

# 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 consolidated financial results of Torrent Power Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group") and its associate company [(refer Note 1 on the Statement)] 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 Consolidated Financial Results for the quarter and nine months ended December 31, 2020 (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been digitally signed 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.
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 Renewables Private Limited
  - g) TCL Cables Private Limited
  - h) Torrent Solar Power Private Limited
  - i) Wind Two Renergy Private Limited

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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

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 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, 2020, 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

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Pradip Kanakia  
Partner  
Membership Number: 039985  
UDIN: 21039985AAAAAE5286

Place: Bengaluru  
Date: February 9, 2021



# 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, 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
<b>Income</b>						
Revenue from operations (Refer note 2)	2,952.75	3,128.73	3,079.00	9,088.53	10,657.13	13,640.63
Other income	37.36	37.37	36.48	109.40	140.25	177.59
<b>Total income</b>	<b>2,990.11</b>	<b>3,166.10</b>	<b>3,115.48</b>	<b>9,197.93</b>	<b>10,797.38</b>	<b>13,818.22</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	26.17	23.66	65.00	80.22	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	(1.55)	7.55	(11.03)	2.52	(3.99)	1.45
Employee benefits expense	133.90	146.08	136.15	433.04	407.51	532.05
Finance costs	189.69	201.98	234.93	611.99	732.12	954.55
Depreciation and amortisation expense	319.27	316.52	326.77	951.71	969.26	1,304.27
Other expenses	177.58	373.50	255.06	804.08	892.57	1,286.83
<b>Total expenses</b>	<b>2,591.43</b>	<b>2,936.11</b>	<b>2,800.32</b>	<b>8,101.44</b>	<b>9,629.48</b>	<b>12,343.38</b>
<b>Profit before exceptional items and tax</b>	<b>398.68</b>	<b>229.99</b>	<b>315.16</b>	<b>1,096.49</b>	<b>1,167.90</b>	<b>1,474.84</b>
Exceptional items (Refer note 3)	-	-	-	-	-	1,000.00
<b>Profit before tax</b>	<b>398.68</b>	<b>229.99</b>	<b>315.16</b>	<b>1,096.49</b>	<b>1,167.90</b>	<b>474.84</b>
Tax expense						
- Current tax	75.14	44.96	67.38	207.97	235.65	309.26
- Deferred tax	1.81	(17.14)	(172.84)	(9.25)	(520.57)	(1,013.30)
<b>Total tax expenses</b>	<b>76.95</b>	<b>27.82</b>	<b>(105.46)</b>	<b>198.72</b>	<b>(284.92)</b>	<b>(704.04)</b>
<b>Profit for the period</b>	<b>321.73</b>	<b>202.17</b>	<b>420.62</b>	<b>897.77</b>	<b>1,452.82</b>	<b>1,178.88</b>
<b>Profit for the period attributable to :</b>						
Owners of the company	320.50	200.84	419.39	894.00	1,449.07	1,174.15
Non-controlling interests	1.23	1.33	1.23	3.77	3.75	4.73
<b>Other comprehensive income :</b>						
Items that will not be reclassified to profit or loss	(3.09)	2.39	(6.62)	(9.27)	(19.69)	(44.60)
Tax relating to other comprehensive income	(1.07)	0.83	(2.32)	(3.23)	(6.89)	(15.58)
<b>Other comprehensive income (net of tax)</b>	<b>(2.02)</b>	<b>1.56</b>	<b>(4.30)</b>	<b>(6.04)</b>	<b>(12.80)</b>	<b>(29.02)</b>
<b>Total comprehensive income</b>	<b>319.71</b>	<b>203.73</b>	<b>416.32</b>	<b>891.73</b>	<b>1,440.02</b>	<b>1,149.86</b>
<b>Total comprehensive income attributable to :</b>						
Owners of the company	318.48	202.40	415.09	887.96	1,436.27	1,145.13
Non-controlling interests	1.23	1.33	1.23	3.77	3.75	4.73
<b>Paid up equity share capital (F.V. ₹ 10/- per share)</b>	<b>480.62</b>	<b>480.62</b>	<b>480.62</b>	<b>480.62</b>	<b>480.62</b>	<b>480.62</b>
<b>Reserves excluding revaluation reserves as per balance sheet of previous accounting year</b>						<b>8,672.92</b>
<b>Earnings per share (EPS)</b>						
Earnings per share (of ₹ 10/- each) (not annualised)						
(a) Basic (₹)	6.67	4.18	8.73	18.60	30.15	24.43
(b) Diluted (₹)	6.67	4.18	8.73	18.60	30.15	24.43

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## Notes:

- 1 The consolidated financial results include the financial results of Torrent Power Limited (the "Company") and seven subsidiaries: Torrent Power Grid Limited, Torrent Pipavav Generation Limited, Torrent Solargen Limited, Jodhpur Wind Farms Private Limited, Latur Renewables Private Limited, TCL Cables Private Limited and Torrent Solar Power Private Limited (w.e.f. July 28, 2020) (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 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.
- 3 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.

#### 4 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 Group 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 Group has considered the possible impact of COVID-19 pandemic in preparation of these consolidated 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 Group.

- 5 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.

- 6 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 for land is dependent on the ability of GoG to find a suitable buyer for the land.
- 7 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.
- 8 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.
- 9 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-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 and B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch;

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(ii) Assets not given as security to Non-Convertible Debenture holders of Series no. 6

- immovable and movable assets of Renewable Projects;
- debt service reserve accounts maintained for the benefit of lenders of term loans;
- investments / deposits made out of Non-Convertible Debenture Reserve;
- leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch;
- non-agricultural plot of land at village Kamatghar, Taluka Bhiwandi, District Thane bearing survey no.119, Hissa no. 2/3 along with building thereon;
- immovable property located at no. 2, Dharam Marg, Chanakya Puri, New Delhi admeasuring 1112.4 sq. yds.

- The Indian Parliament has approved the Code on Social Security, 2020 ("Code") which may likely impact the obligations of the Group 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.
- Figures for the previous periods have been regrouped / recast, wherever necessary, to make them comparable with the figures for the current periods.
- 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.
- 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
	31.12.2020	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
Revenue from operations	2,866.88	3,011.82	3,048.34	8,782.10	10,511.35	13,442.04
Profit before tax	423.48	222.86	341.42	1,107.91	1,177.15	545.90
Profit after tax	345.78	196.20	440.46	910.09	1,460.32	1,238.14
Total comprehensive income	343.86	197.77	436.16	904.35	1,447.41	1,209.14

Note : The standalone financial results of the Company for the above mentioned periods are available in the investors section in [www.torrentpower.com](http://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

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Jinal Mehta

Managing Director

Place : Ahmedabad  
Date : February 09, 2021