# Price Waterhouse Chartered Accountants LLP

The Board of Directors
Torrent Power Limited
"Samanvay", 600, Tapovan,
Ambawadi,
Ahmedabad - 380 015.

1. We have reviewed the unaudited financial results of Torrent Power Limited (the "Company") for the quarter ended June 30, 2019 which are included in the accompanying Statement of Standalone financial results for the quarter ended June 30, 2019 (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. This Statement, which is the responsibility of the Company's Management and approved by the 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.

2. We conducted our review in accordance with the Standard on Review Engagement (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.

3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the 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, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to note 2 to the Statement which states that no provision for impairment was required for the quarter ended June 30, 2019 in respect of the Company's DGEN Mega Power Project ('DGEN') which has a carrying value of Rs. 4,295 crore as on that date, based on an impairment assessment carried out by the Company in accordance with Indian Accounting Standards 36 "Impairment of Assets". The assessment of 'value in use' of DGEN involved several key assumptions described in the said note; and changes, if any in such key assumptions in future may impact the 'value in use' of DGEN.

   Our conclusion is not modified in respect of this matter.

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

Pradip Kanakia
Partner
Membership Number: 039985

Place: Ahmedabad
Date: August 5, 2019
UDIN: 19039985AAAAAU8852

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# 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 STAND-ALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

(₹ in Crore except per share data)

| Particulars | For the quarter ended | | | For the year ended |
|---|---|---|---|---|
| | 30.06.2019 | 31.03.2019 | 30.06.2018 | 31.03.2019 |
| | Un-audited | Refer note 4 | Un-audited | Audited |
| **Income** | | | | |
| Revenue from operations | 3,686.48 | 2,893.21 | 3,485.13 | 12,977.52 |
| Other income | 68.04 | 56.17 | 66.15 | 261.55 |
| **Total income** | **3,754.52** | **2,949.38** | **3,551.28** | **13,239.07** |
| | | | | |
| **Expenses** | | | | |
| Electrical energy purchased | 1,177.96 | 819.84 | 1,234.56 | 4,116.50 |
| Fuel cost | 1,254.65 | 897.16 | 1,071.05 | 4,019.46 |
| Cost of materials consumed | 74.09 | 51.81 | 72.07 | 259.86 |
| Purchase of stock-in-trade | 24.43 | 54.90 | 79.31 | 229.46 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 0.37 | 14.01 | (23.52) | (19.58) |
| Employee benefits expense | 123.54 | 153.96 | 111.07 | 484.21 |
| Finance costs | 233.26 | 214.45 | 227.49 | 892.15 |
| Depreciation and amortisation expense and impairment loss | 304.70 | 297.10 | 285.91 | 1,163.05 |
| Other expenses | 244.62 | 220.17 | 211.81 | 845.60 |
| **Total expenses** | **3,437.62** | **2,723.40** | **3,269.75** | **11,990.71** |
| | | | | |
| **Profit before tax** | **316.90** | **225.98** | **281.53** | **1,248.36** |
| Tax expense | | | | |
| - Current Tax | 69.28 | 41.04 | 62.76 | 269.26 |
| - Deferred tax | (28.53) | 158.18 | (2.27) | 89.86 |
| **Profit for the period** | **276.15** | **26.76** | **221.04** | **889.24** |
| | | | | |
| **Other comprehensive income :** | | | | |
| Items that will not be reclassified to profit or loss | (4.42) | (10.40) | 2.01 | (9.55) |
| Tax relating to other comprehensive income | (1.54) | (3.64) | 0.70 | (3.34) |
| **Other comprehensive income (net of tax)** | **(2.88)** | **(6.76)** | **1.31** | **(6.21)** |
| | | | | |
| **Total comprehensive income** | **273.27** | **20.00** | **222.35** | **883.03** |
| Paid up equity share capital (F.V. ₹ 10/- per share) | 480.62 | 480.62 | 480.62 | 480.62 |
| Reserves excluding revaluation reserves as per balance sheet of previous accounting year | | | | 8,456.18 |
| Paid up Debt capital (NCD) | | | | 1,095.00 |
| Earnings per share (before and after extraordinary items) (of ₹ 10/- each) (not annualised) | | | | |
| (a) Basic (₹) | 5.75 | 0.56 | 4.60 | 18.50 |
| (b) Diluted (₹) | 5.75 | 0.56 | 4.60 | 18.50 |

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## Notes:

1 Effective 1st April, 2019, the Company has adopted Ind AS 116, "Leases". Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value.

The Company has used the 'modified retrospective approach' for transition from the previous standard - Ind AS 17, and consequently, comparatives for previous periods have not been retrospectively adjusted. On transition, the Company has recorded the lease liability at the present value of future lease payments discounted using the incremental borrowing rate and has also chosen the practical expedient provided in the standard to measure the right-of-use assets at the same value as the lease liability.

The adoption of the new standard resulted in recognition of right-of-use assets and an equivalent lease liability as on 1st April, 2019. The effect of Ind AS 116 on the profit for the period and earning per share is not material.

2 Property, Plant & Equipment ("PPE") as at 30th June, 2019 includes carrying amount of ₹ 4,295 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started commercial operations from November 2014 ("COD") but did not operate after COD, except for intermittent periods, including the current quarter. During the periods of non-operation, DGEN is maintained in cold standby mode for immediate start-up, as and when required.

The Company had carried out an impairment assessment as at 31st March, 2019 by considering 'value-in-use' of DGEN in accordance with Indian Accounting Standard 36 ("Ind AS 36") and concluded that no provision for impairment was required. The Company has reviewed the key assumptions underlying the above conclusion as on 30th June 2019 and has concluded that no impairment provision is considered necessary as at 30th June 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 the future may impact on the 'value-in-use' of DGEN.

3 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 (GPCL) is intended to be dissolved. The cost of land would be reimbursed to TPGL 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 ₹ 105.62 Crore is dependent on the ability of the Government to find a suitable buyer for the land.

4 Figures for the quarter ended 31st March, 2019 are the balancing figures between audited figures for the full financial year ended 31st March, 2019 and the published year to date figures upto the third quarter of the said financial year.

5 The chief operating decision maker evaluates the Company's performance and allocates the resources to whole of the Company business viz. "Generation, Transmission and Distribution of Power" as an integrated utility. Further, the Company's cable business is not a reportable segment in terms of revenue, profit, assets and liabilities. Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

6 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, availed by the Company.

7 The figures for the previous periods have been regrouped / recast, wherever necessary, to make them comparable with the figures for the current period.

8 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 5th August, 2019.

For, **TORRENT POWER LIMITED**

Jinal Mehta
Managing Director

Place : Ahmedabad
Date : 5th August, 2019

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