

Price Waterhouse & Co. LLP

Chartered Accountants

Private and Confidential

11 June 2014

Torrent Power Limited
Off Ashram Road,
Ahmedabad - 380 009

Torrent Cables Limited
Pelican 6th Floor, GCCI Compound, Ashram Road,
Ahmedabad - 380 009

Kind Attention: Mr. T. P. Vijayasathy

Kind Attention: Mr. Raghu Parakh

Torrent Energy Limited
Off Ashram Road,
Ahmedabad - 380 009

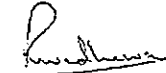
Kind Attention: Mr. T. P. Vijayasathy

Dear Sirs,

We refer to our engagement letter dated 28 November 2013, for recommending share exchange ratio ('Exchange Ratio') for the proposed merger of Torrent Cables Limited ('TCL') and Torrent Energy Limited ('TEL') with Torrent Power Limited ('TPL').

We are pleased to attach our summary workings for the Exchange Ratio for submission to Stock Exchanges/ Regional Director, MCA and regulatory authorities as per the terms of our engagement letter.

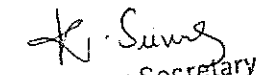
For Price Waterhouse & Co. LLP
Chartered Accountants
ICAI FRN 016844N

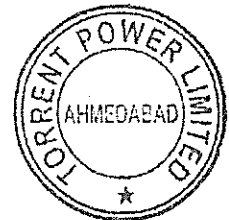


Rajan Wadhawan
Partner
Membership No: 090172

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For, Torrent Power Limited


Company Secretary



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Price Waterhouse & Co. LLP (ILPN: AAF-2731) is registered as a Limited Liability Partnership Price Waterhouse & Co (ICAI FRN 016844N) has converted from Partnership Firm into a Limited Liability Partnership effective April 24, 2014

*The Firm is also in the process of applying to ICAI for registration as LLP after said conversion

Exchange Ratio Report dated 12 May 2014 by Price Waterhouse & Co. LLP

Summary workings of Price Waterhouse & Co. LLP

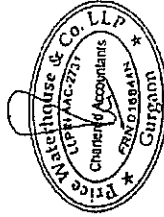
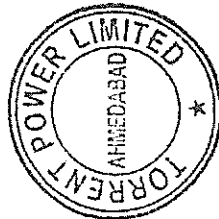
Company	Value Per Share	Reference
Torrent Power Limited ('TPL')	171.9	Annexure I
Torrent Cables Limited ('TCL')	162.7	Annexure II
Ratio (rounded off)	0.95	

Exchange ratio	Nineteen (19) fully paid equity shares of face value INR 10/- each in Torrent Power Limited, for every Twenty (20) fully paid shares of face value INR 10/- each in Torrent Cables Limited.
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For, Torrent Power Limited

K. Singh
Company Secretary



Summary workings of Price Waterhouse & Co. LLP (contd.)

Annexure I: Torrent Power Limited

Particulars	INR per share	Weights	Product	Reference
Discounted Cashflow Approach	209.0	40.0%	83.6	Refer Annexure I.A
Net Asset Value Approach	173.2	10.0%	17.3	Refer Annexure I.B
Market Approach				
Market Price Approach *	95.1	20.0%	19.0	
Comparable Companies Multiple Approach				
- Price to book value multiple	183.9	15.0%	27.6	Refer Annexure I.C
- Enterprise value to EBITDA multiple	162.9	15.0%	24.4	Refer Annexure I.D
Value per share (INR)		100.0%	171.9	

* 60 trading days volume weighted average price as at 8 May 2014

Annexure I.A: Discounted Cashflow ('DCF') Approach

Particulars	Amount
Net present value of horizon period cashflows	10,559.7
Terminal value	1,907.2
Enterprise value	12,466.9
Add: Adjustments to Enterprise value #	(2,594.4)
Equity value	9,872.5
Number of equity shares of INR 10 each	472,448,308
Value per equity share of INR 10 (INR)	209.0

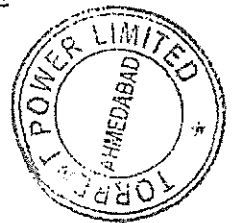
Primarily for value of investments in subsidiaries, surplus cash, mutual funds, accrued true up adjustment claims for TPL-Distribution and debt & debt like items (stand-alone), etc.



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For, Torrent Power Limited

K. Sising
Company Secretary



Annexure I.B: Net Asset Value ('NAV') Approach

(INR in crores)

Particulars	Amount
Consolidated balances as on 31 March 2014: ##	
Equity share capital	472.4
Reserves and surplus	5,760.5
Shareholders' funds	6,232.9
Add: Adjustments #	1,948.5
Net Equity value	8,181.4
Number of equity shares of INR 10 each	472,448,308
Value per equity share of INR 10 (INR)	173.2

primarily for accrued true up adjustment claims for TPL-Distribution, contingent liabilities and goodwill

March 2014 provisional unaudited numbers

Annexure I.C: Comparable Companies Multiple ('CCM') Approach - Price to book value multiple

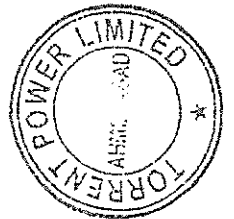
(INR in crores)

Particulars	Amount
Consolidated net worth as on 31 March 2014 ##	6,232.9
Price/ Book value multiple	1.1
Equity value	6,731.6
Add: Adjustments to Equity value #	1,958.5
Equity value	8,690.1
Number of equity shares of INR 10 each	472,448,308
Value per equity share of INR 10 (INR)	183.9

primarily for accrued true up adjustment claims for TPL-Distribution and contingent

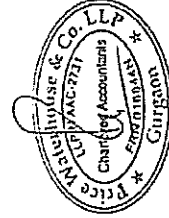
March 2014 provisional unaudited numbers

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For, Torrent Power Limited

K. Swain
Company Secretary

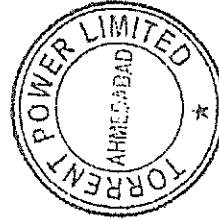


Annexure I.D: Comparable Companies Multiple ('CCM') Approach - Enterprise value to EBITDA multiple
(INR in crores)

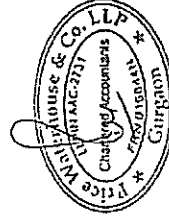
Particulars	Amount
Consolidated EBITDA for FY15 (estimated)	2,275.2
Enterprise value to EBITDA multiple	4.4
Enterprise value	10,033.4
Add: Adjustments to Enterprise value #	(2,338.7)
Equity value	7,694.8
Number of equity shares of INR 10 each	472,448,308
Value per equity share of INR 10 (INR)	162.9

Primarily for cash and bank, mutual funds, capital work in progress, accrued true up adjustment claims for TPL-Distribution, debt and debt like items (consolidated), etc.

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For, Torrent Power Limited
K. Singh
 Company Secretary



Annexure II.B: Net Asset Value ('NAV') Approach

Particulars	Amount
Equity share capital ##	8.6
Reserves and surplus ##	161.3
Shareholders' funds	169.9
Add: Adjustments #	59.9
Net Equity value	229.8
Number of equity shares of INR 10 each	8,598,395
Value per equity share of INR 10 (INR)	267.3

primarily for surplus assets, contingent liabilities, etc.

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Annexure II.C: Comparable Companies Multiple ('CCM') Approach - Price to book value multiple

Particulars	Amount
Net worth ##	169.7
Price/ Book value multiple	0.4
Equity value	61.1
Add: Adjustments to Equity value #	60.1
Equity value	121.2
Number of equity shares of INR 10 each	8,598,395
Value per equity share of INR 10 (INR)	141.0

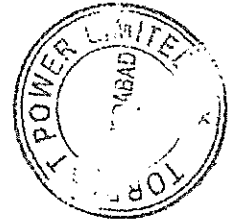
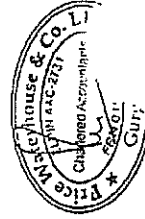
primarily for surplus assets, contingent liabilities, etc.

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For, Torrent Power Limited

A. S. Sanyal
Company Secretary

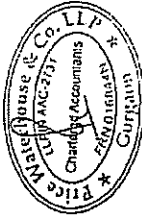


Annexure II.D: Comparable Companies Multiple ('CCM') Approach - Enterprise value to EBITDA multiple

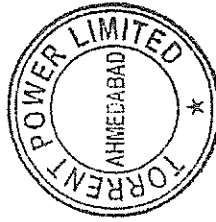
(INR in crores)

Particulars	Amount
EBITDA for FY15 (estimated)	13.9
Enterprise value to EBITDA multiple	3.0
Enterprise value	41.4
Add: Adjustments to Enterprise value #	74.6
Equity value	116.1
Number of equity shares of INR 10 each	8,598,395
Value per equity share of INR 10 (INR)	135.0

primarily for surplus assets, debt and debt like items, contingent liabilities, etc.



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For, Torrent Power Limited

K. Srinivas

Company Secretary