

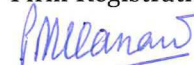
Price Waterhouse Chartered Accountants LLP

Review Report

To
The Board of Directors
Torrent Power Limited
"Samanvay", 600, Tapovan,
Ambawadi,
Ahmedabad - 380015

1. We have reviewed the unaudited standalone financial results of Torrent Power Limited (the "Company") for the quarter ended December 31, 2019 and the year to date results for the period April 1, 2019 to December 31, 2019 which are included in the accompanying Statement of Standalone financial results for the quarter and nine months ended December 31, 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, as amended (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 3 to the Statement which states that no provision for impairment was required for the quarter and nine months ended December 31, 2019 in respect of the Company's DGEN Mega Power Project ("DGEN") which has a carrying value of Rs. 4,151 crore as on that date, based on an impairment assessment/ review carried out by the Company in accordance with the 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


Pradip Kanakia
Partner

Membership Number: 039985
UDIN: 20039985 AAAABN2385

Place: Ahmedabad
Date: February 12, 2020

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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)

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 AND NINE MONTHS ENDED 31ST DECEMBER, 2019

Particulars	₹ in Crore except per share data					
	For the quarter ended			For the nine months ended		For the year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
Income						
Revenue from operations (Refer note 5)	3,048.34	3,776.53	3,217.84	10,511.35	10,084.31	12,977.52
Other income	57.19	63.05	71.77	188.28	205.38	261.55
Total income	3,105.53	3,839.58	3,289.61	10,699.63	10,289.69	13,239.07
Expenses						
Electrical energy purchased	835.87	915.41	1,080.46	2,929.24	3,296.66	4,116.50
Fuel cost	957.57	1,234.39	988.73	3,446.61	3,122.30	4,019.46
Cost of materials consumed	65.00	63.38	60.38	202.47	208.05	259.86
Purchase of stock-in-trade	-	29.26	85.35	53.69	174.56	229.46
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(11.03)	6.67	(10.15)	(3.99)	(33.59)	(19.58)
Employee benefits expense	135.62	146.14	110.31	405.30	330.25	484.21
Finance costs	220.47	229.84	227.14	683.57	677.70	892.15
Depreciation and amortisation expense	308.24	306.05	291.53	918.99	865.95	1,163.05
Other expenses (Refer note 2)	252.37	389.61	199.53	886.60	625.43	845.60
Total expenses	2,764.11	3,320.75	3,033.28	9,522.48	9,267.31	11,990.71
Profit before tax	341.42	518.83	256.33	1,177.15	1,022.38	1,248.36
Tax expense						
- Current Tax	66.53	97.18	59.37	232.99	228.22	269.26
- Deferred tax (Refer note 4)	(165.57)	(322.06)	(42.40)	(516.16)	(68.32)	89.86
Total tax expenses	(99.04)	(224.88)	16.97	(283.17)	159.90	359.12
Profit for the period	440.46	743.71	239.36	1,460.32	862.48	889.24
Other comprehensive income :						
Items that will not be reclassified to profit or loss	(6.61)	(8.81)	0.36	(19.84)	0.85	(9.55)
Tax relating to other comprehensive income	(2.31)	(3.08)	0.13	(6.93)	0.30	(3.34)
Other comprehensive income (net of tax)	(4.30)	(5.73)	0.23	(12.91)	0.55	(6.21)
Total comprehensive income	436.16	737.98	239.59	1,447.41	863.03	883.03
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						8,456.18
Paid up Debt capital (NCD)				1,365.00	1,095.00	1,095.00
Earnings per share (of ₹ 10/- each) (not annualised)						
(a) Basic (₹)	9.16	15.47	4.98	30.38	17.95	18.50
(b) Diluted (₹)	9.16	15.47	4.98	30.38	17.95	18.50



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 During the previous quarter, the Company has made a provision of ₹ 161.40 Crore in respect of certain onerous contracts towards potential damages and other project related costs, arising from expected delays in setting up certain wind power generation capacities ("Project"), awarded to the Company in a prior period under a competitive bidding process. The Company has filed an application with the long-term buyer of electricity from the Project to grant extension of the scheduled commissioning date of the Project and is awaiting the buyer's response thereon.
- 3 Property, Plant & Equipment ("PPE") as at 31st December, 2019 includes carrying amount of ₹ 4,151 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 year to date period. 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 31st December, 2019 and has concluded that no impairment provision is considered necessary as at 31st December, 2019.

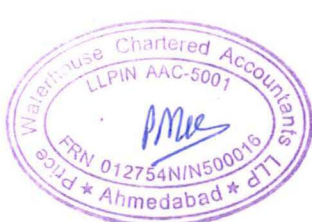
The assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and current electricity market scenario, which the management considered reasonable based on past trends and the current 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 future may have a material adverse impact on the value-in-use.

- 4 Taxation Laws (Amendment) Act, 2019, inter alia, reduced the effective rate of MAT from 21.55% to 17.47%. The net deferred tax credit in the current quarter and year to date includes the impact of this change amounting to ₹ 104.79 Crore and ₹ 385.39 Crore respectively, due to the Company's ability to utilize accumulated MAT credit in future years, not previously recognized.
- 5 The revenue for the previous quarter and year to date includes ₹ 165.07 Crore on account of a favourable order received from the Appellate Tribunal for Electricity in respect of disputed Revenue Gap of earlier years.
- 6 The Board at its meeting dated 5th November, 2019, has approved the Scheme of Arrangement ("Scheme") for transfer and vesting of Cable Business Undertaking of the Company to TCL Cables Pvt. Ltd., a wholly owned subsidiary (w.e.f. 5th November, 2019) of the Company, on a going concern basis by way of slump sale with effect from the appointed date of 1st April 2020 for a lump sum consideration of ₹ 214.50 Crore (to be adjusted for change in working capital), under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company has filed application with the BSE Limited and National Stock Exchange of India Limited for their approval. The Scheme is subject to requisite regulatory and other approvals, pending which no adjustments are required to be made in the financial results for the quarter and nine months ended 31st December, 2019.

The key financial data as per books pertaining to the Cables Business Undertaking (including inter unit transactions) for the relevant periods presented in the Statement of results are as follows:

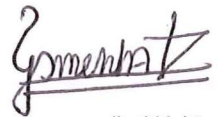
(₹ in Crore)			
Particulars	Quarter ended 31st December, 2019	Nine months ended 31st December, 2019	Previous year ended 31st March, 2019
Revenue from operations	97.55	328.73	358.02
Profit before tax	7.34	17.26	1.58
Total assets			277.93
Total liabilities			40.94

- 7 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 ₹ 106.41 Crore is dependent on the ability of the Government to find a suitable buyer for the land.



- 8 The Board of Directors has approved interim dividend of ₹ 11.60 per equity share (including ₹ 5.00 per equity share as a special dividend) of ₹ 10/- each fully paid up for the financial year 2019-20 in its meeting held on 12th February, 2020. The aggregate amount of interim dividend (including special dividend) to be distributed is ₹ 672.11 Crore including ₹ 114.60 Crore as tax on dividend distributed.
- 9 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".
- 10 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.
- 11 The figures for the previous periods have been regrouped / recast, wherever necessary, to make them comparable with the figures for the current period.
- 12 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 12th February, 2020.

For, TORRENT POWER LIMITED



Jinal Mehta
Managing Director

Place : Ahmedabad
Date : 12th February, 2020

