehta

Mr. Samir Mehta, has done Graduation in Commerce and Masters in Business Administration with specialisation in Finance and General management. He has vast experience as a Director in Torrent Group. As the Managing Director of Torrent Pharmaceuticals Limited (Torrent Pharma), he has been instrumental in setting up the Torrent Research Centre as also Torrent Pharma's foray in to new therapeutic areas. His thrust on high quality, dependable products has seen Torrent Pharma's consolidated turnover grow to over Rs. 900 Crores. He has also contributed immensely to the Torrent Pharma's achievements in exports and the professionalisation of it's management.

He played a key role in setting-up of a 655 MW dual fuel combined cycle power project of Gujarat Torrent Energy Corporation Ltd. at Paguthan, Bharuch, which was subsequently divested to Powergen.

Besides being the Managing Director of Torrent Pharmaceuticals Limited and a director of Torrent Private Limited, Mr. Samir Mehta was also a Director on the Boards of erstwhile Torrent Power AEC Limited, Torrent Power SEC Limited and Torrent Power Generation Limited.

Dr. Bakul Dholakia

Dr. Bakul Dholakia, Ph.D. (Economics) and M.A. (Economics) (Gold Medalist) is the Director of Indian Institute of Management, Ahmedabad since October, 2002. His association with the Indian Institute of Management, Ahmedabad is for more than 31 years. He was previously associated with M.S. University for 6 years. He has provided consultancy to

various national and international organizations. He has visited various government departments and public as well as private sector organizations in many countries to develop international case studies and for management consultancy; focusing on various aspects such as economic policy reforms, export promotion strategy, economic planning, public enterprise management and privatisation programme.

Mr. Balwant Singh, IAS

Mr. Balwant Singh holds a Master of Science degree from Banaras Hindu University, a Master of Arts degree from University of Reading, U.K. and a Post Graduate Diploma in Management from Indira Gandhi National Open University. He is an IAS officer and has administrative and corporate experience spanning 31 years. He is currently the Principal Secretary, Energy and Petrochemicals Department, Government of Gujarat. He has held positions in the Ministry of Environment & Forest and the Ministry of Science & Technology, Government of India. He also acted as the Chief Electoral Officer, Gujarat, Principal Secretary, Ports and Fisheries Department, Government of Gujarat, and Chairman, Gujarat Maritime Board. He is a nominee of Government of Gujarat (a shareholder) on the Board of the Company.

Mr. Pankaj R. Patel

Mr. Pankaj R. Patel, M. Pharm; is the Chairman and Managing Director of Cadila Healthcare Limited. He is a Director in a number of public and foreign companies as well. He is also the President of Gujarat Chamber of Commerce & Industry and is associated with various associations like Federation of Indian Chamber of Commerce & Industry, Indian Pharmaceutical Alliance and Indian Drug Manufacturers Association. He was also conferred with the award “Pharma Man of the Year” by the Federation of Indian Industry and Economists in 2004.

Mr. S.B. Kunwar

Mr. S. B. Kunwar, a Commerce Graduate and a Chartered Accountant, was the Zonal Manager with the Life Insurance Corporation of India up to 31st December, 2004. He was also a director on the Board of erstwhile Torrent Power AEC Limited since 24th July, 2002. He is a nominee of Life Insurance Corporation of India (a shareholder) on the Board of the Company.

Mr. Markand Bhatt

Mr. Markand Bhatt holds a post graduate diploma in Business Management (1969 batch) from Indian Institute of Management, Ahmedabad. He was the Group Chief Executive Officer of the Torrent Group, a Rs. 3,760 crore conglomerate with predominant position in the pharmaceutical and power businesses. He commenced his professional career with reputed organisations. Later on, he practiced as a Management Consultant and was associated with premier government organisations and private groups including Torrent. He has been an advisor and active participant in the strategic planning for Torrent Group for over a decade. He was the Managing Director of Gujarat Torrent Energy Corporation Limited (GTEC), promoted by Torrent Group and the Government of Gujarat; which put up a 655 MW gas based dual fuel combined cycle power project at a cost of Rs. 2,247 Crores. He spearheaded the divestment of GTEC by Torrent Group, which was the biggest merger and acquisition deal in the country at that point of time. He was the Managing Director of Torrent Power Generation Limited implementing the 1100 MW SUGEN gas based combined cycle power project with an investment of Rs. 3,096 crores at village Akhakhhol, near Surat.

Mr. Murli Ranganathan

Mr. Murli Ranganathan is a Graduate in Mechanical Engineering and Post Graduate in Industrial Engineering from IIT Delhi, with wide experience of 27 years in the Industry. He had served earlier as Executive Director, Chief Executive Officer and Managing Director in various Torrent Group companies including as Chief Executive Officer in erstwhile Torrent Power AEC Limited (TPAL). He has an in-depth understanding of the power industry and under his leadership TPAL had become one of the best integrated power utilities in the country.

3. Committees of the Board

The Board has constituted four committees of the Board on 29th September, 2006, namely; the Audit Committee, the Shareholders'/Investors' Grievances Committee, Operational Committee of Directors and the Allotment Committee. The Board determines the Terms of Reference of the Board Committees from time to time. Minutes of Board Committee Meetings are placed for the information of the Board. The role and composition of these committees including the number of meetings held during the financial period and the Directors' attendance thereat are provided below:

Audit Committee

The Audit Committee was constituted on 29th September 2006. During the financial period ending on 30th September 2006, no meeting of Audit Committee took place. The composition of the Audit Committee is as under:

Name of the Director	Qualification	Category
Dr. Bakul H. Dholakia (elected as the Chairman w.e.f. 7th November 2006)	Ph.D. (Economics) and M.A. (Economics) (Gold Medalist), Director (IIM – Ahmedabad)	Independent
S.B. Kunwar	Chartered Accountant	Independent, Nominee of LIC (a shareholder)
Samir Mehta	M.B.A. (Finance)	Non-executive Promoter Group

The above composition meets all the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The Company Secretary acts as the secretary of the Audit Committee. In addition, representatives of the statutory auditors and the internal auditors as well the Chief Financial Officer of the Company shall attend and participate at the meeting. The Committee has the authority to invite such of executives, as it considers appropriate to be present at the meetings of Committee.

A brief description of the Terms of Reference of Audit Committee is given below:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by them.
- 4) Reviewing, with the management, the annual and quarterly financial statements before submission to the Board for approval

- 5) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 6) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, frequency of internal audit and the appointment, removal and terms of remuneration of the Chief Internal Auditor.
- 7) Discussion with internal auditors for any significant findings and follow up thereon.
- 8) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 9) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- 10) To review the Management discussion and analysis of financial condition and results of operations and significant related party transactions etc.

Shareholders'/Investors' Grievance Committee

Shareholders'/Investors' Grievance Committee was constituted by the Board on 29th September 2006. No meeting of the Committee was held during the financial period ending on 30th September 2006. The composition of the Committee is as follows:

Name of the Director	Category
Pankaj Patel, Chairman	Independent
Samir Mehta	Non-executive, Promoter Group
Markand Bhatt	Director in whole-time employment

The Company Secretary is the Secretary of the Committee and has been designated as the Compliance Officer.

The Company has not received any grievance. No valid requests for transfer/ transmission of shares, issue of duplicate shares etc. were pending as on 30th September, 2006.

Operational Committee of Directors

The role of the Operational Committee of Directors is to consider routine operational matters such as authorisation for opening and closing of bank accounts, demat accounts with depository/depository participants, issue of power of attorney, delegation of authority etc., and other matters assigned by the Board from time to time.

The Operational Committee of Directors was constituted on 29th September 2006. No meeting of the Committee was held during the financial period ending on 30th September 2006. The composition of Operational Committee of Directors is as follows:

Name of the Director	Category
Samir Mehta, Chairman	Non-executive, Promoter Group
Markand Bhatt	Director in Whole-time employment
Murli Ranganathan	Director in Whole-time employment

Allotment Committee

The Allotment Committee was constituted on 29th September 2006 to approve the allotment of shares pursuant to Composite Scheme of Arrangement including Amalgamation and for matters related thereto. The Committee met on 30th September 2006.

Name of the Director	Category	No. of meetings attended
Samir Mehta, Chairman	Non-executive, Promoter Group	1
S.B. Kunwar	Independent LIC Nominee Shareholder	1
Markand Bhatt	Director in whole-time employment	1

4. Remuneration**Chairman & Directors in whole-time employment**

The Board in its meeting held on 29th September 2006 has approved the appointment and payment of remuneration to the Chairman and directors in whole-time employment of the Company with effect from 1st October 2006. The detailed proposals are placed for approval of the Shareholders.

Remuneration to non-executive directors

The Board in its meeting held on 29th September 2006 has approved payment of sitting fees of Rs. 20,000 per meeting of the Board and Committee meetings in addition to payment of incidental and other expenses incurred for attending the meetings of the Board, Committees and shareholders. The amount is within the limits prescribed under Rule 10B of the Companies (Central Government) General Rules & Forms, 1956.

The Company now proposes for payment of commission linked to the net profit of the Company, instead of sitting fees to independent non-executive directors. The commission shall be determined by the Chairman of the Company, subject to a ceiling of 1% of net profits of that financial year calculated in accordance with section 349 of the Companies Act, 1956. The commission would be determined on the basis of duration of their appointment during the year and participation at Board and Committee meetings. The detailed proposal is placed for the approval of the shareholders.

The Company paid Rs. 20,000 as sitting fees to Mr. S. B. Kunwar, an independent & non-executive director during 2005-06. There are no other pecuniary relationship/transactions with the non-executive directors.

5. Subsidiary Company

The Company has divested its stake partially in AEC Cements & Constructions Limited (a non-material and non-listed subsidiary) on 28th July 2006 and hence it has ceased to be a subsidiary from that date onwards. The Company does not have any subsidiary as at 30th September 2006.

6. General Body Meetings

The details of Annual General Meeting (AGM) and Extra-Ordinary General Meetings (EGM) held by the Company are given below:

AGM	Date	Time	Venue	No. of Special Resolutions passed
Ist AGM	16th July 2005	11.30 a.m.	Torrent House, Off Ashram Road, Ahmedabad 380 009	Nil
EGM	13th January 2006	10.00 a.m.	Torrent House, Off Ashram Road, Ahmedabad 380 009	1
EGM	21st January 2006	4.00 p.m.	Torrent House, Off Ashram Road, Ahmedabad 380 009	1
EGM	1st February 2006	10.00 a.m.	Torrent House, Off Ashram Road, Ahmedabad 380 009	2

The special resolutions indicated above were passed by show of hands.

No special resolutions were required to be put through postal ballot last year and there is no proposal for conducting the special resolution through postal ballot.

7. Disclosures

There have been no instances of non-compliance by the Company, and no penalties, strictures imposed on the Company by Stock Exchange or Securities & Exchange Board of India (SEBI) or any other authority, on any matter related to capital markets.

Legal Compliance Policy

The Board in its meeting held on 29th September 2006, has adopted a formal management policy and system of legal compliance and reporting to facilitate review by the Board of Directors of compliance status of laws applicable to the Company and steps taken to rectify non-compliances, if any. Under the Policy, the legal compliance report shall be periodically reviewed by the Board.

Code of Business Conduct

The Board in its meeting held on 29th September 2006 has adopted the Code of Business Conduct. The same is being posted on the website of the Company. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the Code including disclosures of all material and commercial transactions where they have personal interest that may have a potential conflict with the interest of the Company at large, for the effective period. A declaration by the Executive Chairman to that effect forms part of this report as Annexure I.

Related Party Transactions

Transactions with related parties are disclosed in detail in Note number 19 of Schedule 15 forming part of the financial statements for the period. Adequate care was taken to ensure that potential conflict of interest did not harm the interests of the Company at large.

Disclosure of Accounting Treatment

In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

Disclosure of Risk Management

The Board in its meeting held on 29th September 2006, has adopted the Risk Assessment and Minimization Procedures. The management is in the process of operationalizing the framework. The same shall be periodically reviewed by the Board to ensure that executive management controls risk through means of a properly defined framework.

Proceeds from public issues, right issues, preferential issues etc.

On conversion to a public limited company, the Company allotted 40,000 equity shares to the existing shareholders to raise the paid-up share capital to the statutory minimum of Rs. 5 lacs. Pursuant to the Composite Scheme of Arrangement including Amalgamation, the Company has allotted 472,448,308 new equity shares of Rs. 10/- each fully paid up as per the exchange ratio and simultaneous reorganisation of capital as stated therein.

The Company has not raised money through any other issue.

Shareholding of non-executive directors

Mr. Samir Mehta holds 6,125 shares of the Company. None of the other non-executive directors hold any shares of the Company.

Management Discussion & Analysis Report

The Management Discussion & Analysis of operating results and financial condition based on financial statements for the period forms part of the Annual Report.

Dividend Payment through Electronic Clearing Services (ECS)

The Company intends to provide ECS facility to the members whereby they will be able to receive their dividend by direct electronic credit to their bank account.

8. Means of Communication

The Company will generally publish the financial results in Business Standard (English) and Jansatta (Gujarati) newspapers. They will also be put on Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatics Centre (NIC). The Company's website www.torrentpower.com also displays the official news release in addition to the financial results.

9. Compliance with non-mandatory requirements**Maintenance of non-executive Chairman's office**

A proposal for payment of the remuneration to Mr. Sudhir Mehta, Chairman of the Company is placed for the approval of the shareholders.

Hence, this requirement is not applicable to the Company.

Tenure of independent directors

The Company does not have any directors with tenure of more than nine years in aggregate. The Company shall take a decision at an appropriate time.

Remuneration Committee

This is a non-mandatory requirement of Clause 49 of the Listing Agreement. All decisions on appointment and remuneration of the Chairman and the directors in whole-time employment are taken by the Board of Directors and approved by the shareholders in general meeting. Hence, the Board has not constituted a Remuneration Committee.

Shareholder Rights

The Company intends to publish the financial results in widely circulated newspapers, place the same on Company's website in addition to uploading the same on EDIFAR website. Similarly, the major events shall also be placed on Company's website. Hence, distribution of half-yearly financial performance including summary of the significant events to each shareholders will not be warranted.

Audit Qualifications

The Company does not have any qualifications in the auditors' report. It shall be the endeavour of the Company to have unqualified financial statements.

Training of Board members

The Board shall consider the matter at an appropriate time on training of its Board members in the business model of the Company, risk profile of the business parameters of the Company, their responsibilities as directors and the best way to discharge the same.

Mechanism for evaluating non-executive Board members

The Board will take the decision at an appropriate time.

Whistle Blower Policy

The protection to the employees reporting any misconduct is a part of Company's Code of Business Conduct and is considered to be a satisfactory arrangement at present.

10. General Shareholder Information

2nd Annual General Meeting

Date	Friday, 15th December 2006
Time	10.00 a.m.
Venue	Sheth Mangaldas Girdhardas Memorial Hall (Town Hall), Ellis Bridge, AHMEDABAD 380 006

Financial Calendar (tentative) for Financial Year 2006-07 (6 months period):

Financial Year	1st October – 31st March
First Quarter results	Fourth week of January, 2007
Audited Accounts for 6 months	Fourth week of June, 2007
Annual General Meeting for the year 2006-07	End September, 2007

The Board of Directors in their meeting held on 29th September 2006, has decided to close the books of accounts of the Company on 31st March 2007 (accounting period of 6 months).

Date of Book Closure (for Dividend Payment)

5th December, 2006 to 14th December, 2006 (both days inclusive).

Dividend Payment Date

The proposed dividend, if approved at the AGM, will be distributed on or around 20th December, 2006.

Listing on Stock Exchanges and security codes

Stock Exchange	Security Code
Bombay Stock Exchange Ltd, Mumbai P.J. Towers, Dalal Street, Fort, Mumbai 400001	Approval of listing is awaited
National Stock Exchange of India Limited Exchange Plaza, 5th floor, Plot No.C/1 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	Approval of listing is awaited

Annual Listing fees for the year 2006-07 have been duly paid to both the Stock Exchanges.

Market Price Data

The Shares of the Company were not listed as on 30th September 2006.

Distribution of Shareholding as on 30th September, 2006

By Size of Shareholding:

No. of Shares	No. of Shareholders	% Shareholders	No. of Shares	% of Shareholding
01 to 500	16,144	42.86	3,320,119	0.70
501 to 1000	11,220	29.79	6,911,050	1.46
1001 to 2000	4,570	12.13	6,241,502	1.32
2001 to 3000	1,928	5.12	4,828,773	1.02
3001 to 4000	889	2.36	3,085,139	0.65
4001 to 5000	686	1.82	3,090,926	0.66
5001 & above	2,231	5.92	444,970,799	94.19
Total	37,668	100.00	472,448,308	100.00

By Category of Shareholders:

Sr. No.	Category	No. of Shares held 30th September, 2006	% of Shareholding
1	Promoters	258,266,507	54.67
2	Mutual Funds	12,996,626	2.75
3	Nationalised Banks	477,789	0.10
4	Life Insurance Corporation of India	48,363,556	10.24
5	GIC and Subsidiaries	38,368,135	8.12
6	Governor of Gujarat with Gujarat State Invest. Ltd.	53,928,671	11.41
7	FIs	1,956,476	0.41
8	Others	58,090,548	12.30
	GRAND TOTAL	472,448,308	100.00

Dematerialisation of Shares

The Company has entered into an agreement with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby the shareholders have the option to dematerialise their shares with the depositories. Demat ISIN Numbers in NSDL and CDSL for equity shares is INE 813H01021.

Share Transfer System

The Shareholders'/ Investors' Grievance Committee comprising of Mr. Pankaj Patel, Mr. Samir Mehta and Mr. Markand Bhatt, is authorised to approve transfer/transmission of shares, issue of duplicate share certificate and certificates after split/consolidation/renewal etc. in the physical segment. Further, the members of the Shareholders'/Investors' Grievances Committee are severally authorized to approve transfer and transmission upto 10,000 shares under one transfer deed/document. Moreover, Mr. Sudhir Shah and Mr. Ashok Modi, Senior Executives of the Company and Mr. Jagdish Mehta, the Company Secretary are also severally authorized to approve transfer/transmission of shares upto 5,000 shares under one transfer deed/document.

As per the SEBI requirement the appointment of M/s Sharepro Services (India) Private Limited, Mumbai as its Registrar & Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company was made up to 30th September, 2008. Shareholders/Investors are requested to forward all documents, transfers, demat requests and other communication with respect to the shares in electronic and physical form to them.

Shareholders holding shares in Demat mode should address all their correspondence to their respective Depository Participants.

Outstanding GDRs/ADRs/Warrants/any other convertible instruments

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments, as on date.

Registered Office

Torrent House, Off Ashram Road, Ahmedabad-380 009

Plant Locations

- 1) Power House, Sabarmati, Ahmedabad-380 005
- 2) Vatva Gas Power Station, Phase IV, Vatva, Ahmedabad-382 445
- 3) SUGEN CCPP, Village Akhakhol, Taluka Kamrej, Surat-394 115

Address for Investor Correspondence

Company Secretary

Torrent Power Limited

Electricity House, Lal Darwaja

Ahmedabad-380 001

Telephone : 079-2550 2881

Fax : 079-2550 6386

e-mail : companysecretary@torrentpower.com

Website : www.torrentpower.com

Registrar & Share Transfer Agents

M/s Sharepro Services (India) Private Limited
Unit – Torrent Power Limited
Satam Estate, 3rd floor, Above Bank of Baroda
Cardinal Gracious Road, Chakala, Andheri (East)
MUMBAI – 400 099
Telephone : 022-2821 5168, 2821 5991
 022-2832 9828, 2834 7719
Fax : 022-2837 5646
e-mail : sharepro@vsnl.com

For & on behalf of the Board

Sudhir Mehta
Chairman

Ahmedabad,
7th November, 2006

ANNEXURE I TO CORPORATE GOVERNANCE REPORT

To
The Shareholders,

I, Sudhir Mehta, Executive Chairman, declare that the Board of Directors has received affirmations on compliance with the Code of Business Conduct from the date of the approval of the Code to 30th September 2006, from all the members of the Board and employees at a level of General Manager and above.

Ahmedabad,
Date: 7th November 2006

Sudhir Mehta
Executive Chairman

AUDITORS' CERTIFICATE

ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

To the Members of
TORRENT POWER LIMITED

We have examined the compliance of conditions of corporate governance by TORRENT POWER LIMITED for the period ended on 30th September, 2006 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of an 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 above mentioned Listing Agreement.

We further 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 **C.C. CHOKSHI & CO.**
Chartered Accountants

Gaurav J. Shah
Partner

Membership No. 35701

Ahmedabad
7th November, 2006